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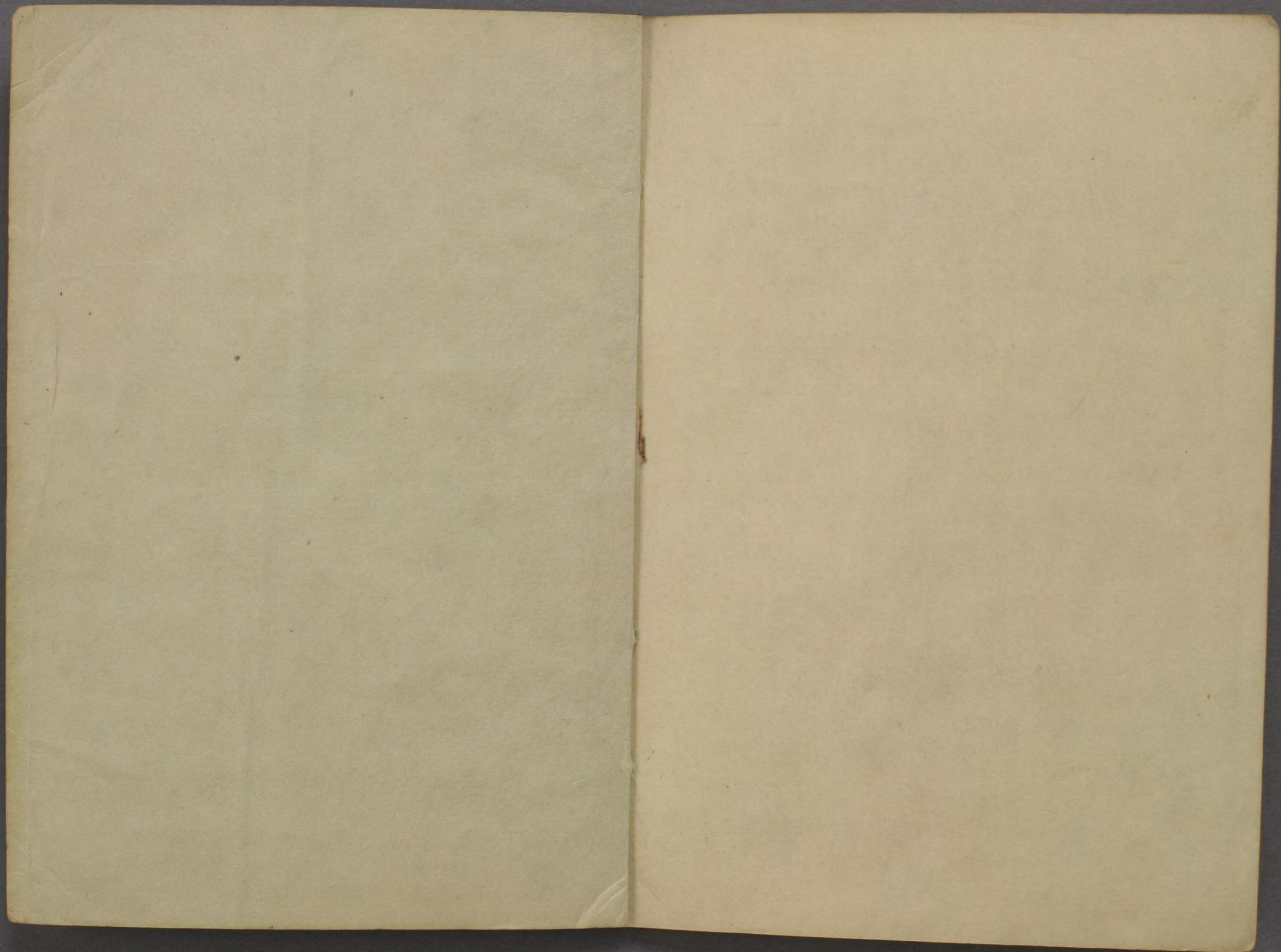


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THE COMPENDIUM
 OF
 POLITICAL ECONOMY:
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**THE COMPENDIUM
OF
POLITICAL ECONOMY;**

FROM THE LESSON BOOK.

On Value
On Value (continued)
On Wages
Rich and Poor
On Capital
On Taxes
On Taxes (continued)
On Taxation
Letting
Letting and
Division of Labor

EDITED
BY
WATANABE & CO.

AT NUMADS.

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82-1535



THE
POLITICAL

FROM THE LESSON BOOK.

EDITED

BY

WATANABE S. COH

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POLITICAL ECONOMY.



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POLITICAL ECONOMY.

LESSON I.

ON VALUE.

Gold and silver are the most convenient metals to use as money, because they take up but little room in proportion to their value. Hence they are called the precious metals.

But why should gold and silver be of so much more value than iron? For they are not nearly so useful. We should be very ill off without knives, and scissors, and spades, and hatchets; and these could not be made so well from any thing as from iron; and silver and gold would make very bad tools indeed.

To understand this, you must remember that it is not the most useful things that are of the most value. Nothing is more useful than air and water, without which we could not live. Yet these are, in most places, of no value, in the proper sense of the word; that is, no one will give anything in exchange for them, because he

can have them without.

In some places, indeed, water is scarce; and then people are glad to buy it. You may read in Scripture of many quarrels that arose about wells of water; because in some of the eastern countries water is so scarce that a well is a very important possession. But water is not more *useful* in those places where people are glad to buy it, than it is here, where, by the bounty of Providence, it is plentiful. It is the *scarcity* that gives it value; and where iron is scarce it is of great value.

Some islands which our ships have visited produce no iron; and the people there are glad to get a few nails in exchange for a hog. But, in most countries, iron, which is the most useful of all metals, is also, through the goodness of Providence, the most plentiful. But still it is of some value; because it must be dug from the mines, and smelted in furnaces, and wrought into tools before we can make use of it. If knives and nails were produced by nature ready made, and could be picked up every where like pebbles, they would be of no value, because every one might get them for nothing. But they would be just as useful as they are now.

Scarcity alone, however, would not make a thing valuable if there were no reason why any one should *desire* to possess it. There are some kinds of stones which are scarce, but of no value, because they have neither use nor beauty. You would not give anything in exchange for such a stone; not because you can not easily get it, but because you have no wish for it.

But a stone which is scarce and very *beautiful*, may be of great value, though it is of no *use* but to make an ornament for the person. Such are diamonds, and rubies, and many others. Many people will work hard to earn money enough to buy, not only food and necessary clothing, but also lace, and jewels, and other articles of finery.

And they desire these things the more, because, besides being beautiful to the eye, they are reckoned a sign of wealth in the person who wears them. A bunch of wild flowers will often be a prettier ornament than a fine ribbon, or a jewel; but a woman likes better to wear these last, to show that she can afford the cost of them; whereas the wild flowers may be had for picking.

There is no harm in people's desiring to be well dressed according to their station in life; but it is a pity that so many should be fond of expensive finery above their station, which often brings them to poverty. And often they spend money on ornaments, which would be better laid out in buying good useful clothes and furniture, and in keeping them clean. A mixture of finery with rags and dirt is a most disgusting sight.

You understand now, I hope, that whatever is of value must not only be *desirable* for its use or beauty, or some pleasure it affords, but also *scarce*; that is, so *limited* in supply that it is not to be had for nothing. And of all things which are desirable, those are the *most* valuable which are the most limited in supply; that is, the hardest to be got.

This is the reason why silver and gold are of more value than iron. If they had been of no use or beauty at all, no one would ever have desired them; but being desirable, they are of greater value than iron, because they are so much scarcer and harder to be got. They are found in but few places, and in small quantities.

Gold, in particular, is obtained chiefly in the form of dust, by laborious washing of the sand of certain streams. It costs only as much in labour and other expenses to obtain fifteen pounds of silver, as to obtain one pound of gold; and this is the cause that one pound of gold will exchange for about fifteen pounds of silver.

But besides being desirable and being scarce, there is one point more required for a thing to have value; or, in other words, to be such, that something else may be had in exchange for it. It must be something that you can *part with* to another person. For instance, *health* is very desirable, and is what every one cannot obtain; and hence, we sometimes do speak of health as being of value; but this is not the strict use of the word value; for no one can give his health to another in exchange for something else. Many a rich man would be glad to give a thousand pounds, or perhaps ten thousand pounds, in exchange for the healthy constitution and strong limbs of a poor labourer; and, perhaps, the labourer would be glad to make such a bargain; but though he might cut off his

limbs, he could not make them another man's; he may throw away his health, as many do, by intemperance; but he cannot *transfer* it—that is, part with it to another person.

LESSON II.

ON VALUE—(continued).

On these elementary points such questions as the following may be usefully put to themselves by those to whom the subject is new:—

1. Why is air not an article of value?—Because, though it be very useful, it is to be had for nothing.

2. Why is some scarce kind of stone, that is of no use or beauty, not an article of value?—Because, though it be not a thing that every one can get, no one *desires* to get it.

3. Why is a healthy constitution not an article of value?—Because, though it be very desirable, and is not what every one can get, it is not *transferable*; that is, cannot be

transferred or parted with by one person to another.

4. Why is a spade an article of value?—Because it is, 1st, desirable, as being of use; 2ndly, limited in supply—that is, it is not what every one can have for nothing; and 3rdly, transferable—that is, one person can part with it to another.

5. Why is a silver spoon of more value than a spade?—Because, though it be not more useful, it is more limited in supply, or harder to be got, on account of the difficulty of working the mines of silver.

When anything that is desirable is to be had by labour, and is not to be had without labour, of course we find men labouring to obtain it; and things that are of very great value will usually be found to have cost very great labour. This has led some persons to suppose that it is the labour which has been bestowed on anything that *gives* it value; but this is quite a mistake. It is not the labour which anything has cost that causes it to sell for a higher price; but, on the contrary, it is its selling for a higher price that causes men to labour in procuring it. For instance,

fishermen go out to sea, and toil hard in the wet and cold to catch fish, because they can get a good price for them; but if a fisherman should work hard all night and catch but one small fish, while another had, perhaps, caught a thousand, by falling in with a shoal, the first would not be able to sell his one fish for the same price as the other man's thousand, though it would have cost him the same labour. It has now and then happened that a salmon has leaped into a boat by chance; but though this has cost no labour, it is not for that reason the less valuable. And if a man, in eating an oyster, should chance to meet with a fine pearl, it would not sell for less than if he had been diving for it all day,

It is not, therefore, labour that makes things valuable, but their being valuable that makes them worth labouring for. And God, having judged in His wisdom that it is not good for man to be idle, has so appointed things by His providence, that few of the things that are most desirable can be obtained without labour. It is ordained for man to eat bread in the sweat of his face; and almost all the necessaries, comforts, and luxuries of

life, are obtained by labour.

LESSON III.

ON WAGES.

SOME labourers are paid higher than others. A carpenter earns more than a ploughman, and a watchmaker more than either; and yet this is not from the one working harder than the other.

And it is the same with the labour of the mind as with that of the body. A banker's clerk, who has to work hard at keeping accounts, is not paid so high as a lawyer or a physician.

You see from this that the rate of wages does not depend on the hardness of the labour, but on the *value* of the work done.

But on what does the value of the work depend?

The value of each kind of work is like the value of anything else; it is greater or less, according to the *limitation of its supply*—that is, the *difficulty* of procuring it.

If there were no more expense, time, and trouble, in procuring a pound of gold than a pound of copper, then gold would be of no more value than copper.

But why should the supply of watchmakers and surgeons be more limited than of carpenters and ploughmen? That is, why is it more difficult to make a man a watchmaker than a ploughman?

The chief reason is, that the education required costs a great deal more. A long time must be spent in learning the business of a watchmaker or a surgeon before a man can acquire enough skill to practise; so that unless you have enough to support you all this time, and also to pay your master for teaching you the art, you cannot become a watchmaker or a surgeon, and no father would go to the expense of breeding up a son a surgeon or watchmaker, even though he could well afford it, if he did not expect him to earn more than a carpenter, whose education costs much less.

But sometimes a father is disappointed in his expectation. If the son should turn out stupid or idle, he would not acquire skill enough to maintain himself by his business;

and then the expense of his education would be lost: for it is not the expensive education of a surgeon that causes him to be paid more for setting a man's leg, than a carpenter is for mending the leg of a table; but the expensive education causes fewer people to become surgeons. It causes the supply of surgeons to be more *limited*—that is, confined to a few; and it is this limitation that is the cause of their being better paid.

So that you see the value of each kind of labour is higher or lower, like that of all other things, according as the supply is limited.

Natural genius will often have the same effect as the expensiveness of education, in causing one man to be better paid than another. For instance, one who has a natural genius for painting may become a very fine painter, though his education may not have cost more than that of an ordinary painter; and he will then earn, perhaps, ten times as much, without working any harder at his pictures than the other. But the cause why a man of natural genius is higher paid for his work than another is still the same. Men of

genius are *scarce*; and their work, therefore, is of the more value, from being more limited in supply.

Some kinds of labour, again, are higher paid, from the supply of them being limited by other causes, and not by the cost of learning them, or the natural genius they require.

Any occupation that is unhealthy, or dangerous, or disagreeable, is paid the higher on that account; because people would not otherwise engage in it. There is this kind of limitation in the supply of house-painters, miners, gunpowder makers, and several others.

Some people fancy that it is unjust that one man should not earn as much as another who works no harder than himself. And there certainly would be a hardship, if one man could *force* another to work for him at whatever wages he chose to give. This is the case with those slaves, who are forced to work, and are only supplied by their masters with food and other necessaries, like horses. So, also, it would be a hardship if I were to force any one to sell me anything, whether his labour, or his cloth, or cattle, or corn, at any price I might choose to fix. But there is

no hardship in leaving all buyers and sellers free—the one to ask whatever price he may think fit; the other to offer what he thinks the article worth. A labourer is a seller of labour—his employer is a buyer of labour; and both ought to be left free.

If a man choose to ask ever so high a price for his potatoes, or his cows, he is free to do so; but then it would be very hard that he should be allowed to force others to buy them at that price, whether they would or no. In the same manner, an ordinary labourer may *ask* as high wages as he likes; but it would be very hard to *oblige* others to employ him at that rate, whether they would or not. And so the labourer himself would think, if the same rule were applied to him; that is, if a tailor, and a carpenter, and a shoemaker, could oblige him to employ them, whether he wanted their articles or not, at whatever price they chose to fix.

In former times, laws used to be often made to fix the wages of labour. It was forbidden, under a penalty, that higher or lower wages should be asked or offered, for each kind of labour, than what the law fixed.

But laws of this kind were found never to do any good; for when the rate fixed by law for farm-labourers, for instance, happened to be higher than it was worth a farmer's while to give for ordinary labourers, he turned off all his workmen, except a few of the best hands, and employed these on the best land only; so that less corn was raised, and many persons were out of work, who would have been glad to have had it at a lower rate, rather than earning nothing. Then, again, when the fixed rate was lower than it would answer to a farmer to give to the best workmen, some farmers would naturally try to get these into their service, by paying them privately at a higher rate. And this they could easily do, so as to escape the law, by agreeing to supply them with corn at a reduced price, or in some such way; and then the other farmers were driven to do the same thing, that they might not lose all their best workmen; so that laws of this kind come to nothing.

The best way is to leave all labourers and employers, as well as other sellers and buyers, free to ask and to offer what they think fit; and to make their own bargain together, if

they can agree, or to break it off, if they cannot.

But labourers often suffer great hardships, from which they might save themselves by looking forward beyond the present day. They are apt to complain of others, when they ought rather to blame their own imprudence. If, when a man is earning good wages, he spends all as fast as he gets it in thoughtless intemperance, instead of laying by something against hard times, he may afterwards have to suffer great want when he is out of work, or when wages are lower: but then he must not blame others for this, but his own improvidence. So thought the bees in the following fable.

"A grasshopper, half starved with cold and hunger at the approach of winter, came to a well-stored beehive, and humbly begged the bees to relieve his wants with a few drops of honey. One of the bees asked him how he had spent his time all the summer, and why he had not laid up a store of food like them? 'Truly,' said he, 'I spent my time very merrily, in drinking, dancing, and singing, and never once thought of winter.'

'Our plan is very different,' said the bee; 'we work hard in the summer, to lay by a store of food against the season when we foresee we shall want it; but those who do nothing but drink, and dance, and sing, in the summer, must expect to starve in the winter.'

LESSON IV.

RICH AND POOR.

BESIDES those who work for their living, some at a higher rate and some at a lower, there are others who do not live by their labour at all, but are rich enough to subsist on what they or their fathers have laid up. There are many of these rich men, indeed, who do hold laborious offices, as magistrates and members of parliament. But this is at their own choice. They do not labour for their subsistence, but live on their property.

There can be but few of such persons, compared with those who are obliged to work for their living. But though there can be no country where all, or the greater part, are

rich enough to live without labour, there are several countries where all are poor; and in those countries where all are forced to live by their labour, the people are much worse off than most of the labourers are in this country. In savage nations almost every one is half starved at times, and generally half naked. But in any country in which property is secure, and the people industrious, the wealth of that country will increase; and those who are the most industrious and frugal will gain more than such as are idle and extravagant, and will lay by something for their children, who will thus be born to a good property.

Young people who make good use of their time, are quick at learning, and grow up industrious and steady, may, perhaps, be able to earn more than enough for their support, and so have the satisfaction of leaving some property to their children; and if they, again, should, instead of spending this property, increase it by honest diligence, prudence, and frugality, they may, in time, raise themselves to wealth. Several of the richest families in the country have risen in this manner from

a low station. It is, of course, not to be expected that *many* poor men should become rich, nor ought any man to set his heart on being so; but it is an allowable and a cheering thought, that no one is shut out from the hope of bettering his condition, and providing for his children.

And would you not think it hard that a man should not be allowed to lay by his savings for his children? But this is the case in some countries, where property is so ill secured that a man is liable to have all his savings forced from him, or seized upon at his death; and there all the people are miserably poor, because no one thinks it worth his while to attempt saving anything.

There are some countries which were formerly very productive and populous, but which now, under the tyrannical government of the Turks, or other such people, have become almost deserts. In former times Barbary produced silk, but now most of the mulberry trees (on whose leaves the silk-worms are fed) are decayed; and no one thinks of planting fresh trees, because he has no security that he shall be allowed to enjoy the produce.

Can it be supposed that the poor would be better off if all the property of the rich were taken away and divided among them, and no one allowed to become rich for the future? The poor would then be much worse off than they are now; they would still have to work for their living as they do now, for food and clothes cannot be had without *somebody's* labour. But they would not work near so profitably as they do now, because no one would be able to keep up a large manufactory or farm well stocked, and to advance wages to workmen, as is done now, for work which does not bring in any return for, perhaps, a year or two. Every man would live, as the saying is, "from hand to mouth," just tilling his own little patch of ground, enough to keep him alive, and not daring to lay by anything, because if he were supposed to be rich, he would be in danger of having his property taken away and divided.

And if a bad crop, or a sickly family, brought any one into distress, which would soon be the case with many, what would he do after he had spent his little property? He would be willing to work for hire, but no one

could afford to employ him, except in something that would bring in a very speedy return; for even those few who might have saved a little money would be afraid to have it known, for fear of being forced to part with it. They would hide it somewhere in a hole in the ground, which used formerly to be a common practice in this country, and still is in some others, where property is very scarce. Under such a state of things the whole country would become poorer and poorer every year: for each man would labour no more than just enough for his immediate supply, and would also employ his labour less profitably than now, for want of a proper division of labour; and no one would attempt to lay by anything, because he would not be sure of being allowed to keep it. In consequence of all this, the whole produce of the land and the labour of the country would become much less than it is now; and we should soon be reduced to the same general wretchedness and distress which prevail in many half-savage countries. The rich, indeed, would have become poor; but the poor, instead of improving their condition, would be much worse off than before.

All would soon be as miserably poor as the most destitute beggars are now: indeed, so far worse, that *there would be nobody to beg of.*

It is best for all parties, the rich, the poor, the middling, that property should be secure, and that every one should be allowed to possess what is his own, to gain whatever he can by honest means, and keep it or spend it as he thinks fit,—provided he does no one any injury. Some rich men, indeed, make a much better use of their fortunes than others: but one who is ever so selfish in his disposition can hardly help spending it on his neighbours. If a man has an income of £5,000 a year, some people might think, at first sight, that if his estate were divided among one hundred poor families, which would give each of them £50 a year, there would thus be, by such a division, one hundred poor families the more enabled to subsist in the country. But this is quite a mistake. Such would, indeed, be the case, if the rich man had been used to eat as much food as one hundred poor families, and to wear out as much clothes as all of them. But we know this is not the case.

He pays away his income to servants, and labourers, and tradesmen, and manufacturers of different articles, who lay out the money in food and clothing for their families: so that in reality the same sort of division of it is made as if it had been taken away from him. He may, perhaps, if he be a selfish man, care nothing for the maintaining of all these families, but still he does maintain them; for if he should choose to spend £1,000 a-year in fine pictures, the painters who are employed in those pictures are as well maintained as if he had made them a present of the money, and left them to sit idle. The only difference is, that they feel they are honestly earning their living, instead of subsisting on charity; but the total quantity of food and clothing in the country is neither the greater nor the less in the one case than in the other. But if a rich man, instead of spending all his income, saves a great part of it, this saving will almost always be the means of maintaining a still greater number of industrious people: for a man who saves, hardly ever, in these days, at least, hoards up gold and silver in a box, but lends it

out on good security, that he may receive interest upon it. Suppose, instead of spending £1,000 a year on paintings, he saves that sum every year. Then this money is generally borrowed by farmers, or manufacturers, or merchants, who can make a profit by it in the way of their business, over and above the interest they pay for the use of it. And in order to do this, they lay it out in employing labourers to till the ground, or to manufacture cloth and other articles, or to import foreign goods: by which means the corn, and cloth, and other commodities of the country, are increased.

The rich man, therefore, though he appears to have so much larger a share allotted to him, does not really consume it, but is only the channel through which it flows to others. And it is by this means much better distributed than it could have been otherwise.

The mistake of which I have been speaking, of supposing that the rich cause the poor to be the worse off, was exposed long ago in the fable of the stomach and the limbs:—

“Once on a time,” says the fable, “all the other members of the body began to murmur

against the stomach, for employing the labours of all the rest, and consuming all they had helped to provide, without doing anything in return. So they all agreed to strike work, and refused to wait upon this idle stomach any longer. The feet refused to carry it about; the hands resolved to put no food into the mouth for it; the nose refused to smell for it, and the eyes to look out in its service; and the ears declared they would not even listen to the dinner-bell; and so of all the rest. But after the stomach had been left empty for some time, all the members began to suffer. The legs and arms grew feeble; the eyes became dim, and all the body languid and exhausted.

“‘Oh, foolish members,’ said the stomach, ‘you now perceive that what you used to supply me, was in reality supplied to yourselves. I did not consume for myself the food that was put into me, but digested it, and prepared it for being changed into blood, which was sent through various channels as a supply for each of you. If you are occupied in feeding me, it is by me in turn, that the blood-vessels which nourish you are fed.’”

You see then, that a rich man, even though he may care for no one but himself, can hardly avoid benefiting his neighbours. But this is no merit of his, if he himself has no desire or wish to benefit them. On the other hand, a rich man who seeks for deserving objects to relieve and assist, and is as the apostle expresses it, “ready to give, and glad to distribute, is laying up in store for himself a good foundation for the time to come, that he may lay hold on eternal life.” It is plain from this, and from many other such injunctions of the apostles, that they did not intend to destroy the security of property among Christians, which leads to the distinction between the rich and the poor; for their exhortations to the rich to be kind and charitable to the poor, would have been absurd if they had not allowed that any of their people should be rich; and there could be no such thing as charity in giving anything to the poor, if it were not left to each man’s free choice to give or spend what is his own. Indeed, nothing can be called your own which you are not left free to dispose of as you will. The very nature of charity implies that

it must be voluntary: for no one can be properly said to *give* anything that he has no power to withhold. The Apostle Paul, indeed, goes yet further, when he desires each man "to *give* according as he is disposed in his heart, and not grudgingly," because "God loveth the cheerful giver."

When men are thus left to their own inclinations to make use of their money, each as he is disposed in his heart, we must expect to find that some will choose to spend it merely on their own selfish enjoyments. Such men, although, as you have seen, they do contribute to maintain many industrious families without intending it, yet are themselves not the less selfish and odious. But still we are not the less forbidden to rob, or defraud, or annoy them. Scripture forbids us to "covet our neighbour's goods," not because he does not make a right use of them, but because they are *his*.

When you see a rich man who is proud and selfish, perhaps you are tempted to think how much better a use you would make of wealth if you were as rich as he. I hope you would; but the best *proof* that you can

give that you would behave well if you were in another's place, is by behaving well in your own. God has appointed to each his own trials, and his own duties; and He will judge you, not according to what you think you would have done in some different station, but according to what you *have* done, in that station in which He has placed you.

LESSON V.

ON CAPITAL.

WE have seen that a rich man who spends on himself his income of £1,000 or £10,000 a-year, does not diminish the wealth of the whole country by so much, but only by what he actually eats and wears, or otherwise consumes, himself. The rest he hands over to those who work for him or wait on him; paying them either in food or clothes, or, what comes to the same thing, in money to buy what they want. And if he were to *give* to the same persons what he now pays, leaving them to continue idle, there would not be

the more food or clothes in the country; only, these people would sit still, or lounge about and do nothing, instead of earning their bread.

But they are the happier and the better for being employed instead of being idle, even though their labour should be only in planting flowers, or building a palace to please their employer's fancy.

Most of the money that is spent, however, is laid out in employing labourers on some work that is *profitable*; that is, in doing something which brings back more than is spent on it, and thus goes to increase the whole wealth of the country. Thus, if, instead of employing labourers to cultivate a flower-garden or build me a summer-house for my pleasure, I employed them in raising corn, or building a mill to grind it, the price of that corn, or the price paid for grinding by those who bring corn to the mill, will be more (if I have conducted the business prudently) than what I had spent on those works. So that instead of having parted with my money for ever, as when it is spent on a pleasure-garden or summer-house, it comes back to me with addition. This addition

is called profit; and the money so laid out is called capital.

A man who lays out his money in this manner may do the same over again, as soon as it comes back to him; so that he may go on supporting labourers year after year. And if he saves each year a part of his profit, and adds it to his capital, as a thriving farmer or manufacturer generally does, he will be continually employing more and more labourers, and increasing the wealth of the country. He himself, indeed, is, perhaps, not thinking of his country, but is only seeking to enrich himself: but this is the best and surest way he could take for enriching his country; for, every man in the nation who adds to his own wealth, without lessening the wealth of others, must, it is plain, be adding just so much to the wealth of the nation. Sometimes, indeed, one man gains by another's loss; and then, of course, nothing is added to the wealth of the country. If a man gets rich by gambling, or begging, or robbery, others lose at least as much as he gains; but if he gets rich by his skill in farming, or manufactures, or mining, all that he gains

is so much added to the wealth of the whole country, since it is not lost by any one else.

Many persons dispose of their property in this way, though they are not themselves engaged in business, but lend their money to others, who are. Suppose you were a labouring man, and had £100 left you as a legacy; or had saved up that sum from your earnings: you might not know how to trade with the money to advantage; and if you keep it in a strong box, for the use of your children, you would not be the better for it all your life; and at the end of twenty or thirty years, your children would find just the same sum that you first put in. Or if you took out £5 every year to spend, at the end of twenty years it would be all gone. But you might lend it to some person engaged in business, who would give you security for the repayment of the principal, as it is called, that is, the sum borrowed, and would pay you £4 or £5 every year for the use of it; which is called interest. This he would be glad to do, if he knew that he could employ this £100 in buying materials, and paying workmen, to weave cloth, for instance, or make

tables and chairs, which would bring in, by the end of the year, £110; for out of this increase of £10, after paying you £5 for the use of your money, he would have gained £5 for himself.

In this way great part of the capital that is engaged in trades and manufactures, is employed by persons who are not themselves the owners of it.

The more capital there is in a country, the better for the labourers; for the poorer the master is, the fewer labourers he can afford to employ, and the less sure he can be of being able to pay them.

Suppose you were a poor man, in a newly-settled country, and asked your neighbour to help you to dig a piece of fertile ground, promising him a share of the produce for his pains; he might say—"I have nothing to live on in the meantime; if you want me to dig for you, you must pay me daily wages." But if you have nothing beforehand, except bare necessaries for yourself—that is, if you have no capital—you cannot pay him till harvest. Your land, therefore, will remain half-tilled; and he will be forced to go into the woods to

seek for wild berries, or to hunt and fish, to provide himself food. Indeed, *all* would be forced to *begin* in this manner, if you suppose a number of men left to themselves, even on the most fertile land, without any property to set out with—that is, without capital. They would have great difficulties to struggle against for a long time; but when they had advanced some way in acquiring wealth, they would find it easier to obtain more.

For, as it is, you may observe that wealth is always obtained by means of wealth—that is, it is gained by the help of capital; without which, labour can hardly be carried on. Corn is raised by labour; but a previous stock of corn is needed, both to sow the ground, and to maintain the labourer till the harvest is ripe. The tools with which he works are made with tools. The handle of the axe with which he cuts wood is made of wood; the iron of it was dug from the mine with iron instruments: and it is the same with almost every kind of labour. You may judge, therefore, how difficult and slow men's first advances must have been, when they had to work with their bare hands, or with stakes

and sharp stones for their tools.

Accordingly, in countries that are ill provided with capital, though the inhabitants are few in number, and all of them are forced to labour for the necessaries of life, they are worse fed, clothed, and lodged than even the poorest are in a richer country, though that be much more thickly peopled, and though many of the inhabitants of it are not obliged to labour with their hands at all.

The money, food, and other things which a farmer spends on the labourers and on the horses which cultivate his land, or a clothier on his weavers, is called *circulating* capital; because he parts with it, from time to time, and it returns to him as in a circle, in the shape of corn or cloth. The farmer's barns, ploughs, carts, and horses, and the clothier's looms and warehouses, are called *fixed* capital; because they bring in a profit, not by being parted with, but by being kept as long as they are fit for use.

Any new kind of tool or machine, by enabling a few men to do the work of many, is likely, when first introduced, to throw several men out of employment; but, in the end, it

almost always finds employment for many more. Thus, for instance, when the art of printing was first introduced, many who used to gain their living by copying, were thrown out of employment, because a very few printers could produce as many copies of a book as several hundred writers. But, in a short time, books, being thus rendered so much cheaper, many more were enabled to buy them; and many hundred times as many printers were employed as there were copyists before. And the same thing takes place in almost every kind of machinery.

There is one way of employing capital, which people are apt to murmur at, as if it did them an injury, though there is none that does more important service to the public. A man who deals in corn or other provisions, is, of course, watchful to buy them up when they are cheap, and to keep them till they are dearer, that he may sell them at a profit. Now, an unthinking person is apt to complain of corn-dealers when bread is dear, as if they were the cause of scarcity; but, in truth, it is they that preserve us from being absolutely starved whenever

there happens to be a scanty harvest. Not that a corn-dealer is thinking of benefiting the public; he is only thinking of gaining for himself a profit on his capital, like any other tradesman; but the way he takes to secure this profit, which is by buying up corn when it is cheap, and selling it when dear, is exactly the way in which the plentiful crop of one year may supply the defect of another, so that there may be not first waste and then famine, and in which a short supply may be made to hold out.

When the captain of a ship finds his provisions run short, so that there is not, suppose, above three weeks' provisions on board, and his voyage is likely to last four, he puts the crew on short allowance; and thus, by each man's submitting to eat only three-fourths of his usual quantity, the provisions hold out. But if the crew should mutiny when they felt hungry, and insist on having their full allowance, then, by the end of the three weeks, all would be consumed, and they would perish with hunger. Now it is plain that the same would be the case with the whole nation, if, when the harvest fell short, all were to go on

at the ordinary rate of consumption.

Suppose such a failure in the crops that all the corn in the country was only enough for three-quarters of a year, according to the common rate of consumption, it is plain that if all men went on eating the usual quantity, there would be nothing left for the last three months, and the most dreadful famine would prevail.

How is this to be prevented, as there is no captain to put people on short allowance; and it is not to be expected that all should agree, each to stint himself for the public good? If corn remained at the usual price, all would continue to eat the usual quantity till there was none left. But the prospect of a scarcity causes farmers, and millers, and others, who have capital, to keep what corn they have by them, in expectation of a higher price, and to buy up what they can, at home and from abroad; and, as they refuse to sell it except at an advanced price in proportion to the scarcity, the dearness of food forces people to be more saving. In this way the store of provisions is husbanded in the whole country, just as on board a ship, and is made

to last till the next harvest; and thus by suffering a certain degree of hardship, the people are saved from perishing by famine.

It is curious to observe, how, through the wise and beneficent arrangement of Providence, men thus do the greatest service to the public when they are thinking of nothing but their own gain. And this happens not only in the case of corn-dealers, but generally. When men are left quite free to employ their capital as each thinks best for his own advantage, he will almost always benefit the public, though he may have no such design or thought.

LESSON VI.

ON TAXES.

WE read in Scripture (Nehemiah iv. 17), that when the Jews returned from the captivity, and began to rebuild the walls of their city, they were so beset by enemies that they were forced to be constantly armed and on their guard; and, for fear of a sudden attack, each man worked with one hand only, and

the other hand held a weapon ready. In this way it would take at least two men to do the work of one. But the danger they were in obliged them to put up with this inconvenience.

Many countries in the East are at this day nearly in the same condition. They are so infested by robbers, chiefly Arabs, always roaming about in search of plunder, that no man can hope to escape being robbed unless he is well armed and on his guard. Travellers tell us, that when a husbandman goes to sow his fields, he takes with him a companion with a sword or spear, to protect him from being robbed of his seed-corn. This must make the cultivation of the ground very costly, because the work which might be done by one man requires two; one to labour, and the other to fight: and both must have a share of the crop which would otherwise belong to one. And after all, the protection of property must be very imperfect, for you may suppose the robbers will often come in such force as to overpower the defenders, and plunder the industrious of all the fruits of their labours. Accordingly, in those countries, there is very

little land cultivated. Most of it lies waste; the inhabitants are few—not one-twentieth of what the land could maintain; and these are miserably poor. And all this is owing to the insecurity of property.

And the same is the case in all countries where the people are savages or nearly savages. Most of the time, and labour, and care of a savage, is taken up in providing for his defence. He is occupied in providing arms for his protection, against those whom he is able to fight; or in seeking hiding-places from those who are too strong for him. In the islands of New Zealand, several families are obliged to join together, and build their little cabins on the top of a steep rock, which they fence round with a trench and sharp stakes to protect them against their neighbours of the next village; and after all, they are often taken by surprise, or overpowered. In such countries as that there are a hundred times as many people killed every year, in proportion to their numbers, as in any part of Europe. It is true that there is not so much property lost, because there is very little to lose; for people must be always exceedingly poor in such

countries. In the first place, above half their time and labour is taken up in providing for their safety; and in the next place, this is so imperfectly done after all, that they can never be secure of the fruits of their industry.

The remedy of this miserable state of things is to be found in settled government. The office of a government is to afford protection; that is, to secure the persons and property of the people from violence and fraud. For this purpose it provides ships of war, and bodies of soldiers, to guard against foreign enemies, and against pirates, bands of robbers, or rebels; and also provides watchmen, constables, and other officers, to apprehend criminals; judges and courts of justice for trials; and prisons for confining offenders; and, in short, everything that is necessary for the peace and security of the people.

The expenses of the army and navy, and of everything that government provides, are paid by the people; and it is but fair that we should pay for all these things, since they are for our benefit. We pay taxes and government duties for these purposes. Taxes

are the price people pay for being governed and protected. They correspond to the hire which the husbandman, in eastern countries, must pay to his companion who carries the spear or sword to guard him from robbers.

Some people do not understand this, or do not recollect it. Many are apt to think taxes quite a different kind of expense from all others; and either do not know, or else forget, that they receive anything in *exchange* for the taxes. But, in reality, this payment is as much an exchange as any other. You pay money to the baker and butcher for feeding you, and to the tailor for clothing you; and you pay the king and parliament for protecting you from being plundered, murdered, or cheated. Were it not for this, you could be employed scarcely half your time in providing food and clothing, and the other half would be taken up in guarding against being robbed of them; or in working for some other man whom you would hire to keep watch and to fight for you. This would cost you much more than you pay in taxes; and yet you may see, by the example of savage nations, how very imperfect that protection would be.

Even the very worst government that ever was, is both much better and much cheaper than no government at all. Some of the Roman Emperors were most detestable tyrants, who plundered and murdered great numbers of innocent men: yet even under their reigns there were not so many of their subjects (in proportion to their numbers) plundered or murdered, in ten years, as there are among the New Zealanders, and other savage tribes, in one year.

LESSON VII.

ON TAXES—(continued).

You understand, now, that taxes are the hire or price paid to government in exchange for protection; just as any other payment is made in exchange for anything we want.

There is, however, one important difference: that other payments are left to each man's choice, but every one is *obliged* to pay the taxes. If I do not choose to buy shoes of a shoemaker, but to make shoes for myself at

home, or to go without them, I am at liberty to do so: and the same with other such payments. But it is not so with the payments to government. If any one should say, "I choose to protect my own person and property myself, without any assistance from soldiers, or sailors, or constables, or judges, and therefore I will not pay taxes;" the answer would be: "Then go and live by yourself in the wilds of America, or in some such country; or join some tribe of wild Indians and live as they do: but, while you live with *us*, in a country which has a government, you cannot, even if you wish it, avoid partaking of the protection of government. The fleets and armies which keep off the foreign enemies from plundering the country, are a defence to you, as well as to us; you are protected, as well as we, by the laws and officers of justice, from the thieves and murderers, who would otherwise be let loose on society. Since, therefore, the government must, whether it will or no, afford you a share of its protection, it is fair that you should be obliged, whether you will or no, to pay your share of its expenses. But if you are so foolish as not to like this

bargain, you must leave the country, and go and live somewhere else in the wilderness."

It is quite fair, then, that as long as a man lives in any country, he should be obliged to submit to the government, and to pay the taxes: and how much each shall pay is determined by the government. There is one great difference between this exchange and all others; when you hire a man to work for you, you make your own bargain with him; and if you and he cannot agree as to the rate of payment, you will employ some one else instead. But the government of any country, whether it be a King, or a President, or a Senate, or Parliament, or, in short, whatever kind of government it is, must always have *power* to make all the people submit; since, otherwise, it could not perform the office of protecting them. It is not left to each person's choice, therefore, how much he shall pay for his protection, but government fixes the taxes, and enforces the payment of them.

Many governments have made a bad use of this power, and have forced their subjects to pay much more than the reasonable expenses of protecting and governing the country.

In some countries, and in this among others, the people are secured against this kind of ill-usage by choosing their own governors; that is, the Members of Parliament, without whom no laws can be made, or taxes laid or.

It is very right to require that the public money should not be wastefully spent, and that we should not be called on to pay more than is necessary. But many persons are not so thankful as they ought to be for the benefit which they enjoy, in living under the protection of a government, because they do not know, or do not consider, the wretched condition of those who are without any regular government. Of all the commodities we pay for, there is none so cheap, compared with what it would cost us to provide ourselves with it, as the protection which is afforded us by government. If we all made clothes and shoes for ourselves, instead of buying them of the tailor and shoemaker, our clothes and shoes would, indeed, be much worse than they are, and would cost us much more. But we should be far worse off still, if each of us had to provide by himself for the defence of his own person and property. Such protection

as he would be thus able to obtain, would cost a great deal and be worth very little.

LESSON VIII.

ON TAXES—(continued).

MUCH the greatest part, however, of the taxes that are paid goes to the expenses, not of the present year, but of past years; that is, to pay the interest on the National Debt. During our long and costly wars, much more was spent in each year than could be raised by taxes. Government, therefore, borrowed money of rich merchants and others, engaging to pay interest on this till it should be repaid, which most of it has not been, and perhaps never will be. The lenders, therefore, received in exchange for their money, annuities; that is, a right to receive so much a year out of the taxes raised by government; and these annuities, which we call government securities, or property in the funds, may be sold by one person to another, or divided among several others, just like any other property.

When a poor man has saved up a little money, he generally puts it into the funds, as it is called, or deposits it in a savings' bank, which does this for him; he is then one of the government creditors, and receives his share of the taxes. You see, therefore, that if the National Debt were abolished by law, without payment, many, even of the labouring classes, would lose their all; and the nation would not be relieved of the burden; since it would be only robbing one set of our countrymen for the benefit of another set.

We may be sorry that so much money was formerly spent on gunpowder, which was fired off, and on soldiers' coats, and ships, which were worn out, but nothing we can now do can recall this, any more than last year's snow. The expense is over and past, and the taxes raised to pay the interest of the money borrowed, are not so much lost to the country, but only so much shifted from one to another. All of us contribute to pay this in taxes: and all government creditors, that is, all who have money in the funds, or in the savings' banks, receive a share of it as a just debt. Thus the taxes find their

way back into many a poor man's cottage who never suspects it.

I have said that far the greater part of the taxes are raised for this purpose; that is, for paying the interest of the National Debt. The following calculation will make this clear to you; every twenty shillings paid in taxes, are disposed of in about these proportions:—

Expense of the Army, Navy, &c. 7 2

King, Judges, Ministers of State, and other public officers
Pensions and Sinecure Places,
i. e., those that have no duties
belonging to them

Civil List 0 10

Interest of the National Debt 12 0

LESSON IX.

LETTING and HIRING.

When one man parts *entirely* with anything that belongs to him, to another person, and receives payment for it, this transaction is called, as you know, *selling* and *buying*. When he parts with it *for a time* only, that is, *lends it*, to another, and receives payment for this, the transaction is commonly called *letting* and *hiring*.

But there are various words used to express this kind of dealing. When any one allows me, for a certain price, the use of his coach, ship, or horse, this price is called *hire*. And so also if he lets me *himself*, that is, his labour, to wait on me or work for me, I am said to hire him; and the payment he receives is sometimes called *hire*, though more commonly, *wages*. But if, instead of a carriage or a horse, he lets me a house, or garden, the price I pay him is called *rent*. And if he allows me the use of his money, the price I pay for the loan of it is called *interest*.

Now, though these different words are thus employed, you are not to suppose that they signify so many different kinds of transactions. If you consider attentively what is meant by the words Rent, Hire, and Interest, you will perceive that they all in reality signify the same sort of payment. It is only the fashion of the language to employ these different words according to the different kinds of articles that are lent.

The Israelites were forbidden, in the law of Moses, to lend to their brethren on usury, that is, interest. As they were not designed to be a trading people, but to live chiefly on the produce of their own land, they were not likely to have any considerable money transactions together, and would seldom have occasion to borrow, except when one of them happened to fall into distress; and then his brother Israelites were expected to assist him freely, out of brotherly kindness and friendship; as is becoming in members of the same family. For they were all descended from twelve brothers, the sons of Jacob, who was also called Israel, and from whom they took their name; and they were commanded to

consider each other as brethren.

But they were allowed by God's law to receive interest on the loan of money, or of anything else lent to a stranger, that is, any one besides the Israelites. And this shows that there can be nothing wrong in receiving interest, or any other kind of hire; for the law expressly charges them not to oppress or wrong the strangers, but to treat them not only justly, but kindly and charitably.

I have said that there is no real difference between paying for the loan of money, and for the loan of anything else. For suppose I have £100 lying by me, you will easily see that it comes to the same thing, whether I buy a house or a piece of land with the money, and let it to my neighbour at so much a-year, or whether I lend him the money to buy the house or the land for himself, on condition of his paying me so much a-year for the use of my money. But in the one case his yearly payment will be called rent, and in the other case it gets the name of interest.

LESSON X.

LETTING *and* HIRING—(continued).

Every man ought to be at liberty to sell, let, or use in any way he likes best, his house, or land, or anything that is his property. There are some countries in the world, indeed, inhabited by half-savage tribes, such as the Tartars, where land is not private property, but is all one great common on which every man turns out his cattle to feed. These people, of course, lead a wandering life, dwelling in tents, and removing from place to place, in search of fresh pasture; and the land, as you may suppose, is never cultivated, as no one would think of sowing seed, when another might reap the harvest.

There are other countries, again, where any man may keep possession of a piece of ground which he has ploughed and sown, till he has gathered in the crop; but as soon as ever it is out of his occupation, any one else is free to take possession of it. This is the case in many parts of Arabia at this day;

and such seems to have been the state of many parts of the land of Canaan while Abraham and Isaac dwelt there. (See Gen. xxvi. 12, and Acts vii. 5.)

But it is plain that, in such a state of things, it would not be worth any one's while to spend money in fencing, draining, and manuring the land; because he would know that if he were disabled by sickness from continuing to cultivate it, or if he died leaving young children, it would pass into other hands, and all he had spent would be lost to him.

In order, therefore, that the land should be properly cultivated, it must be private property: and if a piece of land is your property, you ought to be at liberty to dispose of it like any other property; either to sell it, or to cultivate it yourself, or to employ a bailiff and labourers to cultivate it for you, or to let it to a farmer.

When land is scarce in proportion to the number of people, in any country, the hire, or rent, as it is called, which the farmer pays for the use of it, will be the greater. The reason of this is very simple, and easy to be understood. The price of land, either to buy

or to hire, increases, like the price of everything else, in proportion to the scarcity of it, compared with the number of those who want it, and can afford to pay for it. When horses are scarce, in proportion to those who want them, and can afford to pay for them, the price or the hire of a horse increases; and so it is with everything else, and with land among the rest. A farmer *desires* land, because he hopes to make a profit by raising corn and other crops from it; and he consents to *pay* rent for it, because he cannot obtain land without. And so it is with everything that we buy or hire. We consent to pay for it as much as we think it worth to us, when we desire to have it, and cannot obtain it *without* that payment. Land is *desired*, therefore, on account of the crops that may be raised from it; and rent is *paid* for it, because it cannot be had without rent. You may have land for nothing in the Arabian desert; but no one desires it there, because it will produce nothing. But, again, in many of the uncleared parts of America, land may be had for nothing, though the soil is good and will bear plentiful crops. But

there the land is so abundant, and the people so few, that any one may have as much as he chooses to clear. In this country, therefore, land that will produce any crops is of *value*, because the supply of it is limited. In the wilds of America it is of no value; not because (like the Arabian deserts) it will produce nothing, but because, though it is very fertile, there is enough, and much more than enough, for every one who wants it. But even in the newly-settled parts of America the land becomes of some value, as soon as it is cleared of wood, and has roads made through or near it. And many persons are willing to buy, or to pay rent for, such land, even when they might have land for nothing in the depth of the forests. But then they would have to clear the ground of trees, and would be obliged to send, perhaps, some hundreds of miles to a market, to sell the corn, and to buy what they wanted.

But as land grows scarcer in proportion to the number of people, that is, as the people multiply, the owners of it find that they can obtain a higher and higher rent. This, as I have explained, is because everything that is

useful becomes an article of *value*, that is, will fetch a *price*, when it is limited in quantity.

Some persons fancy that the reason why land fetches a rent, is because the food, and other things, produced by land, afford the necessary support of man's life. But they do not consider that air, which we do not pay for, is as necessary to life as food; and that no one would pay for anything which he might have without payment. If good land were as abundant in this country, in proportion to the people, as it is in some of the wilds of America, every one might take as much as he pleased for nothing. It would produce corn and other necessaries, as it does now; yet he would pay nothing but the labour of cultivation. Here, on the contrary, the only kind of land for which no one would pay rent is that which will produce nothing, and is of no use at all; like the shingles of the beach on many parts of the coast. However *scarce* land (or any other article) may be, no one will pay for that which is *useless*; and, however *useful* it may be, he will not pay for that which is so *plentiful* as to be

had for nothing. As was explained in a former Lesson, the value of anything is not caused by its *scarcity alone*, or by its *usefulness alone*, but by both together.

Some, again, fancy that the rent is paid on account of the expense which the owner of the soil (or landlord, as he is called) has laid out in enclosing the land, manuring it, and bringing it into cultivation. And some of our land certainly has in this way cost the landlord a great expense, which he would not have bestowed, if he had not expected to be repaid by the rent. But it is not this expense that is the cause of the rents being paid; for if he had laid out ever so much in trying to improve the land, still, if he did not bring it to produce the more, he would not obtain the higher rent. And, on the other hand, though your land may have cost you nothing, still, if it will produce anything, and there is not enough of it for everybody, you may always obtain a rent for it. There are pastures of great extent, in some parts of this country, which have never had any expense laid out on them. But they naturally produce grass for sheep; and farmers accordingly pay rent for them,

Again, there are on some parts of the coast, rocks which are bare only at low water, and are covered by the sea at every tide. On these there grows naturally a kind of sea-weed called kali, or kelp; which is regularly cut and carried away to be dried and burned, for the sake of the ashes, used in making soap and glass. These rocks are let by the owners of them to those who make a trade of gathering this kelp for sale. Now, you see by this, that rent cannot depend on the land's producing food for man, or on the expenses laid out in bringing it into cultivation; for there is rent paid for these rocks, though they produce no food, and though they never have been or can be cultivated.

Sometimes, again, rent is paid for a piece of ground on account of its *situation*, even though nothing grows on it. A fisherman, for instance, may be glad to rent a piece of the sea-beach, in a spot where it is convenient for him to draw up his boat, and spread his nets to dry, and build his cottage and storehouses.

LESSON XI.

LETTING and HIRING—(continued).

SOME persons are apt to think that a high price of corn, and other provisions, is caused by high rents; but this is quite a mistake. It is not the high rent of land that causes the high price of corn; but, on the contrary, the high rent of land is the effect of the high price of the corn and other things produced by the land. It is plain that rents do not lessen the supply of corn, and the price of corn depends on the supply brought to market, compared with the number of people who want to buy. Suppose all landlords were to agree to lower their rents one-half, the number of acres of land, and the quantity of corn raised, would remain the same, and so would the number of mouths that want corn. The farmer, therefore, would get the same price for his corn as he does now; the only difference would be, that he would be so much the richer, and the landlord so much the poorer: the labourers, and the rest of the people, would

be no better off than before.

But some persons say, that if rents were lower, the farmers could afford to pay higher wages to their labourers; but those who talk so, confound together a *payment* and a *gift*. Wages are a payment for the use of a man's labour for a certain time; and as long as the price of corn remains the same, the day's work of the thresher would not be *worth more* to the farmer who employs him, on account of the farmer's having become a richer man than formerly. No doubt, the richer any one is, the better he can afford to bestow a *gift*, if he is disposed to do so, either on his labourers, or on the tradesmen he deals with, or on any of his neighbours. But a pair of shoes is not worth the more to him on account of his being rich; though he can afford, if he thinks fit, out of kindness and charity, to make the shoemaker a present of double the price of them; and so, also, a day's work in threshing or ploughing, is not worth the more to him on account of his being richer, though he may choose to bestow a gift on the thresher or ploughman. It is plain, therefore, that making farmers richer and landlords poorer,

would make no change in what is *paid* as wages. The farmer would have more to *give*, if he were disposed to give away his money, and the landlord would have less; but there is no reason to suppose that more would be given away altogether than there is now.

And if all rents were to be entirely abolished, and every farmer were to keep the land he now occupies, without paying anything for it, this would only be taking away the land from one man and giving it to another—the one would be robbed and the other enriched; but the supply of corn, and the price of it, would not be altered by such a robbery. Or, again, if you were to make a law for lowering rents, so that the land should still remain the property of those to whom it now belongs, but that they should not be allowed to receive more than so much an acre for it; the only effect of this would be, that the landlord would no longer let his land to a farmer, but would take it into his own hands, and employ a bailiff to look after it for him.

This is a very common practice in some countries abroad; but the land is seldom so well cultivated on that plan as when it is let

to a farmer who has been bred to the business, and whose livelihood depends on his making the most of his farm.

LESSON XII.

DIVISION OF LABOUR.

Observe the accommodation of the most common artificer or day-labourer, in a civilized and thriving country, and you will perceive, that the number of people, of whose industry a part, though but a small part, has been employed in procuring him this accommodation, exceeds all computation. The woollen coat, for example, which covers the day-labourer, coarse and rough as it may appear, is the produce of the joint labour of a great multitude of workmen. The shepherd, the sorter of the wool, the wool-comber, or carder, the dyer, the spinner, the weaver, the fuller, the dresser, with many others, must all join their different arts, in order to complete even this homely production. How many merchants and carriers besides, must have been employed,

in transporting the materials from some of those workmen to others, who often live in a very distant part of the country! How much commerce and navigation in particular; how many ship-builders, sailors, sail-makers, rope-makers, must have been employed, in order to bring together the different drugs made use of by the dyer, which often come from the remotest corners of the world! What a variety of labour, too, is necessary, in order to produce the tools of the meanest of those workmen! To say nothing of such complicated machines as the ship of the sailor, the mill of the fuller, or even the loom of the weaver, let us consider only what a variety of labour is requisite in order to form that very simple machine, the shears, with which the shepherd clips the wool. The miner, the builder of the furnace for smelting the ore, the feller of the timber, the burner of the charcoal to be made use of in the smelting-house, the brick-maker, the layer, the workmen who attend the furnace, the millwright, the forger, the smith, must, all of them, join their different arts in order to produce one pair of shears. Were we to examine, in the same manner,

all the different parts of his dress and household furniture, the coarse linen shirt which he wears next his skin, the shoes which cover his feet, the bed which he lies on, and all the different parts which compose it, the kitchen-grate at which he prepares his victuals, the coals which he makes use of for that purpose, dug from the bowels of the earth, and brought to him, perhaps, by a long sea and a long land carriage, all the other utensils of his kitchen, all the furniture of his table, the knives and forks, the earthen or pewter plates upon which he serves up and divides his victuals, the different hands employed in preparing his bread and his beer, the glass window which lets in the heat and the light, and keeps out the wind and the rain, with all the knowledge and art requisite for preparing that beautiful and happy invention, without which these northern parts of the world could scarce have afforded a very comfortable habitation, together with the tools of all the different workmen employed in producing these different conveniences: if we examine, I say, all these things, and consider what a variety of labour is employed about each of them,

we shall be sensible, that without the assistance and co-operation of many thousands, the very meanest person in a civilized country could not be provided, even according to what we very falsely imagine the easy and simple manner in which he is commonly accommodated. Compared, indeed, with the more extravagant luxury of the great, his accommodation must, no doubt, appear extremely simple and easy; and yet it may be true, perhaps, that the accommodation of a European prince does not always so much exceed that of an industrious and frugal peasant, as the accommodation of the latter exceeds that of many an African king, the absolute masters of the lives and liberties of ten thousand naked savages.—SMITH.

All these advantages arise from the *division of labour*. For if each man were to make his own clothes, and build his own house, and construct his own tools and household utensils, he would not be able to do any one of these things so well as if he had devoted his whole time and attention to one of them. Each trade requires more study and practice than he would be able to bestow upon it: so he

would probably be clumsy and awkward at all.

But there is another benefit of the division of labour, apart from the superior skill acquired by each man's pursuing one trade. It is this. In a great variety of cases, nearly the same time and labour are required to perform the same operation on a *larger* or on a *smaller* scale—to produce many things, or one, of the same kind.

For instance, suppose a number of travellers proceeding through some nearly desert country, such as many parts of America, and journeying together in a large party for the sake of mutual security: when they came to a resting-place for the night, they would be likely to agree among themselves, that some should unlade and fodder the cattle, while others should fetch firewood from the nearest thicket, and others water from the spring; some in the meantime would be occupied in pitching the tents, or erecting sheds of boughs; others in preparing food for the whole party; while some again, with their arms in readiness, would be posted as sentinels in suitable spots, to watch that the rest might not be surprised

by bands of robbers. Now, but for such an arrangement, each man would have to go both to the spring for water, and to the wood for fuel—would have to prepare his own meal with almost as much trouble as it costs to dress food for the whole—and would have to encumber himself with arms while performing all these tasks, lest he should be suddenly attacked by an enemy.

There is, perhaps, no one instance that displays this particular benefit of the division of labour more than the establishment of the post-office for the conveyance of letters. It makes very little difference of trouble, and none of time, to the postman, whether he carries one letter, or a whole parcel of letters, from one town to another; and yet, but for this contrivance, each person would have to send a messenger on purpose whenever he wanted to write to a friend at a distance.



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