

**UNIVERSITY EXTENSION SERIES:
A SHORT HISTORY OF
POLITICAL ECONOMY IN
ENGLAND: FROM ADAM SMITH
TO ARNOLD TOYNBEE**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649064465

University Extension Series: A Short History of Political Economy in England: From Adam Smith to Arnold Toynbee by L. L. Price & J. E. Symes

Except for use in any review, the reproduction or utilisation of this work in whole or in part in any form by any electronic, mechanical or other means, now known or hereafter invented, including xerography, photocopying and recording, or in any information storage or retrieval system, is forbidden without the permission of the publisher, Trieste Publishing Pty Ltd, PO Box 1576 Collingwood, Victoria 3066 Australia.

All rights reserved.

Edited by Trieste Publishing Pty Ltd.
Cover @ 2017

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form or binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.

www.triestepublishing.com

L. L. PRICE & J. E. SYMES

**UNIVERSITY EXTENSION SERIES:
A SHORT HISTORY OF
POLITICAL ECONOMY IN
ENGLAND: FROM ADAM SMITH
TO ARNOLD TOYNBEE**

UNIVERSITY EXTENSION SERIES

EDITED BY J. E. SYMES, M.A.,
Principal of University College, Nottingham

POLITICAL ECONOMY
IN ENGLAND

University Extension Series.

UNDER the above title Messrs. Methuen are publishing a series of books on historical, literary, and economic subjects, suitable for extension students and home-reading circles. The volumes are intended to assist the lecturer, and not to usurp his place. Each volume will be complete in itself, and the subjects will be treated by competent writers in a broad and philosophic spirit.

THE INDUSTRIAL HISTORY OF ENGLAND. By H. DE B. GIBBINS, M.A. [Ready.

"A compact and clear story of our industrial development. A study of his concise but luminous book cannot fail to give the reader a clear insight into the principal phenomena of our industrial history. The editor and publishers are to be congratulated on this first volume of their venture, and we shall look with expectant interest for the succeeding volumes of the series. If they maintain the same standard of excellence the series will make a permanent place for itself among the many series which appear from time to time."—*University Extension Journal*.

PROBLEMS OF POVERTY: An Inquiry into the Industrial Conditions of the Poor. By J. A. HOUSON, M.A. [March.

THE FRENCH REVOLUTION. By J. R. SYMES, M.A. [In the Press.

VICTORIAN POETS. By A. SHARP. [April.

THE EVOLUTION OF PLANT LIFE: Lower Forms. By G. MASSER. [In the Press.

ENGLISH SOCIAL REFORMERS. By H. DE B. GIBBINS, M.A.

NAPOLEON. By E. L. S. HORSBURCH, M.A.

ENGLISH POLITICAL HISTORY. By T. J. LAWRENCE, M.A.

SHAKESPEARE. By F. H. TRENCH, M.A.

THE ENGLISH LANGUAGE. By G. C. MOORE-SMITH, M.A.

AN INTRODUCTION TO PHILOSOPHY. By J. SOLOMON, M.A.

PSYCHOLOGY. By F. S. GRANGER, M.A. [In the Press.

ENGLISH PAINTERS. By D. S. MACCOLL, M.A.

ENGLISH ARCHITECTURE. By ERNEST RADFORD, M.A.

THE CHEMISTRY OF LIFE AND HEALTH. By C. W. KIMMINS, M.A.

A SHORT HISTORY
OF
POLITICAL ECONOMY IN ENGLAND

FROM ADAM SMITH TO ARNOLD TOYNBEE

BY
L. L. PRICE, M.A.,
"Fellow of Oriel College, Oxford"
AUTHOR OF "INDUSTRIAL PEACE"



London

METHUEN AND CO., 18, BURY STREET, W.C.

1891

[All Rights reserved]

HE103
.P8

RICHARD CLAY & SONS, LIMITED,
LONDON & BUNGAY.

45564

053-14

PREFACE.

IN the following pages an attempt is made to give a short account of the History of Political Economy in England from Adam Smith to Arnold Toynbee. The history is not carried back beyond Adam Smith for a reason which is stated in the chapter upon that author, and it ends with Arnold Toynbee, because the work of writers who are still living is, it may be hoped, not yet fully completed. The death of one of the best known of those writers, Professor Thorold Rogers, whose work was so original and comprehensive in conception, and so industriously and exhaustively executed, that it is to be feared that even the labours of the greater part of a life-time have failed to complete it, occurred during the time when the history was being written.

The method which has been pursued by the writer has been, while endeavouring to mention every author of importance, to select for especial consideration in separate chapters those economists, whose writings have marked distinct and recognised stages in the development of economic knowledge; and, while noticing the main incidents of their lives, the circumstances under which their opinions were formed and expressed, and the character of their economic work generally, to concentrate special attention on that part which is either most usually associated with their

45564

names, or seems to be the most characteristic and important. The accounts of these special contributions to the advancement of economic inquiry are, as far as possible, given in the language of the authors themselves; and they are generally followed by some estimate of their relations to more recent economic thought.

In this critical estimate an attempt is made to express the general drift of subsequent opinion rather than the particular views of the writer of this history, which does not put forward any pretensions to originality. The author has freely used all the sources of information and instruction which he has been able to discover; and, although he has embraced every opportunity, which seemed naturally to present itself without burdening the notes, of acknowledging his special indebtedness to particular authorities on certain points, he is under a general obligation which can only be fittingly discharged in a preface. He is indebted to all who have in any way, by commentary on the great writers of the past, or independent development of their theories, helped to elucidate the history of a branch of knowledge of which England may perhaps claim to be the classic home, although she has often, and more especially of recent times, experienced the benefits of suggestion and criticism at the hands of foreign writers.

To Professor Symes, the editor of this series, the author desires to express his thanks for suggestions regarding the general plan of the book.

*Oriel College, Oxford,
8th December, 1890.*

CONTENTS.

CHAPTER I.

ADAM SMITH. (1723—1790.)

THE DIVISION OF LABOUR.

The Influence of the *Wealth of Nations*—Adam Smith's Life—The State of English Agriculture, and Manufactures, and Foreign Trade—Adam Smith's Passion for "Natural Liberty"—His Relation to the Physiocrats—His Moral Philosophy—His Idea of a "Scotchman inside every Man"—Qualifications of "Natural Liberty"—His Memory and Fertility of Illustration—Summary of the *Wealth of Nations*—Maxims of Taxation—Adam Smith's Treatment of the *Division of Labour*—Its various Forms—Its Advantages: (1) Increase of Skill—(2) Saving of Skill—Possible Disadvantages—(3) Introduction of Machinery—(4) Saving of Time—Its implied Conditions—The Mechanism of Exchange—The Origin and Use of Money—Its Functions as (1) a Medium of Exchange—(2) A Measure of Value—The True Nature of the Work performed by it—Adam Smith's Vindication of Free Trade resting on (1) Division of Labour between Nations—(2) The Nature of Money—The Mercantile System—Application to present controversies page 1