

CHAPTER 8 — THE MEANING AND SCOPE OF POLITICAL ECONOMY

Adam Smith, who at the close of the last century gave so powerful impulse to the study of what has since been called political economy that he is, not without justice, spoken of as its father, entitled his great book *An Inquiry into the Nature and Causes of the Wealth of Nations*, and what we call political economy, the Germans call national economy.

No term is of importance if we rightly understand what it means. But, both in the term "political economy," and in that of "national economy," as well as in the phrase "wealth of nations," lurk suggestions which may and in fact often do interfere with a clear apprehension of the ground they properly cover. The use of the term "political economy" began at a time when the distinction between natural law and human law was not clearly made, when what I have called the body economic was largely confounded with what is properly the body politic, and when it was the common opinion in Europe, even of thoughtful men, that the production and distribution of wealth were to be regulated by the legislative action of the sovereign or state.

The term was given currency by those French exponents of natural right, or the natural order, who today may be best described as the first single-tax men. They used the term "political economy" to distinguish from politics the branch of knowledge with which they were concerned, and from this called themselves Economists. The term is used by Adam Smith only in speaking of "this sect," composed of "a few men of great learning and ingenuity in France." But although these Economists were overwhelmed and have been almost forgotten, yet of their "noble and generous system" this term remained, and since the time of Adam Smith it has come into general use as expressive of — to accept the most common and I

think sufficient definition — that branch of knowledge that treats of the nature of wealth, and the laws of its production and distribution.

It is not with the body politic, but with that body social or body industrial that I have called the body economic, that political economy is directly concerned; not with the commonwealth of which man becomes a member by the attribution or acceptance of allegiance to a republic; but with the commonwealth of which he becomes a member by the fact that he lives in the state of society in which each does not attempt to satisfy all of his own material needs by his own direct efforts, but obtains the satisfaction of some of them at least through the cooperation of others. The fact of participation in this cooperation does not make him a citizen of any particular state. It makes him a civilized man, a member of the civilized world — a unit in that body economic to which political distinctions of states and nations have no more relation than distinctions of color have to distinctions of form.

An economy of the economic unit would not be a political economy, and the laws of which it would treat would not be those with which political economy is concerned. They would be the laws of personal or family conduct. An economy of the individual or family could treat the production of wealth no further than related to the production of such a unit. And though it might take cognizance of the physical laws involved in its agriculture and mechanics, of the distribution of wealth in the economic sense it could not treat at all, since any apportionment among the members of such a family of wealth obtained by it would be governed by the laws of individual or family life, and not by any law of the distribution of the results of socially conjoined effort.

But when in the natural course of human growth and development economic units come into such relations that the satisfaction of material desires is sought by conjoined effort, the laws which

political economy seeks to discover begin to appear.

The system or arrangement which is the proper purpose of political economy to discover may be likened to that system or arrangement by which the physical body is nourished. The lowest unit of animal life, so far as we can see, is a single cell, which sucks in and assimilates its own food; thus directly satisfying what we may style its own desires. But in those highest forms of animal life of which man is a type, myriads of cells have become conjoined in related parts and organs, exercising different and complex functions, which results in the procurement, digestion and assimilation of the food that, nourishing each separate cell, maintains the entire organism. Brain and stomach, hands and feet, eyes and ears, teeth and hair, bones, nerves, arteries and veins, still less the cells of which all these parts are composed, do not feed themselves. Under the government of the brain, what the hands, aided by the legs, assisted by the organs of sense, procure, is taken to the mouth, masticated by the teeth, taken by the throat to the alembic of the stomach, where aided by the intestines it is digested, and passing into a fluid containing all nutritive substances, is oxygenized by the lungs; and impelled by the pumping of the heart, makes a complete circuit of the body through a system of arteries and veins, in the course of which every part and every cell takes the nutriment it requires.

Now, what the blood is to the physical body, wealth, as we shall hereafter see more fully, is to the body economic. And as we should find, were we to undertake it, that a description of the manner in which blood is produced and distributed in the physical body would involve almost, if not quite, the description of the entire physical man with all his powers and functions, so we shall find that what is included in political economy is almost, if not quite, the whole body social, with all its parts, powers and functions, and laws under

which they operate.

The scope of political economy would be roughly explained were we to style it the science which teaches how civilized men get a living. Why this idea is sufficiently expressed as the production and distribution of wealth will be more fully seen hereafter; but there is a distinction as to what is called getting a living that it may be worthwhile to note here.

We have but to look at existing facts to see that there are two ways in which a man may obtain satisfaction of his material desires for things not freely supplied to him by nature. The first of these ways is, by working, or rendering service. The second is, by stealing, or extorting service.

But there is only one way in which man (i.e., man in general or all men) can satisfy his material desires — that is by working, or rendering service. For it is manifestly impossible that man in general or all men, or indeed any but a small minority of men, can satisfy their material desires by stealing, since in the nature of things working or the rendering of service is the only way in which the material satisfactions of desire can be primarily obtained or produced. Stealing produces nothing; it only alters the distribution of what has already been produced

Therefore, a true science of political economy takes no cognizance of stealing, except in so far as the various forms of it may pervert the natural distribution, and thus check the natural production of wealth.

Nor does political economy concern itself with the character of the desires for which satisfaction is sought. It is, so to speak, like the science of navigation, which is concerned with the means whereby a ship may be carried from point to point on the ocean, but asks not whether that ship may be a pirate or a missionary barque, or what are the expectations which may induce its passengers to go

from one place to another. Political economy is not a moral or ethical science, nor yet is it a political science. It is the science of the maintenance and nutriment of the body politic.

Although it will be found incidentally to throw a most powerful light upon, and to give the most powerful support to, the teachings of moral or ethical science, its proper business is neither to explain the difference between right and wrong nor to persuade to one in preference to the other.