

**THE CHARACTER AND
LOGICAL METHOD OF
POLITICAL ECONOMY**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649012732

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Cover @ 2017

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OF
POLITICAL ECONOMY.

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ECONOMY, NEWLY EXPOUNDED."



NEW YORK:
HARPER & BROTHERS, PUBLISHERS,
FRANKLIN SQUARE.
1875.

PREFACE TO SECOND EDITION.

IN offering to the public a new edition of some lectures delivered in Dublin more than seventeen years ago, a few words of explanation are needed. As regards the substance of the opinions advanced—the view taken of Political Economy, and of its methods of proof and development—the present work does not differ from its predecessor; but extensive changes have been made in the form and treatment. Numerous passages have been recast; increased prominence has been given to aspects of the case only touched on in the former volume; and some entirely new topics have been introduced. To one of these—"Definition"—an additional lecture has been devoted. I would fain hope that in its new shape the work will be found somewhat less unworthy than in its earlier form of such favor as it has met with. No one, however, can be more conscious than the author how very far it still falls short of what such a work ought to be.

In connection with logical method, a good deal of discussion has of late taken place on a question that had been but little heard of when the book first ap-

peared—I mean the employment of Mathematics in the development of economic doctrine. The position then taken with reference to this point was that, having regard to the sources from which Political Economy derives its premises, the science does not admit of mathematical treatment. Since that time, my friend Professor Jevons has published an able work (“The Theory of Political Economy”), in which the opposite opinion is maintained; and some few others, both here and on the Continent of Europe, have followed in his track. Having weighed Professor Jevons’s argument to the best of my ability, and so far as this was possible for one unversed in Mathematics, I still adhere to my original view. So far as I can see, economic truths are not discoverable through the instrumentality of Mathematics. If this view be unsound, there is at hand an easy means of refutation—the production of an economic truth, not before known, which has been thus arrived at; but I am not aware that up to the present any such evidence has been furnished of the efficacy of the mathematical method. In taking this ground, I have no desire to deny that it may be possible to employ geometrical diagrams or mathematical formulæ for the purpose of exhibiting economic doctrines *reached by other paths*; and it may be that there are minds for which this mode of presenting the subject has advantages. What I venture to deny is the doctrine

which Professor Jevons and others have advanced—that economic knowledge can be extended by such means; that Mathematics can be applied to the development of economic truth, as it has been applied to the development of mechanical and physical truth; and, unless it can be shown either that mental feelings admit of being expressed in precise quantitative forms, or, on the other hand, that economic phenomena do not depend upon mental feelings, I am unable to see how this conclusion can be avoided. “The laws of Political Economy,” says Mr. Jevons, “must be mathematical for the most part, because they deal with quantities and the relations of quantities.” If I do not mistake, something more than this is needed to sustain Mr. Jevons’s position.

I have retained most of the discussions in the original notes, although some of the questions discussed have lost much of the practical interest they once had; what was formerly speculation having in some instances become realized fact. They will not on this account, however, serve less well the purpose of their first introduction—that of illustrating the principles of economic method.

It falls to me once again to have to express my deep obligations to my friend Professor Nesbitt, who, with his usual kindness in correcting the proofs, has not a little lightened my present labors.

J. E. CAIRNES.

KIDBROOK PARK ROAD, S. E., Feb., 1875.

PREFACE TO FIRST EDITION.

ONE of the conditions attached to the Whately Professorship of Political Economy requires that at least one lecture in the year shall be published by the Professor. In the following pages I have ventured considerably to exceed this requirement, the subject which I selected as most appropriate for my opening course not being such as could be conveniently compressed within a single lecture.

With respect to the views advanced in this work, it may be well, in order to prevent misapprehension, to disclaim at the outset all pretense to the enunciation of any *new* method of conducting economic inquiries. My aim, on the contrary, has been to bring back the discussions of Political Economy to those tests and standards which were formerly considered the ultimate criteria of economic doctrine, but which have been completely lost sight of in many modern publications. With a view to this, I have endeavored to ascertain and clearly to state the character of Political Economy, as this science appears to have been conceived by that succession of writers of which Smith, Malthus, Ricardo, and Mill are

the most distinguished names ; and from the character thus ascertained to deduce the logical method appropriate thereto ; while I have sought further to fortify the conclusions to which I have been led by the analogy of the method which in the physical sciences has been fruitful of such remarkable results.

It may, perhaps, be thought that it would have conduced more to the advantage of economic science if, instead of pausing to investigate the logical principles involved in its doctrines, I had turned those principles to practical account by directing investigation into new regions. To this I can only reply that the contraricties of opinion at present prevailing among writers on Political Economy are so numerous and so fundamental, that, as it seems to me, no other escape is open to economists, from the confusion and the contradictions in which the science is involved, than by a recurrence to those primary considerations by which the importance of doctrines and the value of evidence are to be determined. To disregard this conflict of opinion, and to proceed to develop principles the foundations of which are constantly impugned, would be to prosecute inquiry to little purpose.

The discussion of economic method with a view to this object has rendered it necessary for me to refer principally to those questions on which opinion is at present divided ; and in doing so I have been led fre-