

**A MANUAL OF
POLITICAL
ECONOMY**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649045204

A Manual of Political Economy by E. Peshine Smith

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BY
E. PESHINE SMITH.

NEW YORK:
G. P. PUTNAM & SON, 661 BROADWAY.
1868.

Entered, according to Act of Congress, in the year 1858, by E. FRANK
SMITH, in the Clerk's Office of the District Court of the United States, in
and for the Northern District of New York.

STEARNS & CO., J. & S. N., PHILADELPHIA.

P R E F A C E .

IN the following pages the writer has made the attempt to construct a skeleton of Political Economy upon the basis of purely physical laws, and thus to obtain for its conclusions that absolute certainty which belongs to the positive sciences. The casual association of its teaching with moral philosophy, is the circumstance to which is to be attributed that metaphysical bias, manifested by almost all Economical writers, in their method of investigation, and which has conducted them to such vague, hypothetical, and unsatisfactory results. It has, indeed, been made matter of set purpose to confine its examination of the laws of the production of the objects which constitute wealth, to "such of them as are laws of the human mind;" as may be seen by consulting the Essay of Mr. J. S. Mill "On the Definition of Political Economy, and the method of Investigation proper to it." The issue, nevertheless, has been, that grossly material estimation of man, which disregards all that is truly human in his nature, and has brought upon Political Economy, thus worked out, the name of the Dismal Science.

Mr. Henry C. Carey led the way, in the better method, by his conclusive refutation of the theory of Ricardo in regard to the occupation of land, which, for more than forty years, has been dominant with the English Economists. This fiction was an inference as to a *physical* fact, from "laws of the human mind," and was for that long period accepted as a fact, without a single Economist, before Mr. Carey, thinking it worth while to test its accuracy by direct observation. Mr. Carey, by showing that the fact is directly the

reverse of the hypothesis of Ricardo, and by establishing the consequences which flow from it, restored harmony to what was before a mass of discordances, and rendered it possible, for the first time, to construct a science out of what was, at best, but a mere collection of empirical rules. In addition to the special acknowledgments made to that gentleman in the following pages, it is proper to say, that the author is so thoroughly sensible that he owes whatever his own study of the subject may have effected, to his having been put upon the path and furnished with the clue, in the writings of Mr. Carey, as to be quite indisposed to make pretensions on the score of originality, which, as against others, he might maintain. Upon this point, however, he is reasonably indifferent. The object of preparing this Manual was, to present to his countrymen in a compact form, the principles of what he thinks may justly be called the American System of Political Economy, not less on the ground of its origin, than its signal agreement with our social and political organization. It was desirable to exhibit what might be distinctive, in connection with the general doctrines in which Economists on both sides of the Atlantic agree, in such a manner as to give an outline of the science, adapted to popular reading or to elementary instruction. This imposed upon the writer all the brevity that is consistent with a clear demonstration of the leading principles. He trusts, however, that they have been sufficiently elucidated to afford important aid in the solution of many of the problems, the direct discussion of which he was compelled to forego, with much else that might have given interest to the work; and, that, while a teacher would find room for abundant illustration, any individual of mature years, who may read it without such aid, will meet with no more severe demand upon his reflective powers, than is incident to the treatment of so extensive a subject within such a compass, as to permit the hope of popular circulation.

April, 1853.

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