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A  
TREATISE  
ON  
CIVIL POLITY  
AND  
POLITICAL ECONOMY:

WITH  
AN APPENDIX,

CONTAINING

A BRIEF ACCOUNT OF THE POWERS, DUTIES, AND  
SALARIES, OF NATIONAL, STATE, COUNTY  
AND TOWN OFFICERS.

FOR THE USE OF SCHOOLS AND ACADEMIES.

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BY MARCIUS WILLSON.

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## P R E F A C E .

THE object of the writer in compiling the following work, has been to prepare a book that may be read with profit by all, but principally to afford a useful and long-needed text-book for high schools and academies. The subjects here treated have too long been considered beyond the pale of a common education, and as belonging exclusively to the pursuits of literary and professional men; and it is but lately that they have been introduced into a few of our colleges and higher seminaries of learning.

Why subjects of such paramount importance to American citizens—subjects which explain the theory, principles, and practical operation of our republican institutions—and the nature, origin, and principles of national wealth, should have been so long neglected by the great mass of those who are so obviously interested in an intimate acquaintance with them, can be explained only by the supposition that they have reflected too little upon the objects of these studies, and consequently have remained unaware of their importance. Otherwise, their real utility would long since have placed them among the first studies in a course of popular education.

The most important knowledge for an individual to acquire, is such as will best enable him honorably and usefully to fill the station which by birth or fortune he is destined to occupy.— Having adopted a new system of government, and assumed a new station in the political world, if our republican institutions are worthy of being preserved by us, and transmitted unimpaired to

posterity, we should, as a people, strive to acquire that knowledge which best befits our station, that we may honorably and faithfully fulfil those duties which devolve upon us.

As our government depends directly upon the people for its support and preservation, it is idle to suppose that they will feel a very ardent attachment for, or prove very able supporters of a system of whose principles they are ignorant; but while their opinions, although correct, are founded on ignorance, they will ever be liable to be led astray by the wild theories and idle speculations so prevalent in a country where public opinion is the ultimate tribunal of appeal. There is scarcely a theory, however extravagant or absurd, that will not find supporters either among the ignorant or the selfish and designing; and if public opinion be unenlightened, there is no antidote beyond it that can save us from the evils of any destructive, disorganizing, popular delusion.

Believing that our form of government is the best ever adopted for an enlightened people, and that if they understand its principles they will value it too highly to desire a change to any of the systems which have preceded it, or to any hitherto untried experiment, there seems to be nothing wanting to insure its perpetuity but a more general and intimate knowledge of its principles and practical operation. The importance and necessity of such knowledge are not confined to any one class or portion of community, but extend to every American citizen, whatever his calling or profession.

To afford such instruction, that portion of the following work which treats of Political Knowledge and Constitutional Law has been written. It is designed to give a concise but comprehensive exposition of the *elementary* principles of those sciences; and it is believed to be written in so plain and familiar a manner, that any one, who will, can understand it.

Several commentaries and expositions of the Constitution have already appeared, but most of them have been designed for the reading of the higher classes in colleges, or for professional men, and are not well adapted to the use of schools. Those writings



to which the author is principally indebted for the materials of that portion of the following work which treats of the Constitution, are the Commentaries of Chancellor Kent and Chief Justice Story, Gordon's Digest of the Laws of the United States, Bayard's and Duer's Expositions of the Constitution, and Mansfield's Political Grammar.

The author claims little originality for this portion of his work, other than for the manner in which the subject is illustrated. His design has been to compile a work that will be useful, and in following out his plan, he has not hesitated to avail himself of the aid afforded by the writings of others.

The study of Political Economy is beginning to receive that attention from the friends of popular education which its importance demands. It is now introduced into most of our colleges and schools of a higher order, but, as yet, most of the text-books used are too voluminous to be generally adopted in high schools and academies. To supply the want of such a work, the "ELEMENTS OF POLITICAL ECONOMY" have been written, in which the principles of that science are familiarly explained.

In the compilation of this portion of his work, the author has principally consulted the writings of Adam Smith, Mr. Say, and the late excellent work of President Wayland. The first twenty-three pages, ending with "Protective Duties," are little more than an abridgment of the first one hundred and forty pages of Wayland. It has been the aim of the writer to avoid all repetition, and yet to illustrate his subject in as concise and simple a manner as possible. The remainder of the work, both in manner and matter, has more claim to originality; but it is believed that the *principles* attempted to be established and illustrated, are the same with those advanced by the principal political economists of the present day.

Most of those principles, which are now considered erroneous, but which present some claim to our attention on account of their adoption by the earlier writers on Political Economy, have been adverted to chiefly in the notes which accompany this work. In a work so limited as the present, which professes simply to

methodize and illustrate obvious and first principles, it is thought the writer's time would be mis-spent in combating erroneous theories, which will of themselves sink into oblivion as the first principles of Political Economy become more generally and more perfectly understood.

In relation to the many erroneous theories advanced by uninformed political economists, I cannot forbear to quote the words of Mr. Say. "With respect to the wild or antiquated theories so often produced or reproduced by authors who possess neither sufficiently extensive nor well digested information to entitle them to form a sound judgment, the most effectual method of refuting them is to display the true doctrines of the science with still greater clearness, and to leave to time the care of disseminating them. We otherwise should be involved in interminable controversies, affording no instruction to the enlightened part of society, and inducing the uninformed to believe that nothing is susceptible of proof, in as much as every thing is made the subject of argument and disputation."

In the hope that this work may be found useful to the public—that it may serve to increase the intelligence and excite the patriotism of his fellow-citizens, and prove an efficient auxiliary in the cause of common education, the author respectfully submits it to the judgment of the public.

*Poughkeepsie, January, 1839.*

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AND  
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# AN APPENDIX,

CONTAINING

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SALARIES, OF NATIONAL, STATE, COUNTY,  
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BOOK I.  
CIVIL POLITY;  
CONTAINING  
ELEMENTS  
OF  
POLITICAL KNOWLEDGE  
AND  
CONSTITUTIONAL LAW.





PART FIRST.

---

ELEMENTS

OF

POLITICAL KNOWLEDGE.

---

NATURAL LIBERTY—is freedom from all human restraint. It is freedom to act as one's will and passions prompt him, restrained only by those laws of our nature which the Deity has imposed upon us. This kind of liberty can exist only in a state of solitude, and never under *any* form of government: the very idea of a government precludes it.

Where men have the liberty of doing whatever their passions urge them to attempt, or their strength enables them to effect, their very liberty becomes savage ferocity: it is the liberty of a tiger, and not that of a man. Unbridled liberty is the worst of tyranny; and where there is no law, there can be no freedom.

If men were never actuated by wrong motives, no codes of jurisprudence would be necessary to keep them in the path of duty; but the design of a wise

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What is Natural Liberty ?

Where, and where only, can it exist ?

What would natural liberty become if unrestrained ?

government is to restrain the evil and licentious, and to protect the innocent and virtuous from wrong and injustice.

Hence arises the necessity of laws which abridge the natural liberty of man where its exercise would infringe upon the rights of others.

One man has no *right* to that unrestrained freedom which seeks his own interest exclusively, and disregards the welfare of his fellow men.

Were men wise enough to seek their *true* interest, it would never be promoted by the violation of right and duty; for the laws of the Creator are such, that permanent individual good never clashes with the general happiness of all.

From the restrictions placed by a wise government upon the natural liberty of man, there arises a more secure and desirable state of freedom, called civil liberty.

**CIVIL LIBERTY**—*is the being restrained by no law but what conduces to the public welfare.* After a government has been established, those rights which are retained by the people are the *residuum* of natural liberty, which is not required by the laws of society to be sacrificed to public convenience; or they may be said to be those civil privileges which society engages to provide in place of the natural liberties given up by individuals.

Whence arises the necessity of government and laws ?

What is that state of freedom called, which arises from the restrictions placed upon natural liberty ?

What is Civil Liberty ?

Laws which augment the *civil* liberty of a people, must often necessarily restrain the *personal* liberty of individuals.

Although a person in the freest Republic in the world may be imprisoned for a crime, his civil liberty is not invaded, if his confinement is the result of a beneficial public law ; for, according to the definition of civil liberty, the law by which his crime is punished *conduces to the public welfare*.

**POLITICAL LIBERTY**—is that degree of security with which any particular form of government guarantees the enjoyment of civil liberty. Civil liberty *may* exist in perfection under an absolute monarch, who has the will and the wisdom to make beneficial laws, and the power to execute them. But under such a government there is no security for the *continuance* of civil liberty ; consequently political liberty is there unknown.

**CIVIL SOCIETY**—is the union of a multitude of people who agree to live in subjection to certain laws which either the people themselves form, or which are left to the regulation of their rulers. Nothing can be advanced with certainty respecting the *origin* of civil societies.

What are the rights retained by the people ?

How may the civil liberty of a people be increased, while the personal liberty of individuals is restrained ?

What is Political Liberty ?

How may civil liberty exist under an absolute monarch, and why not political liberty ?

What is Civil Society ?

To what has the origin of civil societies been attributed ?

Their origin has been attributed—

*First*—To paternal authority—that authority which a father exercises over his family—a patriarch over his direct descendants. The band, thus united by the ties of kindred, and by a similarity of views and interests, would naturally be kept together after the death of the patriarch, and his authority would be transferred to some one of his descendants.

*Second*—Civil society is supposed by some to have originated in that fear and diffidence which mankind had of one another, which induced them to unite together in order to shelter themselves from the evils they apprehended.

*Third*—That ambition in the more powerful was the cause of reducing the weaker to subjection ; thus forming the germs of sovereignty and empire.

But the varieties of character among the rudest people, will not permit us to refer the origin of all governments to a general and uniform principle. It is more natural to suppose that different circumstances gave rise to different states.

**LAW**—is a mode of existence, or a state of being. It is not a rule of *action* only, for *inertia* is a *law* of matter. The term law, however, embraces the rules of all action, and comprehends alike the rules by which the heavenly bodies move, by which nations are governed and plants grow.

First—Second—Third—What is the most natural supposition relating to their origin ?

What is Law ?

What is law in its most general signification ?

*Law*, in a political sense, however, signifies *a rule of human action*. In a particular state, it is a rule prescribed by the supreme power in the State, the design of which should be to declare and enforce the observance of what is right, and to forbid and punish what is wrong.

*Law* may be divided into four kinds—the Law of Nature, Revealed Law, the Laws of Nations, and Municipal Law.

**THE LAW OF NATURE**—is the will of the Deity as gathered from his works.

**REVEALED LAW**—is the will of the Deity as expressed by himself in divine revelation.

The former is what, by the assistance of reason, we imagine to be the will of the Deity. The latter is what the Deity has expressly declared to be his will.

**THE LAWS OF NATIONS**—are those rules which define the rights, and prescribe the duties of nations, in their mutual intercourse with each other.

**MUNICIPAL LAW**—is a rule of civil conduct prescribed by the supreme power in a state. Municipal Laws are civil or internal, as distinguished from national or external laws. The laws relative to the descent of property are municipal laws ; but laws relative to com-

What is the signification of the term when used in a political sense ?

What is it in a particular state ?

How may law be divided ?

What is the Law of Nature ?

Revealed Law ?

The Laws of Nations ?

Municipal Law ?

merce, to war, the army and navy, are external and national.

SOVEREIGNTY—is the highest power in an independent state or community, and is incompatible with the natural liberty of man. But a wise sovereignty, whether its power be vested in one man, in a select body of men, or in the whole people, does not subvert civil liberty, but, on the contrary, contributes to strengthen and cement it.

For a *State* or Nation to be sovereign, it must *govern itself, without any dependence upon another power*. It must have no superiors. But when a community, city, or State forms a *part* of another community or State, and is represented in *foreign countries* by that community or State of which it is a part, then it is not *sovereign*.

With respect to the United States, the individual States are not sovereign powers. The General Government of the United States is sovereign in a *national* capacity, and that of the States in a *municipal* capacity. The former can declare war, make peace, enter into treaties, regulate commerce, coin money, &c. And these are national objects.

The States have reserved to themselves the power to make municipal laws—those which directly concern

What is Sovereignty ?

With which is sovereignty incompatible, natural or civil liberty ?

What is necessary in order for a State to be sovereign ?

In the United States are the individual States sovereign powers ?

In what capacity is the general government sovereign ?

In what may the States be considered sovereign ?

the States alone—such as those which relate to State taxation, descent of property, chartered companies, police regulations, &c. The States are, therefore, sovereign in their *municipal* capacity only.

But the government of the United States is superior to and sovereign over the governments of the States in those cases in which they are constitutionally brought into collision. Finally, the people of the United States, are *one nation*, and do not constitute many separate sovereignties united by a league.

**GOVERNMENT**—is the whole body of constituted authority. From the very origin of society, one portion of the people has exercised authority over the rest. The authority thus exercised is called the *government*, and it derives its just powers from the consent of the governed.

There are four principal forms of government, viz : Despotism, Limited Monarchy, Aristocracy, and Democracy, or Republic.

· **A DESPOTISM**—is that form of government in which a *single individual*, without any law, governs according to his own will and caprice. An example of this kind of government may be found in Turkey, where the Sultan exercises all the powers of sovereignty, with respect to the general administration of public affairs ;

Which is superior, the General or the State governments ?

What is Government ?

How many, and what are the principal forms of government ?

What is a Despotism ?

Where may an example of this kind of government be found ?

By what is the sovereignty of the Sultan limited ?

but even there he is limited by certain customs and rules, as it respects private justice.

The advantages of a despotism are unity of counsel, activity, decision, secrecy, military strength, the exclusion of popular and aristocratical contentions, and the prevention, by a known order of succession, of all competition for the supreme power.

The evils to which it is liable are tyranny, expense, unnecessary wars waged to gratify the passions of an individual, uncertainty of obtaining a good prince, ignorance in the rulers of the interests of the people, want of constancy and uniformity in the rules of government, and, finally, insecurity of person and property.

**AN ARISTOCRACY**—is that form of government in which the legislature and sovereign power are in a select assembly, the members of which either fill up by election the vacancies in their own body, or succeed to their places in it by inheritance, property, or in respect of some personal right or qualification.

The word aristocracy is of Greek derivation, and is compounded of the adjective *aristos*, signifying best or wisest, and *kratos*, signifying power or strength. The whole word signifies that form of government in which a few of the wisest and best govern.

The theory of this government is certainly a very

What are the advantages of a despotism ?

What are the evils to which it is liable ?

What is an Aristocracy ?

What is the derivation and signification of the word aristocracy ?

What is said of the theory, as contrasted with the practical effects of this form of government ?



beautiful one; and if the *best* and the *wisest* were the rulers, the government would be as perfect as human ingenuity could devise. But the practical effects of this form of government are often widely different from the advantages promised by the theory.

Aristocracies are of two kinds: First, that in which the power of the nobility belongs to them in their collective capacity only; that is, where, although the government is vested in an assembly of the order, yet the members of that assembly, separately and individually, possess no authority or privilege beyond the rest of the community.

Secondly, where the nobles are severally invested with great personal power and immunities, and where the power of the Senate is little more than the aggregated power of the individuals who compose it.

Of these two forms of government, the former is far more tolerable than the latter. For in the former, although a few members of the Senate should be profligate enough to abuse their authority, it would still be difficult to obtain the consent of a majority to any specific act of oppression.

Or if the Senate had the will to do wrong, the power would be more confined; for one tyrant, whether the tyranny resides in a single person or in a Senate, cannot exercise oppression at so many places at the same

Of how many kinds are aristocracies?

What is the form first mentioned?

The second?

Which is the more tolerable, and why?

time as may be exercised by a numerous nobility over their respective vassals and dependents.

The peculiar advantage claimed for an aristocracy, is the wisdom which may be expected from experience and education. A permanent council naturally possesses experience, and the members who succeed to their places in it by inheritance, will probably be educated with a view to the stations which they are destined by their birth to occupy.

The evils to which an aristocracy is liable, are dissensions among the ruling orders of the State, oppression of the lower orders by the privileges of the higher, and laws partial to the separate interests of the law-makers.

A DEMOCRACY—is that form of government in which the legislature and sovereign power are in the hands of the people at large. The term democracy is derived from two Greek words, *demos*, signifying people, and *kratos*, signifying power, meaning that form of government in which the people rule.

Democracies are of two kinds: First, that in which the people govern themselves by *primary assemblies*, as in ancient Athens—a mode which could be adopted only by the citizens of a small country, or inhabitants of one city. Secondly, where the people

What peculiar advantage is claimed for an aristocracy ?

To what evils is it liable ?

What is a Democracy ?

What is the derivation and signification of the word democracy ?

Of how many kinds are democracies ?

What is the kind first mentioned ?

The second ?

govern themselves by *delegates*, or through the principles of *representation*, as in the United States. The latter form of democracy is more frequently called a Republic.

The advantages of a Democracy or Republic, are civil liberty, equal laws, regulations adapted to the wants and circumstances of the people, public spirit, frugality, averseness to war, and the opportunities which democratic assemblies afford to men of every description for exhibiting their abilities to the public. Here merit seldom goes unrewarded, and a field for the display of talent is always open.

The evils to which a democracy is liable, are dissensions, tumults, and faction; the attempts of the ambitious to possess themselves of supreme power, and the delay and disclosure of public counsels and designs.

Knowledge and virtue among the people are the only conservative principles of a democratic form of government.

A LIMITED MONARCHY—is formed by a combination of two or more of these simple forms of government—despotism, aristocracy, and democracy; and, in whatever proportion either of these forms enters into the constitution of a government, in the same proportion may both the advantages and the evils which are attributed to that form be expected.

What is the last mentioned form of a democracy often called?

What are the advantages of a democracy?

What are the evils to which it is liable?

What are the only conservative principles of this form of government?

How is a Limited Monarchy formed?

Some limited monarchies are *hereditary*; others are *elective*.

A hereditary monarchy is universally to be preferred to an elective monarchy. A crown is too splendid a prize to be conferred upon merit, and nothing is gained by a popular choice worth the dissensions and tumults with which it is invariably attended.

Besides, a king who passes to a throne through scenes of tumult, and often of bloodshed, will be liable to regard one portion of his subjects as the associates of his fortune, and the other as conquered foes.

Also, the benefits to be derived from a uniformity of counsels and designs, may be expected with greater probability where the supreme power descends in the same race, and where each prince succeeds in some sort to the aim, pursuits, and disposition of his ancestor, than if the crown, at every change, devolve upon a stranger, whose first care will commonly be to pull down what his predecessor had built up.

The English government is a hereditary limited monarchy, and is probably the best kind of limited monarchy known. It is formed by a combination of the three different forms of simple government, viz.—despotism or monarchy, which resides in the King—aristocracy, in the House of Lords—and democracy, in the House of Commons.

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Why is a hereditary monarchy to be preferred to an elective monarchy ?  
What is the best form of limited monarchy known ?  
Of what is the English government composed ?

## UNITED STATES GOVERNMENT.

There were originally three forms of government in the American colonies, viz.—the Charter—the Proprietary—and the Royal governments.

In the Charter governments, the people were allowed the right of choosing their own rulers.

In the Proprietary governments, the power of appointing officers and making laws rested in the proprietors, by the advice generally, and with the consent of the freemen.

In the Royal governments, the governor and council were appointed by the crown, and the people elected *representatives* to the colonial legislature. The governor had a negative in both houses of the legislature, and most of the officers were appointed by the king.

In 1777, articles of confederation were adopted by most of the colonies, under which the Revolution was terminated. They were a mere *league*, which did not pretend to be a government, and were deficient in nearly all the attributes of sovereignty. In 1788, the present Constitution was adopted by most of the States, and soon after by all.

The government of the United States is founded upon the consent of the people. The Constitution asserts that it was formed by “the people,” and the ratifica-

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How many forms of government were there in the American colonies ?  
What were the Charter governments ? The Proprietary ? The Royal ?  
When were the Articles of Confederation adopted, and what were they ?  
When was the present Constitution adopted ?  
Upon what is the government of the United States founded ?

tions of all the States commence with "we the delegates of the people"—hence, the foundation of our government is the consent of the people. Under despotic governments, the people have often no voice in the choice of their rulers or their laws, and under monarchies and aristocracies frequently very little.

The government of the United States is a *Republic*, or Democracy, because the people hold sovereign power, and both the legislative and executive branches of the government are chosen by the people.

It is a *Federal Republic* because composed of several States, some of which were originally independent, but which are now united under one general government.

The government of the United States is a *Representative Federal Republic*, because the people act through their delegates.

It is also a government of *majorities*. In the conventions of the people which ratified the Constitution, a majority in any one convention made the decision, for no other rule could be adopted where they were subordinate to no authority but their own. Members of the House of Representatives are chosen by majorities of the people, and the House of Representatives decides by majorities.

A majority of the House of Representatives consti-

How does this appear ?

Why is the government a Republic ?

Why a Federal Republic ?

Why a Representative Federal Republic ?

Why is it a government of majorities ?

tutes a quorum. Members of the Senate are chosen by majorities of the State legislatures. Majorities in Congress decide all questions upon which their action is required.

But there are some exceptions to this rule of majorities.

1st. Where bills have passed both Houses of Congress, and the President has refused them his sanction, they may become law if repassed by *two thirds* of each house.

2d. The President and *two thirds* of the Senate form treaties.

3d. It requires *two thirds* of the House of Representatives to make impeachments, and *two thirds* of the Senate to convict a person upon impeachment.

The Judges are appointed by the President, who is elected by a majority; and their appointments are confirmed by the Senate, also elected by a majority. The Judges, are, therefore, appointed *indirectly* by a majority. They are necessarily far removed from popular influence.

Thus, the whole structure of the government is based upon the acts of majorities, and these majorities at last rest upon majorities of the whole people. The exceptions to this almost universal rule, are cases of obvious and urgent necessity.

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What three exceptions to this rule of majorities ?

How are the Judges appointed ?

What is said of the exceptions to the rule of majorities ?

CONSTITUTION—is the constituted form of government. It is the *fundamental law*; the regulation which determines the manner in which the authority vested in government is to be executed.

The Constitution of the United States was delineated by the hand of the people, and ratified by them in their original, sovereign, social capacity. These ratifications were made in *conventions of the people*, and in the name of the people, and not in the name of the States. Hence, the Constitution proceeded from the people, in their sovereign capacity.

The Constitution of the United States acts upon both individuals and States. It acts upon the States, for almost every article in the Constitution refers to the States, and requires something to be done by them or prohibits them from doing something. It acts upon individuals, because Congress has power to tax the people, arm the militia, &c.

The Constitutions of the States act upon individuals, and not upon the government of the United States, nor upon each other.

They act upon individuals, because State legislation is mostly municipal, and refers to individuals only.

They do not act upon each other, because, as it respects each other, the States are precisely equal.

They do not act upon the United States, because that

What is a Constitution ?

By whom was the Constitution of the United States delineated, and how ratified ?

Upon whom does the Constitution of the United States act ?

Upon whom do the Constitutions of the States act ?



would be incompatible with the national sovereignty of the General Government.

The government of the United States is perpetual, unless abrogated by the will of a majority of the people.

A government justly constituted can be justly abrogated only by the same power which brought it into existence. A majority of the people, in their sovereign capacity, formed the government, and they alone, in that capacity, can abrogate it.

The State governments are not the people in their sovereign capacity, and cannot therefore change the General Government; for they cannot unmake what they never had power to make. As the Constitution was formed by a majority of the whole people, one State, which must be a minority, cannot alter the acts of a majority.

As the Constitution acts upon *individuals*, one State cannot secede from the Union, and establish a separate government of its own, any more than could a few individuals, or a town. Any less number than a majority would subject themselves to the penalties of *treason*, by revolutionary acts. The Constitution acts upon individuals, without any reference to State lines.

If the form and principles of the government are to be in any manner changed, they must be changed by a majority, in the manner pointed out by the Constitution.

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What is said of the perpetuity of the government ?

Who only have the power of changing or abrogating the government ?

Why may not the State governments change the General Government ?

Why may not a State secede from the Union ?

The people, indeed, in their sovereign capacity, have the power to abolish their form of government, and establish a new one: it is only asserting the common right of all nations, to alter and amend their forms of government. That is the *right of revolution*—the last right to which oppressed nations resort. Until that right be exercised, the Constitution must be perpetual.

The Constitution of the United States is a written form of government, definite, clear, and explicit in its details; so that all may know its principles and its requisitions. It is the first example in history where the sages of a nation, delegated by, and from among the people, met together to form a constitution and laws for their government.

The forms and principles of most other governments have been constantly changing with the character of the times, and with the varying opinions and manners of the people. They have been the results of chance more frequently than of design, and their constitutions are to be learned only from their history.

The English Constitution is not found in any one written article, but consists of acts of Parliament, decisions of courts of law, and immemorial usages.

According to the theory of the British government, the English Constitution may at any time be abrogated by Parliament:—Parliament being absolutely omnipotent. But the theory of the American government

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What is said of the form of the Constitution of the United States, as compared with the Constitutions of other governments?

Of what does the English Constitution consist?

is widely different from this ; for the Constitution is the original act of the people themselves ; and they alone, and not Congress, can alter it.

**COMMON LAW**—comprises those principles, usages, and rules of action, which do not rest for their authority upon the positive will of the Legislature. In other words, it consists of those customs and rules to which time and usage have given the sanction of law.

Of such, it is plain, must be the great body of the laws of every people ; for the rules of business and the usages of society are so variable and complicated as to be incapable of being governed wholly by statute law.

It was remarked by Lord Hale, that “ the origin of the common law is as undiscoverable as the head of the Nile,” it consisting of those scattered maxims and customs which have existed “ time whereof the memory of man runneth not to the contrary.”

The English common law has been generally adopted in this country, subject however to some few modifications.

In some cases differences of circumstance and situation have introduced new customs in this country since the Revolution, that were unknown in England ; and others have since arisen there which are here un-

What power has Parliament in changing the British Government, and how compared with the American Congress ?

What is Common Law ?

Of what must be the great body of the laws of every people ?

What has been said of the origin of the common law ?

From whence has the common law of this country been derived ?

To what modifications has it been subject ?

known. But with this qualification the present common law of England is that of the several American States with the exception of Louisiana, which, on account of its French origin and population, is governed by the French or *Roman law*.

**STATUTE LAW**—is the express written will of the *Legislature*. Thus the statutes of New York are the laws enacted by the Legislature of New York. The common law in the United States is modified by the statutes of Congress, and by the Legislatures of the States. The statutes of Congress relate chiefly to the promotion of specific *national* objects; and in general do not in any way change the common law.

The statutes of the State Legislatures, sometimes, although seldom, alter the common law. Their object is chiefly to define and establish the principles of common law,—to provide for the protection of rights and the redress of wrongs, and to establish and regulate the various departments of State government.

When the statute declares in what manner an act must be performed, it must be performed in the manner specified, or it will not be binding in law. Thus if the statute declares that a *will* shall be made in a certain form, it will not be valid if executed in any other form. The statute laws must be consistent with the Constitu-

What is the common law of Louisiana?

What is Statute Law?

How is the common law modified?

To what do the statutes of Congress chiefly relate?

What are the several objects of the statutes of the State Legislatures?

How must the statutes be performed, and with what must they be consistent?

tion : for the Constitution being the *fundamental* law, created by the people themselves, all other laws are inferior to it.

Statute law is superior in force to common law ; and, wherever they are inconsistent with each other, the latter gives place to the former.

A CORPORATION—is defined to be a *body-politic*, having a *common seal*. It is an artificial or political person, maintaining a perpetual succession by means of several individuals united in one body, through a common seal.

Corporations have a legal immortality, except so far as they are limited by the law of their creation. They were originally created for purposes of charity, trade, or education ; but are now used for all purposes in which it is wished to transmit a common property.

Thus, all banks, railroad companies, and chartered societies, are examples of corporations.

CHARTER—is the act creating the corporation, or separate government ; or the privileges bestowed upon a community, or a society of individuals. It is derived from the Latin term *charta*, signifying a writing.

A PARTY—is any number of persons confederated by a similarity of objects and opinions in opposition to others. Illustrations of this may be found in all countries.

Which is superior, Statute or Common Law ?

What is a Corporation ?

For what purposes were Corporations originally created, and for what are they now used ?

What are examples of Corporations ?

What is a Charter ? From what is the term derived ?

What is a Party ? What examples of parties in England ? In France ? And on the continent of Europe ?

In England, the whigs and tories are two great parties, which have long divided the nation.

In France, during the revolution, the jacobins and royalists were violently opposed to each other.

On the continent of Europe, there have long been the parties of the *liberals* and *absolutists*. The former are advocates of republican, and the latter of monarchical principles.

In the United States, the federal and democratic parties divided the country till the termination of the last war.

A **FAC**TION—is any number of persons, whether majority or minority, confederated by some common motive, in opposition to the rights of other persons, or to the interests of community.

The *difference* between *party* and *faction*, then, is, that the former is a *difference of principle*, and is founded on a *general or public object*; the latter may have *any motive*, however personal or selfish, and be directed towards *any end*, however little connected with the public welfare.

Thus, two divisions of the people, differing as to the manner in which the government shall be administered, are *parties*; but a section whose object is to keep one portion of the people from the enjoyment of power, or to aggrandize an individual, or to divide among themselves all the offices of state, is a *faction*.

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What is a Faction? What is the difference between Party and Faction  
Example?

PART SECOND

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CONSTITUTIONAL LAW.

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*Origin of the Constitution of the United States.*

THE continent of North America was chiefly settled by emigrants from Great Britain, who came out as colonists of the mother country.

Many of them had fled from England, to avoid the persecution which they incurred by advocating principles in opposition to the established religion, and, voluntarily abandoning the comforts and luxuries of home, they were willing to encounter the dangers and privations of a wilderness, that they might enjoy greater liberty of conscience, and a more simple and a purer form of worship.

Others were induced by the thirst for novelty and the desire of adventure, and some were sent out by the government to form settlements and secure possession of the country.

But they still considered themselves subjects of Great Britain, and submitted to the jurisdiction of her laws.

In some parts of the country they were left for a while to govern themselves, and adopted democratic forms of government; in other parts the lands were

granted by charter to individuals, who formed settlements and regulated the governments of their respective colonies; and in other parts governors were appointed by the crown.

Difficulties soon arose between the American colonies and the mother country, which continued to increase during a period of more than one hundred and fifty years, until the colonies, being harassed by repeated injuries and usurpations, and by the exercise of an unwarrantable jurisdiction over them, were obliged to resort to arms in defence of their rights, and to dissolve their allegiance to the British crown.

A form of government was then necessary, and "Articles of Confederation" were adopted, under which the Revolution was brought to a happy termination. But the Articles of Confederation being a mere league between the several States, were found to be a very inefficient form of government, and the necessity of revising the system soon became apparent.

In 1787, delegates appointed by the several States for this purpose met at Philadelphia; the result of whose deliberations was the adoption by them, and the ratification by the States, of the present *Constitution*, which, since that period, has continued in successful operation.

The importance of a knowledge of the principles of the Constitution, not only to every one who aspires to the character of a gentleman and a scholar, but to every citizen of the Republic, however humble his station, is at once evident, from the very system of the government under which we live—a government in



which the people are the rulers—a government in which every citizen is a legislator, and may aspire to the highest offices within the gift of the people.

The Constitution of the United States is the plan of the first civil government ever established upon the genuine basis of freedom, and its principles should be studied both on account of their pre-eminent excellence, and because an acquaintance with them will better enable a person to fulfil those duties which, in a free government, he may be called to discharge.

## CONSTITUTION OF THE UNITED STATES.

PREAMBLE.<sup>a</sup>

WE, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

## ARTICLE. I.

*Of the Legislature.*

## SECTION I.

All legislative<sup>b</sup> powers herein granted shall be vested in a congress<sup>c</sup> of the United States, which shall consist of a Senate and House of Representatives.

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<sup>a</sup> *A preamble* is a preface or introduction, the object of which is to announce the character and design of the work to which it is prefixed.

The preamble to the Constitution asserts that the *power* which formed the Constitution resides in the *people*, and that the objects of the Constitution are *to SECURE THE RIGHTS, and to provide for and promote the general welfare of the people.*

*Section 1st.*

<sup>b</sup> *Legislative power* is the law-making power. Thus, in a Republic the Legislature is that branch of the government in which the people have vested the power of making laws.

<sup>c</sup> *Congress* is a meeting for the *settlement of national affairs,*

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What is the object of the Constitution, as expressed in the preamble ?

What is a preamble ?

ART. 1st.—In what is the legislative power vested ? What is legislative power ? What is a Congress ?

## SECTION II.

*First Clause.*—The House of Representatives shall be composed of members chosen every second year by

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whether relating to one or more nations. In Europe a conference of different powers by their ministers is called a Congress. In the United States the *National Legislature* is called the Congress.

The object in dividing the legislative power between two bodies, is to render measures less precipitate, and combine virtue, wisdom, and experience. A hasty decision, or an unwise law, is not so likely to be passed when the decisions of one house are subjected to a jealous and critical review in the other.

The members of the House of Representatives coming directly from the people, will naturally be retained within their influence; while the Senate, being chosen for a longer period, and by the Legislatures of the States, will be less dependent upon the people, and consequently farther removed from the action of popular passion. It is the same principle which regulates the distribution of legislative power in Great Britain and in France. So also the legislative power of the State governments is similarly vested in two houses.

*Section 2d.—First Clause.*

A representative is chosen for two years. In England members of the House of Commons are chosen for seven years. The object in having frequent elections, is to make the representative more directly responsible to the people, and to have the views and interests of the people represented; yet its effect is

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What is the object in dividing the legislative power between two bodies?

SEC. 2d.—*1st Clause.*—Of whom is the House of Representatives composed?

What is the object in having frequent elections? And what, furthermore, is its effects?

the people of the several States, and the electors<sup>a</sup> in each State shall have the qualifications requisite for electors of the most numerous branch of the State Legislature.

*Second Clause.*—No person shall be a representative who shall not have attained to the age of twenty-five years, and been seven years a citizen of the United

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also to render the representative less independent, and place him more under the influence of party and sectional interest. Virtue and intelligence in the people are the only means that will secure the same qualities in their representatives; and while the people remain virtuous and intelligent, no danger can arise from frequent elections.

<sup>a</sup>*An elector* is one who has a vote in the choice of an officer. "The electors in each State," here spoken of, are those who are entitled, by the laws of the State in which they reside to vote for members of the most numerous branch of the State Legislature; consequently, those who are entitled to vote for members of this branch of the State Legislature, may vote for members of the House of Representatives. And as the right of suffrage is now almost universal to American citizens of twenty-one years of age, nearly all have a voice in the choice of their rulers.

*Second Clause.*

It has been decided that a man residing at the seat of government in his official capacity, does not cease to be a legal inhabitant of the State of which he was a citizen; consequently, such person is entitled to all the privileges of citizenship, and is eligible to an office in the State from which he came.

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What are the qualifications of electors of Representatives? What is an "elector?" Who are the electors spoken of in this clause of the Constitution?

*2d Clause.*—What qualifications are required of a representative? What is said of the citizenship of a man residing officially at the seat of government?

States, and who shall not, when elected, be an inhabitant of that State in which he shall be chosen.

*Third Clause.*—Representatives and direct taxes shall be apportioned among the several States which may be included within this Union, according to their respective numbers, which shall be determined by adding to the whole number of free persons, including those bound to service for a term of years, and, excluding Indians not taxed, three fifths of all other persons. The actual enumeration shall be made within three years after the first meeting of the Congress of the

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*Third Clause.*

The appointment of representatives was one of the greatest difficulties the framers of the Constitution had to encounter. The smaller States claimed a right, as independent sovereignties, to an equal share in the General Government; while the larger ones insisted upon having an influence proportioned to the number of their inhabitants. But a compromise was finally effected, by which the larger States were allowed their just share of influence in one house, and the equality of the smaller States was recognized and admitted in the other.

The *representative population* is not the whole population of the United States; for, after including all free persons, excluding Indians not taxed, it includes "three fifths of all other persons." The "other persons" here mentioned are slaves, consequently the slaveholding States have a representation for three fifths of the whole number of slaves. Thus, the citizens of slaveholding States have, individually, greater political power than the citizens of non-slaveholding States; but this was a ne-

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*3d Clause.*—How are representatives and direct taxes apportioned among the States? How often must the citizens be enumerated for this purpose? What difficulty had the framers of the Constitution to encounter in the appointment of representatives? What compromise was effected? Who are

United States, and within every subsequent term of ten years, in such a manner as they shall by law direct.

The number of representatives shall not exceed one for every thirty thousand, but each State shall have at least one representative, and until such enumeration shall be made, the State of New-Hampshire shall be entitled to choose three, Massachusetts eight, Rhode Island and Providence Plantations one, Connecticut five, New-York six, New-Jersey four, Pennsylvania eight, Delaware one, Maryland six, Virginia ten, North Carolina five, South Carolina five, and Georgia three.

*Fourth Clause.*—When vacancies happen in the

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cessary result of the compromise, without which it is probable the Union would never have been formed. But direct taxes are also to be apportioned by the same rule as representation, so that the same cause which increases their influence in the National Legislature, subjects them to the necessity of making larger contributions to the national treasury when that mode of taxation is resorted to.

The ratio of representation is a common divisor of the numbers in the *several States*, and not in the whole Union. The ratio has been changed from time to time by Congress. In 1790, the period of the first census, the ratio, or the number of citizens entitled to a representative, was 33,000, and the whole number of representatives was 106. In 1830, the ratio was 47,700, and the whole number of representatives 240.

*Fourth Clause.*

The necessity for this clause frequently arises by virtue of the death or resignation of members of Congress.

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the "other persons" spoken of in this clause, and what is said of the representation of the slaveholding States? What is understood by the ratio of representation? What was the ratio of representation in 1830?

*4th Clause.*—What is the fourth clause?

representation from any State, the executive authority thereof shall issue writs of election to fill up such vacancies.

*Fifth Clause.*—The House of Representatives shall choose their Speaker, and other officers, and shall have the sole power of impeachment.<sup>a</sup>

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*Fifth Clause.*

The Senate also choose their own officers, with the exception of the Speaker. The Vice-President of the United States is Speaker of the Senate.

<sup>a</sup>*Impeachment* is a public accusation, by a body authorized to make it.

The power of impeachment, as vested in the House of Representatives, extends only to officers of the General Government. This power is one of the most important under the Constitution. It is the only mode in which the *Judiciary* is made responsible, and it is a salutary and necessary check upon the President and his officers.

The *mode* of impeachment is this:—The House pass a resolution to impeach, and then appoint a committee to manage the impeachment, and prepare the articles of accusation. The Senate, (upon which devolves the power of trying the person impeached,) is then informed that such charges are preferred by the House, and it then *resolves* that on a given day, the Senate will sit as a Court of Impeachment.

In the meantime, the accused is summoned to appear and answer, and as many subpoenas for witnesses are issued as either party may direct. At twelve o'clock, on the day of trial, the

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*5th Clause.*—By whom is the Speaker of the House of Representatives chosen? Who is Speaker of the Senate? What is impeachment? What officers may be impeached by the house? What is the mode of impeachment?

## SECTION III.

*First Clause.*—The Senate of the United States shall be composed of two Senators from each State,

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Secretary of the Senate administers an oath to the President of the Senate, that “he will do impartial justice, according to the Constitution and laws of the United States.” The same oath is then administered by the President, to each Senator present.

Witnesses are examined and cross-examined in the usual manner. Questions proposed by Senators are reduced to writing, and put by the President. Counsel are then heard for the respective parties; all motions are addressed to the President, and decisions are made by *ayes* and *nays*, without debate.

After the case has been fully considered, the question is propounded by the President of the senate, to each individual member, whereupon the member rises and answers guilty, or not guilty, as his opinion is. It requires two thirds to make a conviction.

If the accused be found guilty, the Senate proceeds to fix and declare the punishment.

State officers may be impeached in a similar manner by the Legislatures of the several States.

This mode of impeachment and trial, is derived from the British Parliament, in which the Commons have the sole power of impeachment, and the House of Lords the power of trial.

*Section 3d.—First Clause.*

In the Senate, each State is equally represented. It has been said that this feature of the Senate, is an evidence of *the sepa-*

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Sec. 3d.—1st Clause.—Who compose the senate? For how long a term are Senators chosen? As each state is equally represented in the Senate, is not this an evidence of the separate and independent existence of the States?



chosen by the Legislature thereof, for six years ; and each Senator shall have one vote.

*Second Clause.*—Immediately after they shall be assembled, in consequence of the first election, they shall be divided, as equally as may be, into three classes.

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*rate and independent* existence of the States. Yet the contrary is shown by the fact, that the Senate votes not by *States*, but by *persons*. Hence the members from a given State, may and often do vote on opposite sides of a question.

The true theory of our government is, that our Senators and Representatives should legislate for the whole Union, and not exclusively for the interests of a particular section. It is, however, supposed that each will be best acquainted with the interests of his immediate constituents ; that he will represent their interests, and make known their wishes, and then endeavor, as far as possible, to unite the interests of each section in the common welfare.

The Senators being chosen by the State Legislatures, it is settled by the practice of most of the States, that they may be chosen by *joint ballot of both houses*, and not necessarily by the Legislature, in its official capacity ; each house having a negative on the other.

*Second Clause.*

Care is taken that but one vacancy shall occur at the same time, in the representation of any one State. The Governor of a State can make no appointment of a Senator, in *anticipation of a vacancy*. The vacancy must exist when the appointment is made.

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What interests should be regarded in the legislation of Congress ? What is the manner of choosing Senators by the State Legislatures ?

*2d Clause.*—How were the Senators divided after their first election ?

How, if the vacancy be anticipated ?

The seats of the Senators of the first class, shall be vacated at the expiration of the second year ; of the second class, at the expiration of the fourth year ; and of the third class, at the expiration of the sixth year ; so that one third may be chosen every second year ; and if vacancies happen, by resignation or otherwise, during the recess of the Legislature of any State, the Executive thereof may make temporary appointments, until the next meeting of the Legislature, which shall then fill such vacancies.

*Third Clause.*—No person shall be a senator who shall not have attained to the age of thirty years, and been nine years a citizen of the United States, and who shall not, when elected, be an inhabitant of that State for which he shall be chosen.

*Fourth Clause.*—The Vice-President of the United

*Third Clause.*

The age required for a member of the House of Representatives, is only twenty-five years. The nature of the Senatorial trust requires, in many particulars, greater maturity of judgment, and more extensive information, and therefore renders this distinction very proper.

*Fourth Clause.*

The Vice-President has the power of preserving order in the Senate, and all questions of order are decided by him, without debate, subject to appeal to the Senate.

How are vacancies supplied which happen during the recess of the Legislature of a State ?

*3d Clause.*—What qualifications are requisite for a Senator ?

*4th Clause.*—Who is President of the Senate, and when only may he vote ?  
What are the powers of the Vice-President ?

States shall be President of the Senate ; but shall have no vote, unless they be equally divided.

*Fifth Clause.*—The Senate shall choose their other officers, and also a President pro tempore, in the absence of the Vice-President, or when he shall exercise the office of President of the United States.

*Sixth Clause.*—The Senate shall have the sole power to try all impeachments. When sitting for that purpose, they shall be on oath, or affirmation. When the President of the United States is tried, the Chief Justice shall preside ; and no person shall be convicted without the concurrence of two thirds of the members present.

*Seventh Clause.*—Judgment, in case of impeachment, shall not extend farther than to a removal from office, and disqualification to hold and enjoy any office of honor, trust, or profit, under the United States ; but the party convicted shall, nevertheless, be liable and subject to indictment, trial, judgment, and punishment, according to law.

*Fifth, Sixth, and Seventh Clauses.*

In England, the judgment upon impeachments, extends not only to removal from office, but to the whole penalty attached by law to the offence. The House of Lords may, therefore, inflict capital punishment, banishment, or forfeiture of goods, according to its discretion.

*5th Clause.*—How are the other officers of the Senate chosen ?

*6th Clause.*—Who try impeachments ? Who presides when the President of the United States is tried ?

*7th Clause.*—In the trial by impeachment, how far may judgment extend ? How is it in England ?

## SECTION IV.

*First Clause.*—The times, places, and manner of holding elections for Senators and Representatives, shall be prescribed, in each State, by the Legislature thereof; but the Congress may, at any time, by law, make or alter such regulations, except as to the places of choosing Senators.

*Second Clause.*—The Congress shall assemble at least once in every year, and such meeting shall be on the first Monday in December, unless they shall, by law, appoint a different day.

## SECTION V.

*First Clause.*—Each house shall be the judge of the election, returns, and qualifications of its own members, and a majority of each shall constitute a quorum to do business; but a smaller number may adjourn from

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*Section 4th.—First Clause.*

Although Congress has the power to appoint the *times* and *modes* of choosing Senators and Representatives, this power has never been exercised by them. It might be well to have the times and modes of election uniform; but they are now various in the several States.

*Section Fifth.—First, Second, and Third Clauses.*

It has been a point of serious controversy, whether the Senate

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SEC. 4th.—*1st Clause.*—Who determine the time, places, and manner of holding elections for Senators and Representatives? What power has Congress over the matter?

*2d Clause.*—How often must Congress assemble?

SEC. 5th.—*1st Clause.*—Who is to judge of the validity of the elections and qualifications of members of Congress?

day to day, and may be authorized to compel the attendance of absent members in such manner, and under such penalties, as each house may provide.

*Second Clause.*—Each house may determine the rules of its proceedings, punish its members for disorderly behavior, and, with the concurrence of two-thirds, expel a member.

*Third Clause.*—Each house shall keep a journal of its proceedings, and, from time to time, publish the same, excepting such parts as may, in their judgment, require secrecy; and the yeas and nays of the mem-

can, without violating the third clause of this section, expunge from the journal, acts passed during a previous session.

The clause, "to keep a journal," would seem to imply, that the journal should be legible, and should in no manner be defaced; otherwise, if black lines may be drawn, and words written across a recorded resolution, at the pleasure of a succeeding Senate, the clause in the Constitution is a nullity.

It has been said, that a recorded resolution may be "expunged" from the journal, without being "destroyed"—the journal is published, and the resolution also, as it was passed. But if, in any succeeding act, reference should be made to the journal, the best, and in all cases the ultimate authority, would be the journal as "kept" by the House.

It would seem a dangerous precedent to establish, that one Congress might erase from the journal whatever it deemed unjust, unjust, or unconstitutional in the legislation of former houses. Where the acts of a former Congress were deemed unjust, or unconstitutional, there could certainly be no constitutional objection to the introducing of counter resolutions.

*2d Clause.*—How may a member of either house be expelled?

*3d Clause.*—What duty is enjoined upon each house, relative to a journal of its proceedings? What controversy has arisen from this clause?

bers of either house, on any question, shall, at the desire of one fifth of those present, be entered on the journal.

*Fourth Clause.*—Neither house, during the session of Congress, shall, without the consent of the other, adjourn for more than three days, nor to any other place than that in which the two houses shall be sitting.

#### SECTION VI.

*First Clause.*—The Senators and Representatives shall receive a compensation for their services, to be ascertained by law, and paid out of the Treasury of the United States.

They shall, in all cases, except treason,<sup>a</sup> felony,<sup>b</sup> and breach of the peace,<sup>c</sup> be privileged from arrest during

#### *Section 6th.—First Clause.*

<sup>a</sup>*Treason* consists in one or more of these three things—levying war against the United States—adhering to their enemies—giving them aid and comfort. The war must be actually levied, to constitute treason; a conspiracy to levy war, is not treason.

<sup>b</sup>*Felony*, according to the English law, is any crime which occasions a forfeiture of lands and goods. But felony, in common speech, signifies any *capital* offence.

<sup>c</sup>The term “breach of peace,” includes all indictable offences.

For a speech, merely delivered in the House, a member cannot be questioned; yet, if he *publish* the speech, and it contain a *libel*, he is liable to an action for it as in any other case.

*4th Clause.*—What length of time may either house adjourn, without consent of the other?

SEC. 6th.—*1st Clause.*—In what cases are Senators and Representatives privileged from arrest? What is treason? Felony? Breach of the peace?

their attendance at the session of their respective houses, and in going to and returning from the same; and, for any speech or debate, in either house, they shall not be questioned in any other place.

*Second Clause.*—No senator or Representative shall, during the time for which he was elected, be appointed to any civil office, under the authority of the United States, which shall have been created, or the emoluments whereof shall have been increased during such time; and no person, holding any office under the United States, shall be a member of either house, during his continuance in office.

#### SECTION VII.

*First Clause.*—All bills for raising revenue, shall originate in the House of Representatives; but the Senate may propose or concur with amendments, as on other bills.

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#### *Section 7th.—First Clause.*

Bills for raising revenue do not include all bills which bring money into the Treasury. Thus, bills for the sale of public lands, for regulating the Post-office, and Mint, are directly productive of money, and may originate in either house. The meaning of the phrase is confined to bills to levy taxes.

This provision is borrowed from the British Constitution, by which bills for raising revenue must originate in the House of Commons, whose members are the exclusive representatives of

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*2d Clause.*—What restrictions are placed upon Senators and Representatives?

SEC. 7th.—*1st Clause.*—Where must bills for raising revenue originate? What do "bills for raising revenue" include? From what is this provision in the Constitution borrowed?

*Second Clause.*—Every bill which shall have passed the House of Representatives and the Senate, shall, before it become a law, be presented to the President of the United States; if he approve, he shall sign it; but if not, he shall return it, with his objections, to that house in which it shall have originated, who shall enter the objections at large on their journal, and proceed to reconsider it.

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the people. So tenacious of this privilege are the Commons, that the Peers are not even allowed to amend a money bill; they must reject it, or adopt it, as it has been framed by the Commons.

*Second Clause.*

The ordinary mode of passing laws, is, briefly, as follows:—

A member of either house, wishing to propose a bill, gives at least one day's notice of his intention; and, on the day specified by him, makes a motion accordingly. If the motion prevails, the bill is read. On some other day, the bill is called up, considered, and passed to a second reading. Amendments are then in order.

In the House of Representatives, bills, after being twice read, are committed to a committee of the whole house, when the Speaker leaves the chair, and takes part in the debate, as an ordinary member, and a chairman is appointed by him, to preside in his stead.

Having been a third time read, the bill is passed, and transmitted to the other house, where it goes through a similar form; though in the Senate there is less formality, and bills are often

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*2d Clause.*—What is necessary in order that a bill, passed by both houses, shall become a law? What if the President refuse to sign the bill? What is the ordinary mode of passing laws in both houses?



If, after such reconsideration, two thirds of that house shall agree to pass the bill, it shall be sent, together with the objections, to the other house, by which it shall likewise be reconsidered; and if approved by two thirds of that house, it shall become a law.

But, in all such cases, the votes of both houses shall be determined by yeas and nays; and the names of the persons voting for and against the bill, shall be entered on the journal of each house respectively.

committed to a select committee, chosen by ballot, instead of a committee of the whole house.

These regulations are rules of convenience, adopted by the two houses, and may be changed by them at pleasure. If a bill be not presented to the President, more than *ten days* before the end of the session, he has it in his power to defeat it by simply withholding his signature.

The power given to the President, of placing his veto upon laws passed by Congress, was adopted after much discussion and great opposition. It was designed as an additional security against the enactment of improper laws, and as a defence of the Executive against the encroachments of the Legislature.

Should the President abuse the veto, it is presumed the Congress would pass the bill in question, by the constitutional majority of two thirds. The power of the President to return bills, with his objections, has been repeatedly exercised.

The King of England has an absolute negative upon all bills passed by Parliament; but, for more than a century, he has not

What if the bill be not returned within ten days after its presentation to him?

What was the design in giving the President the power of placing his veto upon laws passed by Congress? What remedy, if the President greatly abuse this power? What power has the King of England in similar cases, and is that power often exercised?

If any bill shall not be returned by the President within ten days, (Sundays excepted,) after it shall have been presented to him, the same shall be a law, in like manner as if he had signed it, unless the Congress, by their adjournment, prevent its return, in which case it shall not be a law.

*Third Clause.*—Every order, resolution, or vote, to which the concurrence of the Senate and House of Representatives may be necessary, (except on a question of adjournment,) shall be presented to the President of the United States; and before the same shall take effect, shall be approved by him; or, being disapproved by him, shall be repassed by two thirds of the Senate and House of Representatives, according to the rules and limitations prescribed in the case of a bill.

exercised this power—the influence of the crown being sufficient to arrest an obnoxious measure in its passage through Parliament.

*Third Clause.*

The “orders, resolutions, and vote,” here referred to, are not those which relate to the separate and internal government of each house. The President has no right to interfere with the sessions of Congress, unless in case of disagreement between the two houses, in which case he may adjourn them.

In this respect, his power is widely different from that of the King of England, who may adjourn or dissolve Parliament at his pleasure.

In what case might the President defeat a bill passed by two thirds of both houses?

\* *3d Clause.*—Where orders, resolutions, &c. require the concurrence of both houses, what is necessary in order for them to take effect? When only may the President interfere with the sessions of Congress? How does his power, in this respect, differ from that of the King of England?

## SECTION VIII.

*Of the Powers of Congress.*

*First Clause.*—The Congress shall have power—to lay and collect taxes,<sup>a</sup> duties,<sup>b</sup> imposts,<sup>c</sup> and excises ;<sup>d</sup> to pay the debts and provide for the common defence and

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*Section 8th.—First Clause.*

The clause divided by the semi-colon, has been thought by some to confer upon Congress *two* separate powers: one “to collect taxes,” &c. and the other “to provide for the general welfare.” But it will hardly bear that construction. The power “to collect taxes,” was given *for the purpose* of providing for the general welfare. Consequently Congress has not the power “to lay and collect taxes,” unless the general welfare require it.

<sup>a</sup>*Taxes*, are all contributions, whether of money or of commodities, imposed by the government, upon individuals, for the service of the State. But *revenue* is the *money* raised for the uses of government, and may be derived from various sources, as by the sale of public land, &c., or by taxation. Duties, imposts, and excises, are different kinds of taxes.

<sup>b</sup>*Duties*, are taxes required by government, to be paid on the importation, exportation, or consumption of goods.

<sup>c</sup>*Imposts*, are taxes required by government, to be paid on goods *imported*.

<sup>d</sup>*Excise*, is a tax on *commodities*, wherever found: as, a tax on the wares of the merchant, on the produce of the farmer, &c. The term excise, in this country, has been applied to a tax on domestic distilled liquors; because this was the only excise tax ever imposed by government, and was of short duration.

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SEC. 8th.—1st Clause.—What powers are conferred upon Congress by the first clause of this section? How has this clause been construed by some? What are taxes? Duties? Imposts? Excises?

general welfare of the United States: but all duties imposts, and excises, shall be uniform throughout the United States.

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This war in 1793, and the law became so odious as to excite to acts of open insurrection, in the neighborhood of Pittsburg, Pennsylvania. The display of a military force was necessary to quell the insurgents.

There are two methods of taxation, *direct* and *indirect*. By the former, the tax is assessed directly upon the individual, in proportion to the property which he is known to possess. By the latter, the tax is levied upon various goods imported from foreign countries, viz:—upon tea, coffee, wines, broadcloths, &c.: which taxes the citizen may avoid paying, by not using the articles upon which they are imposed.

There is, however, a diversity of opinion in regard to the policy of indirect taxation. It is alleged, in its favor, that the people do not *feel* an indirect tax, and willingly pay it. This, however, may be an objection.

In a republic, the people being the fountain of power, it would seem more in harmony with the genius of such a government, that the people should know *what they pay, and when and how they pay it*.

Indirect taxes are not levied in proportion to wealth. A person worth a million of dollars, may avoid paying the tax, by not using the article upon which it is imposed, while a poor man may pay a greater amount of taxes.

A portion of the taxes paid by this method, does not accrue to the government. By a duty of twenty-five cents per bushel on imported wheat, the price of all wheat in New-York is liable to be raised twenty-five cents per bushel, and *government* re.

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What are the two methods of taxation? What is said of indirect taxation and what are the objections against it? What object is it sometimes supposed to accomplish, separate from that of taxation?

*Second Clause.*—To borrow money on the credit of the United States.

*Third Clause.*—To regulate commerce with foreign

ceives only the extra price paid upon imported wheat, while the consumers pay into the hands of the *producers*, the extra price upon American wheat; thus one portion of the people is paying into the hands of another, and not into the hands of government.

Indirect taxes, therefore, do not fully answer the avowed design of taxation. But, by some, they are supposed to answer another end, often of greater importance:—the protection and encouragement of domestic industry. Duties upon foreign cloths, raise the price of American cloths, and thus give support to domestic manufactures.

And, thus, a duty upon any foreign article of commerce, gives better support to that class of citizens who are engaged in its production or manufacture. (*For the design and effects of protecting duties see Protecting Duties.*)

*Second Clause.*

It is the frugal policy of the government, to tax the people no farther than the necessities of the government demand. Hence, in case of war, there being no money in the treasury to defray the necessary expenses, a resort must be had to taxation, or government must have the power of borrowing money on the credit of the United States.

This power has been frequently exercised. In 1816, the national debt amounted to upwards of one hundred and twenty millions of dollars; but, in 1834, the debt was not only extinguished, but a large *surplus revenue* had accumulated.

*Third Clause.*

The power to regulate *commerce*, comprehends the power to

What power is conferred by the second clause?

Whence the necessity of this power?

3d *Clause.*—What power is conferred by the third clause?

nations, and among the several States, and with the Indian tribes.

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regulate *navigation*, and extends to every species of commercial intercourse between the United States and foreign nations, and among the several States.

It does not, however, embrace the *internal* trade between man and man, in different parts of the same State ; but Congress may interdict such trade between different States.

Under this clause, Congress has exercised the power of imposing duties upon foreign goods, for the protection of domestic manufactures.

The exercise of this power by Congress, has been controverted by some, as unconstitutional. It is admitted by all, that duties may be imposed upon any articles whatever, *for the purpose of revenue* ; but some deny the power to impose these very duties, if *protection* is the object.

It is difficult to see why this distinction should be made. The result is the same in both cases, whether the power be exercised for the purpose of revenue or protection. All duties imposed upon foreign articles create a revenue, and also *protect* the domestic manufacture of those articles.

If Congress impose duties upon foreign broadcloths, who shall determine the constitutionality of the act ? For Congress has only to declare revenue to have been its motive, and it has transgressed no law.

It is thought it would be a better rule, to test the constitutionality of legislative acts, by their tendency and obvious effects, and not by the motives of the legislators ; for the effects of legislation may be better known than the motives of the legislators. And, where the *effects* are the *same*, (as they are in these two cases,) the action must be *equally* constitutional.

But the Constitution also gives Congress power "to make all laws which are necessary to promote the general welfare," If

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What does the power "to regulate commerce" embrace ? What kind of trade does it not embrace ? What power has Congress exercised under this clause ? What discussion has arisen upon this question ?

*Fourth Clause.*—To establish an uniform rule of naturalization,<sup>a</sup> and uniform laws on the subject of bankruptcies,<sup>b</sup> throughout the United States.

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therefore, Congress deem the protection of domestic manufactures necessary to promote the general welfare, the Constitution certainly gives the power to make laws for that purpose.

The question relative to such protecting duties, appears, then, to be one of *policy* and not of *right*.

An *Indian tribe*, within the limits of a State, is not considered a *foreign nation*, but is entitled to sue in the courts of the United States.

*Fourth Clause.*

<sup>a</sup>*Naturalization*, is the *act* by which a *foreigner* is made a *citizen*. The law by which this is permitted, is called a *naturalization law*; and the acts by which a party avails himself of this law, are *the naturalization*.

America is believed to be the only country, where a *general law* is enacted for this purpose. In England, and most other countries, it may be done, as a matter of *special favor*; but, even then, the privilege never extends so far as to make a foreigner eligible to the higher offices of State.

The States have no authority to pass laws of naturalization. This is an *exclusive* power of the United States. By acts of Congress, on this subject, an *alien of full age*, may become a citizen of the United States, after a residence of five years in the country, upon complying with certain requisitions, among which are, a renunciation of all allegiance to every foreign prince and power, and a declaration, on oath or affirmation, that he will support the Constitution of the United States.

The children of naturalized persons, if dwelling within the United States, are considered citizens of the United States.

<sup>b</sup>*Bankruptcy*, is the act of becoming a *bankrupt*. *Bankrupt*

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How is an Indian tribe, within the limits of a State, considered with regard to its nationality?

*4th Clause.*—What powers are conferred by the fourth clause? What is naturalization? May the States pass laws of naturalization? How may an

*Fifth Clause.*—To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

*Sixth Clause.*—To provide for the punishment of

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and *bankruptcy*, are legal terms, signifying a particular kind of insolvency, or failure to pay one's debts. In common speech, one who cannot pay his debts, is a bankrupt; but it is not so in law. Thus, by the law of England, a bankrupt is a *trader* who secretes himself, or does other acts tending to *defraud his creditors*.

There is now no national bankrupt law. Congress passed a temporary bankrupt law in 1800, but the law was repealed in 1803. In the absence of a general bankrupt law, the States have passed bankrupt laws, which are valid only *between the citizens of the State* by which the law was passed. Should Congress pass a general law upon this subject, however, the State laws would be void so far as inconsistent with it.

*Fifth Clause.*

The power to coin money, has long been exercised, and the Mint department has been established for that purpose. Any person may bring gold or silver to the mint to be coined, and if it be of the standard value, it is coined free of expense; otherwise, enough is retained to pay the expense of coinage.

Congress has not yet passed any general law, fixing the standard of weights and measures; but such a law would conduce greatly to the accuracy of trade, and the convenience of commerce.

*Sixth Clause.*

Connected with the power to coin money, and regulate the value thereof, Congress has the right "to provide for the punishment of counterfeiting the securities and current coin of the United States."

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alien become a citizen? What is bankruptcy? Have we any general bankrupt law? How is its place supplied?

*5th Clause.*—What powers are conferred by the fifth clause?

*6th Clause.*—What powers are conferred by the sixth clause?



counterfeiting the securities and current coin of the United States.

*Seventh Clause.*—To establish post-offices and post-roads.

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It is of great importance that the laws regulating the currency, should be the same throughout the Union; and as Congress legislates for the *whole* people, the power is most properly placed in their hands.

*Seventh Clause.*

To establish post-offices and post-roads, means simply, to designate any road upon which the mail shall be carried, and appoint, in any given place, a post-master.

Congress have, also, passed laws for the safety and speedy transportation of the mail. Of such importance is the speedy transmission of the mail considered, that even a stolen horse attached to a mail stage, cannot be seized, nor the driver arrested on *civil process*, such as debts, &c., in such way as to obstruct the mail; but the driver may be arrested for *a breach of the peace*.

Under this clause, and that of providing for the general welfare, has arisen the question of *Internal Improvements*. Congress have repeatedly passed laws and made appropriations for internal improvements, in the construction of roads, canals, &c. and the improvement of water-courses; but the constitutional power has long been a subject of discussion, and is not yet settled. Legislative authority has invariably been in favor of the constitutionality of the power, but the executive has been mostly against it.

During the administrations of Washington and the elder Adams, the subject was little examined, and no executive opin

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*7th Clause.*—What powers are conferred by the seventh clause? What is the meaning of the phrase, “to establish post-offices and post-roads?” What important question has arisen under this clause?

*Eighth Clause.*—To promote the progress of science and useful arts, by securing, for limited times,

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ions were formally advanced. Both Mr. Jefferson and Mr. Madison denied the constitutionality of the power, but recommended the grant of such powers by the States, in the way provided, by an amendment of the Constitution. Mr. Monroe, in his first message to Congress, declared his agreement with his predecessors, but after the passage of a resolution by Congress *affirming the power*, he withdrew his opposition, and during his administration appropriations for internal improvements greatly increased.

Mr. John Quincy Adams strongly recommended and encouraged internal improvements; and during his administration the system seemed to have become a part of the permanent policy of the country. Mr. Adams admitted the entire constitutionality of the power to make internal improvements by the general government.

Thus far, all the Presidents were in *favor of the measures themselves*; but some were opposed to them on *constitutional grounds*, deeming it unsafe to exercise powers not expressly granted. President Jackson, however, not only denied the constitutionality of the power, but was opposed to the measures themselves, upon the ground that the power of appropriating money was unsafe and insufficient for the successful prosecution of national works.

The Supreme Court has given no direct decision upon the subject. It has, however, decided that a contemporary exposition of the Constitution, practised and acquiesced in for a number of years, fixes the construction of the Constitution, and *the Court will not alter or shake it*. It has also decided that there

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What were the opinions of the various Presidents upon the subject of internal improvements? What decisions of the Supreme Court seem to affect this question?

to authors and inventors the exclusive right to their respective writings and discoveries.

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is nothing in the Constitution of the United States which excludes incidental or implied powers. This would appear to show an inclination in the Supreme Court to sustain the power claimed by Congress. The power, although strongly opposed by some, has long been exercised, and appears to be sanctioned by public opinion.

*Eighth Clause.*

By acts of Congress, "patents may be obtained for any new and useful art, machine, manufacture, or composition of matter not known before the application." The term for which a patent may be obtained is fourteen years. Copy-rights may be secured for twenty-eight years, and at the expiration of that time the patentee, or (if he be dead) his wife or children, may renew it for fourteen years longer. The term for copy-rights was formerly fourteen years, the same as for patents.

The acts of Congress upon this subject assign to an author or his assignee the sole right and liberty of publishing and selling his work, and to a patentee the full and exclusive right and liberty of constructing, using, and selling to others his invention, or discovery, within the time limited for the enjoyment of their respective privileges. For the violation of a patent, the trespasser must pay to the patentee three times the actual damage proved to have been sustained. The penalty for infringing a copy-right is the forfeiture of every volume so printed to the author, and the forfeiture of fifty cents for every sheet printed, one half to the author, and one half to the United States; and furthermore, to pay the author all the damages which he may prove to have sustained.

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*8th Clause.*—What powers are conferred by the eighth clause? For what length of time may patent and copy-rights be obtained? What are the penalties for the violation of patent and copy-rights?

*Ninth Clause.*—To constitute tribunals inferior to the Supreme Court.

*Tenth Clause.*—To define and punish piracies<sup>a</sup> and felonies committed on the high seas,<sup>b</sup> and offences against the law of nations.

*Eleventh Clause.*—To declare war, grant letters of

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*Ninth Clause.*

The power given by this clause will be examined under the article which relates to the judiciary.

*Tenth Clause.*

<sup>a</sup> Robbery on the high seas is called *piracy*. It is the same crime which, when committed on the land, is denominated robbery. Piracy is punished by all nations. But if a foreigner acts under the sanction of a national commission, his acts are not denominated piracy. In this case the government which sanctions his acts is responsible for the wrong, and not the individual. Thus the Barbary States are now regarded as lawful powers, and not pirates.

<sup>b</sup> The term "high seas" means all the waters of the ocean below the boundaries of low water mark, where the tide ebbs and flows, although in a roadstead or bay, within the limits of one of the States or of a foreign government. Between high water mark and low water mark, the courts of common law and of admiralty hold alternate jurisdiction.

*Eleventh Clause.*

In most governments the power to declare war is vested in the Executive, particularly in monarchies, where it is generally

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*9th Clause.*—What power is conferred by the ninth clause?

*10th Clause.*—What powers are conferred by the tenth clause? What is piracy? What is understood by the "high seas"?

*11th Clause.*—What powers are conferred by the eleventh clause? In most governments, where is the power to declare war vested?

marque and reprisal,<sup>a</sup> and make rules concerning captures on land and water.

*Twelfth Clause.*—To raise and support armies; but no appropriation of money for that use shall be for a longer term than two years.

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exercised by the sovereign. It is sometimes said that the power of the King of England to make war is nugatory, while the people have the right of refusing the supplies for carrying it on. But it may be said, with much more truth, that the right of the people to deny the supplies is nugatory, when the crown has involved them in a predicament that makes consent a matter of necessity. But the people of this Republic, jealous of so great a power vested in one man, who might so easily abuse it, have given it to Congress, who represent the people, and who, it is presumed, will not engage in war needlessly, without the sanction of public opinion.

<sup>a</sup>*Letters of marque and reprisal* are commissions to seize the persons and property of the members of a nation which has committed some injury, and refuses to make satisfaction.

#### *Twelfth Clause.*

It is the policy of the government to keep the standing army no larger than is necessary to keep up the forts on the seaboard and frontiers, and awe the Indians. The standing army is within the immediate *control of the people*, as it can be destroyed whenever their representatives refuse appropriations for its subsistence.

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What is said of the power of the King of England to make war?

What are "letters of marque and reprisal?"

*12th Clause.*—What power is conferred by the twelfth clause? How may our standing army be broken up?

*Thirteenth Clause.*—To provide and maintain a navy.

*Fourteenth Clause.*—To make rules for the government and regulation of the land and naval forces.

*Fifteenth Clause.*—To provide for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions.

*Thirteenth Clause.*

The United States have long had a large and respectable navy. A large navy is more necessary for the protection of our extensive commerce and the defence of the Republic than a large standing army; and if we ever engage in war with any European nation, our commerce will be the first object of attack. We should be able to meet the enemy abroad, and not allow him to come within our territories.

History shows us that a large standing army, in the democracies of the old world, has often been converted to dangerous uses in times of civil discord. But while the navy is our strongest bulwark of defence, it is under so wise a supervision, that there is no danger of its being used as an engine of domestic oppression.

*Fourteenth Clause.*

The Departments of War and Navy have been established for the superintendence of the land and naval forces, and rules and regulations for their government and discipline have been adopted by Congress.

*Fifteenth, and Sixteenth Clauses.*

Under these two clauses, and a subsequent one, that the Pre-

*13th Clause.*—What power is conferred by the thirteenth clause? What is said of the importance of a navy.

*14th Clause.*—What power is conferred by the fourteenth clause?

*15th and 16th Clauses.*—What powers are conferred by the fifteenth and

*Sixteenth Clause.*—To provide for organizing, arming, and disciplining the militia, and for governing such part of them as may be employed in the service of the United States, reserving to the States respectively the appointment of the officers, and the authority of training the militia according to the discipline prescribed by Congress.

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sident shall be commander-in-chief of the militia when called into actual service, several questions have arisen :

1st. Who is to determine when the militia are to be called out, the Governors of the States or the President ?

2d. Can the President place the militia under the command of any one but himself ?

3d. Can he detach *parts* of the militia corps ?

It has been decided by the Supreme Court of the United States that the authority to decide when the militia are to be called out belongs exclusively to the President. The power to govern the militia, when in the service of the United States, is an exclusive one ; but the militia are not to be considered in that service until they are mustered at the place of rendezvous, and until that time their respective States retain jurisdiction over them, concurrent with the jurisdiction of the general government.

A State may call forth its own militia, when not in the service of the United States, to suppress insurrections within, or repel invasions from its own borders, or to assist the United States.

Upon the two remaining questions, the Supreme Court has given no decision. The general opinion, however, seems to be

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sixteenth clauses ? What questions have arisen under these clauses ? How has the first question been decided ? When are the militia considered in the service of the United States ? What is said of the two remaining questions ?

*Seventeenth Clause.*—To exercise exclusive legislation, in all cases whatsoever, over such district (not exceeding ten miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the government of the United States, and to exercise like authority over all places purchased by the consent of the Legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dock-yards, and other needful buildings.  
And,

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in favor of the power claimed for the President. The Constitution gives to the President the command of the militia "when in the actual service of the United States;" but the command would be almost a nullity without the implied power of delegating to others either a part or the whole of his authority, or of detaching parts of the militia when occasion demanded it.

*Seventeenth Clause.*

Congress has accepted a grant from Virginia and Maryland, of ten miles square, for the seat of government, which is the present District of Columbia. Over this district, Congress has exclusive jurisdiction, and also over other places purchased for the uses of the government. The inhabitants of those places cease to be inhabitants of the States, and can no longer exercise any political rights under the laws of the States. But the States have commonly reserved the right of *criminal jurisdiction* within the limits of ceded places, as this right may be exercised consistently with the jurisdiction of the general government.

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*17th Clause.*—What powers are conferred by the seventeenth clause? What district has been ceded to Congress? What is the extent of the jurisdiction of Congress over all ceded places?



*Eighteenth Clause.*—To make all laws which shall be necessary and proper for carrying into execution

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*Eighteenth Clause.*

This clause has given rise to much discussion and great diversity of sentiment. It gives to Congress the power "to make all laws which shall be necessary and proper" for carrying into execution certain other specified powers. A question arises, What laws shall be necessary and proper for these purposes?

A national bank has by some been thought necessary to the proper administration and regulation of the financial concerns of the nation. And if it be necessary for this purpose, argue its advocates, its establishment by Congress cannot be unconstitutional. On the other hand, some of its opponents admit the utility of a national bank, but deny its constitutionality, on the grounds that Congress cannot exercise any powers not expressly granted, and that if the exercise of such implied powers were admitted, there would be *no limits* to the powers of the general government. Others, however, deny its constitutionality on the ground that it is an unnecessary institution in a financial point of view, and that it is pregnant with danger, owing to its liability to be converted to political purposes.

A national bank was incorporated in 1791, although with much opposition. It received the sanction of Washington, then President of the United States, and the weight of his favorable judgment. The Secretary of State and the Attorney General, (Jefferson and Randolph,) denied its constitutionality, while the Secretaries of the Treasury and War, (Hamilton and Knox,) agreed with the majorities in Congress in its favor.

In 1811 the charter of the bank expired, and a majority in Congress rejected a bill for its re-charter. In 1816, the curren-

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*18th Clause.*—What general powers are conferred by the eighteenth clause? What important question has arisen under this clause? What are the arguments for and against the constitutionality of a national bank? When was national bank first incorporated, and what has been its history?

the foregoing powers, and all other powers vested by this Constitution in the government of the United States, or in any department or officer thereof.

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cy of the country having become in a very depreciated condition, a new national bank was chartered with a much larger capital than the old one. The effect of the establishment of the bank was to revive credit, and restore a healthy action to the money market. In 1832 a bill for the re-charter of the bank (the charter of which would expire in 1836) passed both houses of Congress, but was rejected by the executive veto of President Jackson.

The Supreme Court has decided—

1st. That Congress has the power to incorporate a national bank.

2d. That there is nothing in the Constitution which excludes incidental or implied powers; and,

3d. That if the *means* proposed for the accomplishment of a *constitutional object* are *adapted to the end*, and not prohibited, they may be constitutionally employed.

The constitutionality of a national bank is therefore settled as far as it can be by the decision of the *highest* judicial tribunal in the Union. Its *expediency* may be questioned, but its *validity* is established while the decisions of the Supreme Court remain unimpaired and the Constitution unviolated.

Another *incidental power* claimed and exercised by the government is to create a *priority of payment* in their favor in case of the death or insolvency of the debtor. Where a company or an individual is a debtor to Congress, and becomes insolvent, the claims of the United States must be liquidated before those of any other creditor.

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What have been the decisions of the Supreme Court upon the subject? What other incidental power is claimed by Congress?

## SECTION IX.

*Of Restrictions upon the Power of Congress.*

*First Clause.*—The migration or importation of such persons as any of the States now existing shall think proper to admit, shall not be prohibited by the Congress prior to the year one thousand eight hundred and eight; but a tax or duty may be imposed on such importation, not exceeding ten dollars for each person.

*Second Clause.*—The privilege of the writ of *habeas corpus*,<sup>a</sup> shall not be suspended, unless when, in cases

*Section 9th.—First Clause.*

The *persons* here spoken of were *slaves*, and by this clause their introduction was admitted until 1808. In 1815 the slave trade was prohibited under severe penalties. Congress has since declared the slave trade to be piracy, and that if a citizen of the United States be engaged in it, he shall be adjudged a pirate, and on conviction suffer death. The Supreme Court of the United States, however, has decided that the slave trade is not piracy by the universal law of nations, nor except so far as it has been made so by the treaties or statutes of the nation to which the party belonged. The slave trade has been abolished by the United States, and by all European nations, and there is not a flag of any European power that can now legally cover this traffic north of the equator. Vessels, of whatever nation, engaged in the slave trade, are now liable to seizure and confiscation.

*Second Clause.*

<sup>a</sup>The *writ of habeas corpus* is a judicial writ, grantable by any court of record, or judge thereof, and commands the sheriff,

Sec. 9th.—*1st Clause.*—What is the first clause of section ninth? Who were the “persons” here spoken of? What is the penalty for engaging in the slave trade? What has the Supreme Court decided upon the subject? How is the slave trade considered by other nations?

of rebellion or invasion, the public safety may require it.

*Third Clause.*—No bill of attainder,<sup>a</sup> or *ex post facto law*,<sup>b</sup> shall be passed.

or other officer, named in it, to have or take the body, and bring it before said judge or court.

The object of the writ is, by bringing a person, confined by any means whatever, before a competent authority, to have his confinement, and the cause of it, investigated; and, if it be not strictly legal, to discharge him.

The writ is grantable upon the application of any person whomsoever, on behalf of the prisoner.

The only attempt to suspend the writ of habeas corpus, was made on the occasion of Burr's conspiracy: but it failed in the House of Representatives, by a large majority.

#### *Third Clause.*

<sup>a</sup>A *bill of attainder*, is a special act of the Legislature, inflicting capital punishments upon persons supposed to be guilty of high offences, such as treason and felony, without any conviction in the ordinary course of judicial proceedings. If it inflict a milder punishment, it is called a bill of pains and penalties.

<sup>b</sup>An *ex post facto law*, is a *retrospective criminal law*. A retrospective law, is one which acts upon things already done.

An *ex post facto law* makes something criminal which was not criminal when done. Thus, if the Legislature should pass an act, declaring that all persons who had not attended church last year, should be imprisoned, that law would be *unconstitutional*, because, *ex post facto*.

<sup>1</sup> *2d Clause.*—When only may the writ of "habeas corpus" be suspended? What is the writ of "habeas corpus"? Has the writ ever been suspended in this country?

<sup>3</sup> *3d Clause.*—What is the third clause? What is a "bill of attainder"? What is an "ex post facto law"?

*Fourth Clause.*—No capitation,<sup>a</sup> or other direct tax, shall be laid, unless in proportion to the *census* or enumeration herein before directed to be taken.

*Fifth Clause.*—No tax or duty shall be laid on articles exported from any State.

But if the Legislature should pass an act, that those who had attended militia duty last year, should be excused from paying taxes, and those who had not, should not be excused, such a law would be *retrospective*, but not *ex post facto*, because, not criminal. An *ex post facto law* makes *past acts criminal*, which were *not so before*.

#### *Fourth Clause.*

<sup>a</sup>The term *capitation*, here, signifies a direct tax upon individuals. Such tax cannot be levied by Congress upon one portion of the people and not upon another; but all taxes must be uniform among the States.

If a national tax were to be levied, Congress would apportion it among the several States, according to the number of representatives which they were allowed to send to Congress; and each State would apportion its tax among its citizens, according to the property possessed by each.

Thus, Congress would apportion the tax among the States, according to *numbers*; and the States among the citizens, according to *property*.

#### *Fifth Clause.*

Duties upon *exports* can at no time be advantageous to a nation; for it is by its exports only that one nation is enabled to procure the money or produce of other nations.

*4th Clause.*—What is the fourth clause? What does the term “capitation” here signify? How would a national tax be levied?

*5th Clause.*—What is the fifth clause? Are duties on exports ever advantageous to a nation?

*Sixth Clause.*—No preference shall be given, by any regulation of commerce or revenue, to the ports of one State over those of another ; nor shall vessels bound to or from one State, be obliged to enter, clear, or pay duties in another.

*Seventh Clause.*—No money shall be drawn from the Treasury, but in consequence of appropriations made by law ; and a regular statement and account of the receipts and expenditures of all public money, shall be published from time to time.

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Kings, sometimes, resort to duties of this kind, to increase their revenue ; but where the *people* are the rulers, they will not thus oppress themselves.

*Sixth Clause.*

Were vessels of one State obliged to pay duties in another, the States would be in the relation of foreign nations to each other. A diversity of interests would soon arise, and the unity of government would be destroyed.

*Seventh Clause.*

The *public moneys* are thus placed beyond the reach of the Executive, and the people who bear the burdens of taxation, have, through their representatives, the sole power of appropriating their own revenue.

By the regulations of the Treasury Department, the greatest fidelity and accuracy are ensured in the disbursement of the public moneys. The people have always an opportunity of knowing how their money is disposed of.

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*6th Clause.*—What is the sixth clause ? Why its propriety ?

*7th Clause.*—How only may money be drawn from the Treasury ?

*Eighth Clause.*—No title of nobility shall be granted by the United States ; and no person, holding any office of profit or trust under them, shall, without the consent of the Congress, accept of any present, emolument, office, or title of any kind whatever, from any king, prince, or foreign state.

## SECTION X.

*Of Restrictions upon the Power of the States.*

*First Clause.*—No State shall enter into any treaty, alliance, or confederation ; grant letters of marque and

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*Eighth Clause.*

Titles of nobility, and the odious aristocratical distinctions found in most governments, are utterly inconsistent with our republican manners and institutions. This clause, also, guards against the possibility of public officers being bribed to betray the interests of their country.

*Section 10th.—First Clause.*

This clause divests the States of the most important attributes of *national* sovereignty. It will be seen in the end, that they retain no attributes of national sovereignty ; but are sovereign in a municipal capacity only. The terms “letters of marque and reprisal,” “bill of attainder,” and “ex post facto law,” have already been defined.

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*8th Clause.*—What is the law with reference to titles of nobility, and presents from foreign states ?

*SEC. 10th.—1st Clause.*—What restrictions are placed upon the power of the States, by the first clause of section tenth ?

reprisal ; coin money ; emit bills of credit ;<sup>a</sup> make any thing but gold and silver coin a tender in payment of debts ; pass any bill of attainder, ex post facto law, or law impairing the obligation of contracts ;<sup>b</sup> or grant any title of nobility.

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<sup>a</sup> *Bills of credit*, within the meaning of the Constitution, which prohibits their emission by the States, are promissory notes, or bills, issued exclusively on the credit of the State, and designed to circulate as money, and for the payment of which, the faith of the State only is pledged.

The prohibition does not, therefore, apply to the notes of a State bank, drawn on the credit of a particular fund, set apart for the purpose.

<sup>b</sup> A *contract*, is an agreement to do or not to do a certain thing. If two individuals have formed a contract which is sanctioned by the laws of the State, and the fulfilment of which could be legally exacted by either of the contracting parties, when the State cannot declare such contract void, or release either party from his obligation.

Nor can a State revoke what it has once granted away. But when the law itself, under which the contract was made, provides for the dissolution of the contract, in any prescribed mode, the parties are presumed to have acted subject to such contingency ; and when the contingency happens, the obligation may be declared void, either in whole or in part, as the original law, (under which the contract was made,) provided.

The *obligation* consists in the law applicable to the contract. If, then, the law which permitted the contract, permit the law-giver, at any time, to declare it void, the contract is made subject to such contingency.

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What are "bills of credit?" What is a "contract?" In what does the "obligation" consist?



*Second Clause.*—No State shall, without the consent of the Congress, lay any imposts or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws; and the nett produce of all duties and imposts, laid by any State on imports or exports, shall be for the use of the Treasury of the United States; and all such laws shall be subject to the revision and control of the Congress.

*Third Clause.*—No State shall, without the consent of the Congress, lay any duty of tonnage,<sup>a</sup> keep troops or ships of war in time of peace, enter into any agree-

*Second Clause.*

By this clause, the States can obtain no revenue from commerce by imposing duties upon either imports or exports.

But the States have inspection laws, under the authority of which many domestic articles are *inspected* before they are subject to use or exportation. The States are allowed to lay duties upon these articles, sufficient to pay for their inspection. The object of inspection laws, is to improve the *quality* of articles produced in the country.

*Third Clause.*

<sup>a</sup> *Tonnage duties* are taxes laid on vessels, at a certain rate *per ton*. The States cannot keep troops or ships of war, in time of peace, for these are attributes of national sovereignty. If this power existed in both the general and State governments, it would constitute them separate nations; which would be wholly at variance with the object of the Constitution.

*2d Clause.*—What restrictions are imposed by the second clause? What are inspection laws, and what is their object?

*3d Clause.*—What restrictions are imposed by the third clause? What are “tonnage duties?”

ment or compact with another State, or with a foreign power, or engage in war, unless actually invaded, or in such imminent danger as will not admit of delay.

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## ARTICLE II.

### *Of the Executive.*

#### SECTION I.

*First Clause.*—The Executive<sup>a</sup> power, shall be vested in a President of the United States of America. He shall hold his office during the term of four years ;

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#### *First Clause.*

<sup>a</sup> *Executive*, is that which relates to the *execution* of the laws. Thus, the chief officer of the government, whether he be called King, President, or Governor, is denominated the *Executive*; for, on him, in most cases, the Constitution imposes the duty of *executing the laws*.

As it is the duty of the Executive to execute the laws, which often requires great decision, secrecy, and despatch, this power is better vested in one man than in several individuals.

The Executive being elected for a definite term of years, if his administration be odious, he is, at the expiration of his term of office, held amenable at the bar of public opinion, and another person may be elected to fill his place.

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*1st Clause.*—In whom is the Executive power vested? How long does the President hold his office? What is the meaning of the term "*executive*?" Why might not the Executive power be placed in the hands of many individuals?

and, together with the Vice-President, chosen for the same time, be elected as follows :—

*Second Clause.*—Each State shall appoint, in such manner as the Legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress ; but no Senator or Representative, or person holding an office of trust or profit, under the United States, shall be appointed an elector.\*

(*12th Amendment to the Constitution.*)—The electors shall meet in their respective States, and vote by ballot, for President and Vice-President, one of whom, at least,

It will, hereafter, be seen, that the Executive is made directly responsible for his acts, to the representatives of the people. So great is the difference between the Executive branch of many of the governments of Europe and that of the United States.

It is a principle of the English law, that “the king can do no wrong.” His acts are placed above inquiry, and above accountability. If the king errs, or offends, his ministers are held responsible.

*Second Clause.*

As the electors are to be appointed in such manner as the Legislature may direct, different States have adopted different modes. In some States, the electors are chosen by the Legislature itself ; in others, by the people.

\* The next clause in the Constitution, was abrogated in the year 1801, and the above amendment introduced.

To whom is the Executive responsible ? How is it with the Executive of the English government ?

*2d Clause.*—How are the President and Vice-President elected ?

shall not be an inhabitant of the same State with themselves.

They shall name, in their ballots, the person voted for as President, and in distinct ballots, the person voted for as Vice-President ; and they shall make distinct lists of all persons voted for as President, and of all persons voted for as Vice-President, and of the number of votes for each ; which lists they shall sign and certify, and transmit, sealed, to the seat of government of the United States, directed to the President of the Senate.

The President of the Senate shall, in the presence of the Senate and House of Representatives, open all the certificates, and the votes shall then be counted ; the person having the greatest number of votes for President, shall be President, if such number be a majority of the whole number of electors appointed ; and if no person have such majority, then, from the persons having the highest numbers, not exceeding three, on the list of those voted for as President, the House of Representatives shall choose, immediately, by ballot, the President.

But, in choosing the President, the votes shall be taken by States, the representation from each State having one vote ; a quorum for this purpose, shall consist of a member or members from two thirds of the States, and a majority of all the States shall be necessary to a choice.

And if the House of Representatives shall not choose a President, whenever the right of choice shall devolve upon them, before the fourth day of March next follow-

ing, then the Vice-President shall act as President, as in the case of the death or other constitutional disability of the President.

The person having the greatest number of votes as Vice-President, shall be the Vice-President, if such number be a majority of the whole number of electors appointed; and if no person have a majority, then, from the two highest numbers on the list, the Senate shall choose the Vice-President: a quorum for the purpose, shall consist of two thirds of the whole number of Senators, and a majority of the whole number shall be necessary to a choice.

But no person constitutionally ineligible to the office of President, shall be eligible to that of Vice-President of the United States.

*Third Clause.*—The Congress may determine the

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*Third Clause.*

As regards the time of choosing the electors, Congress have only enacted that the States shall choose their electors within the thirty-four days preceding the first Wednesday in December.

The consequence is, that within that time, the elections are still made at different periods. It would, doubtless, be better if the elections were held by the different States on the same days. As it now is, those which are held last, are liable to be more or less influenced by those which are held first, upon the principle of a common desire in human nature to be on the strong side.

The electors meet in their respective States, at a place ap-

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*3d Clause.*—Who determines the time of choosing the electors? Is the day of choosing the electors the same throughout the States? What objection is there to their present mode of election?

time of choosing the electors, and the day on which they shall give their votes; which day shall be the same throughout the United States.

*Fourth Clause.*—No person, except a natural born citizen, or a citizen of the United States at the time of the adoption of this Constitution, shall be eligible to the office of President; neither shall any person be eligible to that office who shall not have attained to the age of thirty-five years, and been fourteen years a resident within the United States.

*Fifth Clause.*—In case of the removal of the Presi-

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pointed by the Legislature thereof, on the first Wednesday in December, in every fourth year succeeding the last election, and vote by ballot for President and Vice-President.

*Fourth Clause.*

Most of the Presidents heretofore elected, have been more than sixty years of age. The age of thirty-five is young enough.

It is not required that the person elected President, should have been within the United States during the whole period of fourteen years preceding his election; but his *permanent domicil* must be there, unless he reside abroad on business of the government.

A public officer, residing abroad in pursuance of his duty, is still considered a resident citizen of the United States, so far as his political rights are affected.

*Fifth Clause.*

Congress has provided, that, in case of the removal, death, resignation, or inability of both the President and Vice-President,

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On what day do the electors give their votes?

*4th Clause.*—What qualifications are required for the office of President? What has been the age of most of the Presidents, when elected? Must the person elected President, have been within the United States during the whole period of the fourteen years preceding his election?

dent from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice-President ; and the Congress may, by law, provide for the case of removal, death; resignation, or inability both of the President and Vice-President, declaring what officer shall then act as President ; and such officer shall act accordingly, until the disability be removed, or a President shall be elected.

*Sixth Clause.*—The President shall, at stated times, receive, for his services, a compensation, which shall neither be increased nor diminished during the period for which he shall have been elected, and he shall not receive within that period any other emolument from the United States, or any of them.

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the President *pro tem.* of the Senate, and in case there shall be no such President of the Senate, then the Speaker of the House of Representatives, shall act as President until the disability be removed or the vacancy filled.

In case of a non-election of President and Vice-President, at the proper period, Congress has declared that there shall immediately be held a new election.

*Sixth Clause.*

The salary of the President is twenty-five thousand dollars per annum, and that of the Vice-President, five thousand dollars.

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*5th Clause.*—Who succeeds the President, in case of his removal by death or otherwise ? What provisions have Congress made for the case of the removal of both President and Vice-President ? If there be no President of the Senate ? In case of a non-election of both President and Vice-President ?

*6th Clause.*—What provision is made relative to the compensation of the President ? What is his salary ?

*Seventh Clause.*—Before he enters on the execution of his office, he shall take the following oath or affirmation :—

“ I do solemnly swear, (or affirm,) that I will faithfully execute the office of President of the United States, and will, to the best of my ability, preserve, protect, and defend the Constitution of the United States.”

## SECTION II.

*First Clause.*—The President shall be commander-in-chief of the army and navy of the United States, and of the militia of the several States, when called into the actual service of the United States.

He may require the opinion, in writing, of the principal officer in each of the Executive Departments, upon any subject relating to the duties of their respect-

### *Section 2d.—First Clause.*

The opinions of the subordinate Executive officers, are often required in matters pertaining to their respective departments. As the President cannot have the entire management of all the Executive departments, a general supervision over them requires that he should be allowed to avail himself of the opinions of those to whom these departments are more particularly intrusted.

*7th Clause.*—What oath is required of the President, before he enters upon the duties of his office ?

*SEC. 2d.—1st Clause.*—What powers are vested in the President, by this clause ? Why should the President have the power of requiring the written opinions of the heads of departments ?



tive offices, and he shall have power to grant reprieves and pardons for offences against the United States, except in cases of impeachment.

*Second Clause.*—He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two thirds of the Senators present concur : and he shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other

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*Second Clause.*

Relative to the power of making treaties, a question of the following nature has arisen :—

If a treaty be ratified by the President and Senate, and a law be required to carry it into execution, may the House of Representatives withhold such law ?

The House of Representatives once declared, that when a treaty depended, for the execution of any of its stipulations, on an act of Congress, it was the right and duty of the House to deliberate on the expediency of carrying such treaty into effect.

The House of Representatives, however, have subsequently decided that the *sole power* over treaties, rests with the Senate and President. This appears, now, to be the prevailing opinion.

The Constitution has made treaties, when properly ratified, the supreme law of the land, and as such, they are binding upon the whole nation, and upon Congress also.

As nations cannot treat together *immediately*, they must hold conferences by means of delegates, or *public ministers*.

A *public minister* is one who is charged with the care of

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What exception to his power of pardoning ?

*2d Clause.*—In whom is vested the power of making treaties ? What question has arisen relative to the treaty-making power ? What right over this power did the House of Representatives formerly claim ? How has the question been decided ? How extensive is the binding power of treaties ? What is a “ public minister ? ”

public ministers, and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may, by law, vest the appointment of such inferior officers as they think proper, in the President alone, and in the courts of law, or in the heads of departments.

public affairs at a foreign court. Of these, there are several orders:—

1st. An *ambassador* is one who represents the government, and is authorized to act for it on all occasions.

2d. An *envoy* is a minister who is sent for a particular purpose—as, to adjust a special treaty, or arrange disputed boundaries. There are envoys *ordinary*, and envoys *extraordinary* or *plenipotentiary*. The former, as the term signifies, are invested with merely the ordinary powers of an envoy; the latter have *full power* to act as they deem expedient.

3d. *Ministers resident*, or *charge d'affaires*, are those who are charged with the ordinary affairs of a nation at a foreign court.

To each of the above offices, is attached a *secretary of legation*, who performs the duties of a secretary, and is frequently left in *charge of affairs* when a minister is recalled.

*Consuls* are *commercial agents*, appointed to reside in the seaports of foreign countries, with a commission to watch over the commercial rights and privileges of the nation deputing them.

As the Constitution says nothing about removals from office, it has been a question, whether the *power of removal* is vested in

What officers are appointed by the President and Senate? What is an "ambassador"? An "envoy"? "Ministers resident," or "charge d'affaires"? A "secretary of legation"? What are "consuls"? In whom is vested the "power of removal" from office?

*Third Clause.*—The President shall have power to fill up all vacancies that may happen during the recess of the Senate, by granting commissions, which shall expire at the end of their next session.

## SECTION III.

He shall, from time to time, give to the Congress, information of the state of the Union, and recommend to

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the President *alone*, or in the President and Senate *jointly*. In 1789, the question came before Congress, and, after an animated debate, the power of the President was affirmed. This decision of the House has long been sanctioned by public opinion.

*Third Clause.*

Should the office of a foreign ambassador become vacant during the recess of Congress, the President would have power to fill the vacancy; and the ambassador appointed might retain his office until the close of the next senatorial term. Should the President nominate this officer to the Senate, and the Senate reject him, the President might, on the first day of the next recess, *appoint him again*, to fill the vacancy, and thus perpetuate the appointment.

The only *remedy* against this abuse of executive privilege, lies in the power of Congress to withhold the *appropriations* which are necessary to sustain the office. But the President cannot appoint a foreign ambassador, or other officer, during the recess of Congress, unless the *vacancy happens* during that time.

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*3d Clause.*—What vacancies may the President alone supply? How may the President perpetuate an appointment made by him? What remedy against this abuse of Executive privilege?

their consideration such measures as he shall judge necessary and expedient; he may, on extraordinary occasions, convene both Houses, or either of them, and in case of disagreement between them, with respect to the time of adjournment, he may adjourn them to such time as he shall think proper.

He shall receive ambassadors and other public ministers; he shall take care that the laws be faithfully executed, and shall commission all the officers of the United States.

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*Section 3d.*

At the opening of each session, the President lays before Congress a *message*, exhibiting the operations of the government during the past year, which is accompanied by reports from the chief officers of government, illustrating the condition and prospects of their several departments. The President also gives his views upon all the measures which, in his opinion, ought to be acted upon by Congress.

President Washington, and the elder Adams, in person met Congress, and delivered oral speeches, to which answers were returned in a similar manner. President Jefferson abolished the custom; since which time, a written message has been sent to Congress, but no answer returned.

Congress frequently calls upon the President, and upon the officers of the different departments, for such documentary facts as they may desire.

The power to call an extra session of Congress, has been exercised on four different occasions: once by the elder Adams, twice by President Madison, and once by President Van Buren.

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SEC. 3d.—*1st Clause.*—What duties are imposed on the President by this section? In what manner is the required information presented to Congress?

## SECTION IV.

The President, Vice-President, and all civil officers of the United States, shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors.

## ARTICLE III.

*Of the Judiciary.*

## SECTION I.

The Judicial power of the United States, shall be vested in one Supreme Court, and in such inferior

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The power to receive ambassadors, includes also the power to reject and dismiss them.

*Section 1st.*

The Constitution has left the organization of the Supreme Court, and the establishment of the inferior courts, to Congress.

Congress has organized a Supreme Court, by creating a Chief Justice and eight Associate Justices, any five of whom make a quorum; and it holds one term annually, at the seat of government.

Previously to the third of March, 1837, the Supreme Court consisted of one Chief Justice, and six Associate Justices, any four of whom made a quorum.

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May ambassadors be rejected, and by whom?

SEC. 4th.—For what crimes, and in what manner, may civil officers of the United States be removed from office?

SEC. 1st.—In what is the Judicial power of the United States vested?

courts as Congress may, from time to time, ordain and establish.

The Judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall, at stated times, receive for their services, a compensation, which shall not be diminished during their continuance in office.

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The inferior courts organized by Congress, are the Circuit and the District Courts. The Circuit Court is composed of one Judge of the Supreme Court and the District Judge, except when the District Judge is interested, when it may be held by the Circuit Judge. The United States are divided into Circuit Districts, and the number of circuits is equal to the number of the Supreme Judges.

The District Court is composed of a single Judge, who holds annually four terms, and special courts at his discretion. The United States are at present divided into thirty-three districts.

The Supreme Court is the ultimate tribunal of appeal from the Circuit and District Courts, and from the Courts of the several States. Its general powers are enumerated in the next two clauses.

The Supreme Court is the *national court* of the United States; and its jurisdiction is coextensive with *national objects*, and independent of other branches of the government. The Constitution and laws of the United States are to be construed and adjudged of by the Supreme Court. It is also a sovereign arbiter between the States; which is a sufficient answer to the theory that the States have the power to annul the laws of the Union.

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How long do the Judges retain their offices? How has the Supreme Court been organized? What inferior courts have been created? How are they organized?

## SECTION II.

*First Clause.*—The Judicial power shall extend to all cases<sup>a</sup> in law and equity,<sup>b</sup> arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority ; to all cases affecting ambassadors, other public ministers, and consuls ; to all cases of admiralty and maritime jurisdiction ;<sup>c</sup> to controversies to which the United States shall be a party :<sup>d</sup>—

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Although the Supreme Court is the ultimate tribunal in all cases, yet it is the *judge*, and not the *lawgiver*. Its duty is to say *what the law is, and not to make it*. Judicial power as contradistinguished from the power of the laws, has no existence. Courts are the instruments of the law, and can will nothing.

*Section 2d.—First Clause.*

<sup>a</sup> The term *case*, as here employed, means a suit in law or equity, instituted according to the regular course of judicial proceedings.

<sup>b</sup> *Equity*, considered as a legal term, is the correction of that wherein the law, (by reason of its universality,) is deficient. Courts of law are those in which decisions are regulated by the known laws of the land ; and courts of equity take cognizance of those cases which either the law, on account of its deficiency, does not reach ; or, in which a strict adherence to the law would be attended by manifest injustice.

<sup>c</sup> The *admiralty and maritime jurisdiction* of the United States courts, embrace all civil and criminal cases where the offence was committed at sea, or on the coasts, out of the body of a county.

<sup>d</sup> To enforce the rights of the United States, they have power

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SEC. 2d.—*1st Clause.*—To what several cases does the Judicial power extend ? What is a “case,” as here contemplated ? What is “equity ?” What do the “admiralty and maritime” jurisdiction of the United States courts embrace ?

To controversies between two or more States ; between a State and citizens of another State ;<sup>a</sup> between citizens of different States ;<sup>b</sup> between citizens of the

to sue in *their own courts*. But neither can an individual nor a State bring a suit *against* the United States. It is inherent in the nature of the sovereignty of the government not to be amenable to any private person, nor to any State. If the citizens are oppressed by the public officers, the remedy lies in the power of removing them ; or, if the oppression be in the exercise of unlawful and unconstitutional powers, the oppressors are amenable to the judicial tribunals of the country.

<sup>a</sup>The eleventh amendment to the Constitution declares that the judicial power does not extend to any suit in law or equity prosecuted against a State by individuals. This, however, does not apply to a "writ of error," which is not a suit against a State within the meaning of the Constitution ; and the jurisdiction of the Supreme Court, in cases arising under the Constitution, laws, and treaties of the Union, may be exercised by a writ of error brought upon the judgment of a State court.

A suit is considered as brought against a State, when the State is on the record as a party, and is sued in its political capacity. To constitute the State a party, it is not sufficient that it has an interest in the suit, or that its powers and duties come incidentally in question.

<sup>b</sup>The question here is, who is a citizen of a State, and how does he change his citizenship ? Every person who is a citizen of one State, and removes into another, with the intention of taking up his residence there, becomes in reality a citizen of the

How are the rights of the United States enforced against the States ? Why may not an individual or State bring a suit against the United States ? What remedy, then, have the citizens against the oppression of public officers ? What does the eleventh amendment to the Constitution declare ? In what case does this not apply ? When is a suit considered as brought against a State ? Who are citizens, and how do they change their citizenship ?



same State, claiming lands under grants of different States; and between a State, or the citizens thereof, and foreign States, citizens, or subjects.

*Second Clause.*—In all cases affecting ambassadors, other public ministers, and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction.<sup>a</sup> In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction,<sup>b</sup> both as to law and fact, with such excep-

State where he resides; and a native citizen of one State never ceases to be a citizen thereof till he acquires a new citizenship elsewhere.

*Second Clause.*

<sup>a</sup> *Original jurisdiction* is entire jurisdiction. It is where the Supreme Court takes special cognizance of a case which has been before no other court. This jurisdiction can be exercised only in the cases specified by the Constitution, and cannot be enlarged by Congress. But it has been a matter of dispute, which is not yet definitely settled, whether this original jurisdiction is *exclusive*; that is, whether it may not be exercised concurrently by the inferior United States courts.

<sup>b</sup> *Appellate jurisdiction* is the power of re-examining, and reversing or affirming the decisions of other courts. The usual modes of exercising appellate jurisdiction, are: by Writ of Error—which removes nothing for re-examination but the law of the case; and by Appeal—which removes á cause entirely, and subjects the facts as well as the law to a review and retrial.

*2d Clause.*—In what cases has the Supreme Court original jurisdiction? In what cases has it appellate jurisdiction? What is “original jurisdiction?” What dispute has arisen upon this subject? What is “appellate jurisdiction?” What are the usual modes of exercising appellate jurisdiction? Which is the most frequently exercised by the Supreme Court, appellate or original jurisdiction?

tions, and under such regulations as the Congress shall make.

*Third Clause.*—The trial of all crimes, except in cases of impeachment, shall be by jury ; and such trial

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It is the appellate jurisdiction which gives to the Supreme Court its chief dignity and importance, and renders it an object of constant attention and solicitude on the part of the governments of the several States.

*Third Clause.*

In connection with this clause must be taken the fifth and the sixth amendment to the Constitution, which will be found in their proper places.

The right to a trial by *jury* is esteemed one of the most precious rights of freemen, as it enables the accused to appeal from the arbitrary judgment of either governments or individuals, to the disinterested verdicts of their equals.

Before a person can be tried for a criminal offence, he must first be charged with the offence by a *grand jury*. This charge is in the form of an *indictment*.

A *grand jury* is a number of men, not less than twelve nor more than twenty-three, selected from the people in the body of the *county*, to inquire into offences against the State. They are instructed by the court in the matters pertaining to their inquiries, and then withdraw to receive indictments, which are preferred to them in the *name of the State*, but at the *suit of a private prosecutor*. After an examination, such of the bills as are found correct, are endorsed, "A true Bill," signed by the foreman ; and hence become official accusations, to be rebutted only by proof at the trial. These bills are called *indictments*.

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*3d Clause.*—What is the law regulating the trial of crimes ? What preliminary steps are requisite before a person can be tried for a criminal offence ? What is a "grand jury ?"

shall be held in the State where the said crimes shall have been committed ; but when not committed within any State, the trial shall be at such place or places as the Congress may, by law, have directed.

## SECTION III.

*First Clause.*—Treason against the United States, shall consist only in levying war against them, or in adhering to their enemies, giving them aid and comfort.

*Second Clause.*—No person shall be convicted of

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It is provided in the fifth amendment to the Constitution, that no person shall be twice put in jeopardy of life or limb for the same offence. The meaning is, that no person shall be a second time tried for the same offence, *where there has been an actual verdict and judgment rendered in a former trial.* But the accused may be tried a second time, when the jury have been dismissed for want of agreement, or where a new trial has been granted on account of some illegal proceedings, or for want of evidence.

*Section 3d.—First, Second, and Third Clauses.*

Death by hanging is the punishment of treason in this country.

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How often may a person be tried for the same criminal offence ?

What is the meaning of the phrase, "No person shall be twice but in jeopardy of life or limb for the same offence ?"

*Sec. 3d.—1st Clause.*—In what does treason against the United States consist ?

*2d Clause.*—What is requisite to the conviction of a person charged with treason ?

*3d Clause.*—What is the punishment of treason ?

treason, unless on the testimony of two witnesses to the same overt act, or on confession in open court.

*Third Clause.*—The Congress shall have power to declare the punishment of treason ; but no attainder of treason shall work corruption of blood, or forfeiture, except during the life of the person attainted.

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## ARTICLE IV.

### MISCELLANEOUS.

#### SECTION. I

Full faith and credit shall be given in each State, to the public acts, records, and judicial proceedings of every other State. And the Congress may, by general

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By corruption of blood, is meant the destruction of all inheritable qualities, so that no one can claim any property, or any right to the same, from a person attainted, or through him. In England, even the children of a person attainted cannot inherit his property, if they are obliged to trace their title through him. But these relics of feudal barbarism are prohibited by our Constitution.

#### *Section 1st.*

Foreign judgments in law are considered as *prima facie* evidence, that is, are taken as true, until the contrary be proved. But domestic judgments, that is, the decisions of courts in the

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What restriction upon the penalty for treason ? What is meant by " corruption of blood ?" What is the English law upon this subject ?

Sec. 1st.—What credit is given to the public acts, records, and judicial proceedings of the several States ? How are foreign judgments in law considered ? How domestic judgments ?

laws, prescribe the manner in which such acts, records, and proceedings shall be proved, and the effect thereof.

## SECTION II.

*First Clause.*—The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.

*Second Clause.*—A person charged in any State, with treason, felony, or other crime, who shall flee from justice, and be found in another State, shall, on demand of the Executive authority of the State from which he fled, be delivered up, to be removed to the State having jurisdiction of the crime.

*Third Clause.*—No person held to service or labor in one State, under the laws thereof, escaping into another, shall, in consequence of any law or regulation

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several States, are to be considered valid and conclusive law in every state in the Union, and cannot be denied in another State any more than in the State where they originated.

*Section 2d.—First, Second, and Third Clauses.*

The clause relative to persons held to service or labor, refers to the slaves of the southern States who may take refuge in the non-slaveholding States. Slaves are to be delivered up without a full trial, after a summary investigation before a magistrate who shall think it *probable* that the circumstances charged are

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SEC. 2d.—*1st Clause.*—What rights are guarantied to the citizens of each State by this clause ?

*2d Clause.*—How are criminals who flee from one State to another to be delivered up ?

*3d Clause.*—What is the law relative to the escape of slaves from one State to another ? Is a full trial requisite before the surrender of a slave ?

therein, be discharged from such service or labor, but shall be delivered up, on claim of the party to whom such service or labor may be due.

### SECTION III.

*First Clause.*—New States may be admitted by the Congress into this Union ; but no new State shall be formed or erected within the jurisdiction of any other State, nor any State be formed by the junction of two or more States, or parts of States, without the consent of the Legislatures of the States concerned, as well as of the Congress.

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true. Such proof may be either by affidavit or oral testimony, and adduced by either the principal or his attorney.

#### *Section 3d.—First Clause.*

The power to admit new States into the Union, in the manner provided by the Constitution, is a *new principle* in government. Under the old Confederation no provision of this kind was made, for there was then no anticipation of the rapid growth and prosperity of those wild regions, whose population and territory have since nearly doubled those of the original States.

By this provision of the Constitution the United States open an asylum for all mankind, and make the whole world partners with themselves in an inheritance of liberty, power, and wealth. This benevolent principle has no example among nations.

But the term used in the Constitution relative to the admission of new States is *may*, and not *shall*. Hence, it is not imperative upon the government of the United States to admit new States whenever *they* may demand it.

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SEC. 3d.—*1st Clause.*—What is the law regulating the erection and admission of new States ? Is the power to admit new States a long-established principle in government ? Is it imperative upon the general government to admit new States when the latter demand it ?

*Second Clause.*—The Congress shall have power to dispose of and make needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

## SECTION IV.

The United States shall guaranty to every State in this Union, a republican form of government, and shall protect each of them against invasion; and on application of the Legislature, or of the Executive, (when the Legislature cannot be convened,) against domestic violence.

## ARTICLE V.

*Of Amendments.*

The Congress, whenever two thirds of both houses

*Section 4th.*

It was necessary for the United States to assume the defence of the several States, as the Constitution had already taken from the latter the power to keep troops and ships of war, and consequently the power efficiently to suppress insurrections.

*Article 5th.*

No amendments can be made except in the manner here pointed

*2d Clause.*—What power has Congress over the territory and other property of the United States?

*Sec. 4th.*—What form of government, and what protection, are guarantied to every State? Why might not the defence of the States have been left to themselves?

shall deem it necessary, shall propose amendments to this constitution, or, on the application of the Legislatures of two thirds of the several States, shall call a convention for proposing amendments, which in either case shall be valid, to all intents and purposes, as part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by conventions in three fourths thereof, as the one or the other mode of ratification may be proposed by the Congress; provided that no amendment, which may be made prior to the year one thousand eight hundred and eight, shall in any manner affect the first and fourth clauses in the

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ed out; but there are three limitations to the power of making amendments:—

1st. That the clause in the Constitution prohibiting Congress from passing any law forbidding the introduction of slaves prior to the year 1808, should not be repealed. This restriction was introduced as a matter of compromise between the northern and the southern States.

2d. That the mode of levying direct taxes should not be changed prior to the year 1808. The Constitution provided, that, in apportioning taxes among the States according to their population, three fifths of the slaves should be enumerated in the census of the population. Consequently, before the year 1808, the slaveholding States could not be taxed for more than three fifths of their slaves, although Congress should desire it.

3d. That no State should be deprived, without its consent, of its equal representation in the Senate. The small States are represented in the Senate equally with the larger ones, and may always remain so, unless the smaller States themselves consent

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How may the Constitution be amended? What are the several limitations to the power of making amendments?



ninth section of the first article; and that no State, without its consent, shall be deprived of its equal suffrage in the Senate.

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## ARTICLE VI.

*First Clause.*—All debts contracted, and engagements entered into, before the adoption of this Constitution, shall be as valid against the United States under this Constitution as under the Confederation.

*Second Clause.*—This Constitution, and the laws of the United States, which shall be made in pursuance thereof; and all treaties made, or which shall be made,

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to a change. They are thus effectually and permanently protected against all encroachments from the larger States.

*Article 6th.—First Clause.*

During the struggle for independence, the United States contracted engagements and incurred debts, which many persons were apprehensive might not be considered binding upon the new government. But it is a law of nations, as well as a principle of justice, that a nation continues bound by all its engagements, no matter what changes may be made in its government. In accordance with this rule, the Constitution has made all debts contracted, and engagements entered into, before the adoption of the Constitution, valid and binding against the United States.

*Second Clause.*

In consequence of the supremacy of the Constitution, as here set forth, whenever the constitution or the laws of any State

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ART. 6th.—*1st Clause.*—What provision was made respecting the debts contracted before the adoption of the Constitution? What is the general law of nations upon this point?

under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby; any thing in the Constitution or laws of any State to the contrary notwithstanding.

*Third Clause.*—The Senators and Representatives before mentioned, and the members of the several State Legislatures, and all executive and judicial officers, both of the United States and of the several States shall be bound, by oath or affirmation, to support this Constitution; but no religious test<sup>a</sup> shall ever be re-

come in contact with it, or in contact with the constitutional treaties or laws of the United States; all judges, whether of the State courts or of the United States courts, are bound to give effect to the Constitution, and to the acts of the general government, and to declare the State acts invalid, so far as they come in collision with them.

All constitutional treaties and laws of the United States are as binding upon the several States as the Constitution itself.

*Third Clause.*

An oath of similar import is required in all civilized nations from the officers of government.

<sup>a</sup> A *test act* is one which requires all public officers, before they can enter upon their duties, to subscribe to certain religious opinions, and perform certain religious acts. By the above clause this is expressly forbidden in the United States. But in most other governments something of this kind is required.

*2d Clause.*—What constitute the supreme law of the land? How are all judges bound to act, when the laws of a State come in collision with those of the Union?

*3d Clause.*—By what oath are all legislative, executive, and judicial officers bound? How is it with regard to a religious test? What is a “test act?”

quired as a qualification to any office or public trust under the United States.

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## ARTICLE VII.

The ratification of the conventions of nine States shall be sufficient for the establishment of this Constitution between the States so ratifying the same.

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Thus, by the statutes of England, all civil and military officers are required to make a declaration against *transubstantiation*, partake of the sacrament of the Lord's Supper, and obtain certificates of the same, before they can enter upon any such office.

### *Article 7th.*

At the formation of the Constitution there were thirteen States, nine of which ratified it immediately, three after the lapse of a few months, but the State of Rhode Island not till more than a year afterward. Had not all the States ratified the Constitution, its authority would have extended only over those ratifying the same.

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What religious test is required by the laws of England ?

ART. 7th.—How many States were required, to ratify the Constitution before it took effect ? How many States were there at the time of the formation of the Constitution ? Would the Constitution have been binding upon any State which did not assent to it ?

## OF AMENDMENTS.

When the Constitution was submitted to conventions of the people, called for that purpose, it met with violent opposition from many, and numerous objections were urged against it. The most important objections were those against the great power with which it invested the general government ; and the fear that the influence of the States would be greatly impaired, if not altogether destroyed, by the supremacy of the Union.

The Constitution was, however, ratified by the requisite number of States, and Congress, during its first session, proposed ten distinct articles, selected from those which had been suggested in the State Conventions, which, having been ratified in the manner provided, are now a part of the Constitution. Two other amendments have since been added.

The general design of the amendments was to secure certain rights to the States and people, beyond the possibility of encroachment by Congress ; and to set a more definite limit to the powers of the general government.

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What were the most important objections urged against the Constitution ? How many amendments have been added to the Constitution ? What was their general design ?

## AMENDMENTS.

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ARTICLE I.—Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.

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*Article I.*

Although the imposition of any religious test had already been prohibited by the Constitution, yet such was the solicitude of the people on this point, such their determination to preserve the utmost freedom of conscience, that it was deemed proper to deprive Congress of all pretence for ever attempting to legislate upon the subject of religion. The government offers no hindrance to any, while it affords protection to all religious sects.

The terms “freedom of speech and of the press,” mean the right to speak and publish *whatever is not in derogation of private rights*. But no one has a right to speak or publish what will injure another;—hence the law of *slander* and *libel*.

The right of the people to assemble, either to petition or for any other purpose, arises necessarily from the form of a republican government.

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ART. 1st.—What restrictions are placed upon the power of Congress by Art. 1st? What is the meaning of the terms “freedom of speech and of the press?”

ART. II.—A well-regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed.

ART. III.—No soldier shall, in time of peace, be quartered in any house without the consent of the owner, nor in time of war but in a manner to be prescribed by law.

ART. IV.—The right of the people to be secure in their persons, houses, papers, and effects, against un-

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*Article II.*

The term "militia" is applied to that species of soldiery which is composed wholly of enrolled citizens held *ready* for service, but not actually under arms.

*Article III.*

This article is intended to guard against the tyranny which arbitrary governments have sometimes exerted, by keeping large numbers of troops quartered upon the peaceable citizens, to watch over their motions and hold them in subjection.

The people of this country, while under the dominion of England, had felt, too sensibly, the evils arising from the want of arms, and the presence of foreign troops, not to take every precaution against their recurrence.

*Article IV.*

The power of an officer to arrest and imprison any one at his discretion, has often been an engine of great oppression under

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ART. 2d.—What is the second amendment? To what is the term "militia" applied?

ART. 3d.—What is the third amendment? For what was this article particularly intended?

ART. 4th.—What is the fourth amendment? For what was this article particularly designed?

reasonable searches and seizures, shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

ART. V.—No persons shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject, for the same offence, to be twice put in jeopardy of life or limb; nor shall be compelled, in any criminal case, to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use without just compensation.

ART. VI.—In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be in-

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arbitrary governments. This article was designed to prevent the possibility of such a practice here.

Amendments 5th, 6th, and 7th, have already been considered in connection with another part of the Constitution.

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ART. 5th.—What provisions are made in this article to guard against violations of personal liberty and private rights?

ART. 6th.—What privileges are here given to individuals, in criminal prosecutions against them?

formed of the nature and cause of the accusation ; to be confronted with the witnesses against him ; to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defence.

ART. VII.—In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise re-examined, in any court of the United States, than according to the rules of the common law.

ART. VIII.—Excessive bail<sup>a</sup> shall not be required nor excessive fines imposed, nor cruel and unusual punishments inflicted.

ART. IX.—The enumeration, in the Constitution, of

*Article VIII.*

<sup>a</sup> Bail is a term used for setting at liberty one arrested, on surety being given for his appearance at the time and place appointed.

What must be determined excessive bail or excessive fines, must be determined by the proper judge or court in each particular case, since what would be excessive bail in one case, would be extremely moderate in another. The design of the article is, therefore, to declare, in general terms, that bail is to be taken, and fines imposed, for the purpose of justice, and not as means of oppression.

ART. 7th.—What is the seventh amendment ?

ART. 8th.—What is the eighth amendment ?” What is “bail ?” What must be considered “excessive bail,” and “excessive fines ?”

ART. 9th.—What is the ninth amendment ?



certain rights, shall not be construed to deny or disparage others retained by the people.

ART. X.—The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

ART. XI.—The judicial power of the United States shall not be construed to extend to any suit, in law or equity, commenced or prosecuted against one of the United States by citizens of another State, or by citizens or subjects of any foreign State.

(Article twelfth, of the Amendments, relating to the choosing of President and Vice-President, will be found under the head of “Executive.”)

#### *Article IX.*

This article is designed to affirm, that, although the Constitution had enumerated certain rights as belonging to the people, yet it did not design to affirm that the people should retain no other rights than those expressly reserved to them. It shows the care with which the people guarded against any unauthorized extension of the power of the general government.

#### *Article X.*

As the Constitution derives all its power from the people, it consequently follows that all authority which is not thus delegated, *remains with the people, the original source of power.*

(Amendments 11th and 12th, have already been considered in their appropriate places.)

ART. 10th.—What is the particular design of this article ?

ART. 11th.—What is the tenth amendment ?

What is the eleventh amendment ?



BOOK II.

ELEMENTS

OF

POLITICAL ECONOMY.



## INTRODUCTION.

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POLITICAL ECONOMY is the science of *wealth*. It treats of the principles and laws which govern its creation ; of its course and order of distribution ; of its uses ; and, also, of the consequences resulting from these several circumstances.

*Value*, is that particular quality in a substance which renders it capable of gratifying human desire. For example, that quality in food which gives it value, is its capacity to gratify the desire of hunger in man. Different substances possess different *degrees* of value, which depend upon the *nature* and the *number* of desires which they can gratify.

Such articles as food, clothing, &c., which gratify necessary desires, have more intrinsic value than those which are mere articles of luxury and amusement.

India rubber was formerly used for but one purpose ; —that of rubbing out pencil marks ; but it is now used for the manufacture of shoes, and for many other important purposes. Its value, therefore, has been greatly increased.

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What is political economy ?

What is value ?

Upon what do the degrees of value in different substances, depend ? Example ?

*Wealth*, then, consists of all articles of value ; and the wealth of an individual is proportioned to the amount of value that he possesses ; or, to the number and importance of the desires which his possessions will enable him to gratify.

If a person possesses a large amount of *money*, he is considered wealthy, because the money will enable him to gratify numerous and important desires. But if a person could gratify all his desires without the use of money, simply by a wish or a command, he would be as wealthy as man could be, and money would no longer be valuable to him.

Some substances, such as air, water, and sunlight, are capable of gratifying desire, without any change being made in them ; but not so with gold, silver, iron, &c. ; yet the latter also possess value. The value of the former is *intrinsic*. The latter may be *exchanged* for articles which have intrinsic value.

There are, then, two kinds of value, *intrinsic* and *exchangeable*. Exchangeable value, is the power of one article to obtain something else in exchange for it. Gold has little intrinsic, but great exchangeable, value : air has vast intrinsic, but no exchangeable, value. Yet all articles that have exchangeable value, have *some* intrinsic value.

Those which have no exchangeable value, are found every where abundant, and inexhaustible, and are

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What is wealth, and to what is the wealth of an individual proportioned ?  
How many kinds of value are there ? Examples ?  
What is exchangeable value ?

derived directly from the gift of the Creator: such are the light of the sun, air, water, &c. The others derive their chief value from *human labor*, and are limited either in quantity or in place.

But, as articles of exchangeable value derive that value chiefly from human labor, they will be found in the possession of those who have exerted the labor necessary to produce them. But he who makes knives, will not part with them without a compensation for his labor. Hence, he who wants knives must either make them himself, or he must offer in exchange for them some value which he himself has created, or which he possesses.

*Cost* is the amount of labor and skill expended in the creation of value, and it is the cost of an article which, for long periods, determines its exchangeable value. When the degree of skill is the same, no man will exchange the products of two days' labor for that which has cost another man but one day's labor.

If a hunter procure twenty-five pounds of venison by a day's labor, and a fisherman one hundred pounds of fish, they will exchange labor for labor, and not pound for pound. If the hunter demand one hundred and fifty pounds of fish for twenty-five pounds of venison, the fisherman will not exchange in this manner; for he can better afford to hunt his own venison.

How do articles which have no exchangeable value, differ from those which have exchangeable value?

Where will articles of exchangeable value be found, and how obtained?

What is cost?

What determines the exchangeable value of articles?

But temporary circumstances may, for short periods, create a variation from this standard, and elevate the exchangeable value above, or depress it below, the cost. The causes of this variation we will now briefly illustrate :—

1st. If, during one season, a *larger quantity* of flour were carried into the city of New-York than was sufficient to supply all demands for the article, the price of flour would fall ; that is, the less amount of other articles would a barrel of flour obtain by exchange.

And this effect would be the same, although a barrel of flour *cost* no less this year than in the year previous. Hence, *the greater the supply, the less the exchangeable value.*

2d. If, while the cost of producing flour remained the same, only half that was necessary to supply the demand were carried to market, the price of flour would rise : and hence, *the less the supply, the greater the exchangeable value.*

3d. Suppose that, on account of the high price offered for flour in some foreign country, it should become profitable to export it from New-York ; the great demand for flour would immediately raise the price : hence, *the greater the demand, the greater the exchangeable value.*

4th. Suppose that the demand for flour in New-York should suddenly decline, while there were large quan-

How illustrated ?

The cost of production regulating exchangeable value, what circumstances occasion a variation from this standard ?

Illustrate the causes of this variation.



tities in market ; the holders would, nevertheless, wish to dispose of their flour, and hence, there would arise a competition among them, each one striving to sell : the price of flour would, consequently, fall : consequently, *the less the demand, the less the exchangeable value.*

These principles operate to keep the supply of an article, usually, equal to the demand. This, in particular, is the case with regard to manufactured articles. Thus, in cities, the supply of hats, shoes, &c., is always equal to the demand for them. If more hats are manufactured than are sufficient to supply the wants of the community, the increased supply of the article reduces the price below cost, and the manufacture of hats ceases until the supply becomes equal to the demand.

Also, if there is not a sufficient number of hats produced to supply the demand, more persons engage in their production, until the supply rises equal to the demand. Hence, also, we see why a scarcity is likely to be followed by an excess, and high prices by low prices.

If there be a great scarcity, the high price of the articles induces many persons to engage in their production, and a surplus of the article, and a fall in price, are the consequence.

Articles which will soon perish if undisposed of, are subject to greater fluctuations in exchangeable value

What is the effect of these principles ?

What articles are subject to the greatest fluctuations in exchangeable value ?

than those of more durable materials. Fish and fruits, if kept on hand, will soon perish, and the holder will dispose of them for less than their cost, rather than lose them.

But iron, being a durable article, will not be subject to such variations; for, although it be kept on hand for years, it will lose none of its intrinsic value.

Also, articles which require a long time for their production, are subject to greater variations in exchangeable value, than articles which may be produced on demand. Thus, if there be a scarcity of wheat in the country, the price of that which remains will rise rapidly.

But if there be a scarcity in the article of nats, the price will not rise so rapidly, because every person knows that the demand may be supplied upon short notice.

The subject of political economy may be divided into four parts:—production, distribution, exchange, and consumption.

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What other articles are subject to like fluctuations?

How may the subject of political economy be divided?

## PART FIRST.

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### OF THE PRODUCTION OF WEALTH.

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PRODUCTION is the act by which we confer a particular value upon any object whatever, or by which we give to any object its adaptedness to gratify desire.

For example:—the miner of iron takes the ore from the earth, and, by his labor, converts it into a knife thus giving it a value which it did not possess before. This process,—the creation of value, is called *production*. The person who performs the labor, is called a *producer*, and the article which is produced, viz., the knife, is called a *product*.

The material upon which labor or industry is exerted, is called *capital*. Thus, in the above case, iron ore was the capital. But the same article may, sometimes, be the *product* of one person, and the *capital* of another. Thus, leather is the product of the currier, and the capital of the shoemaker.

But, the term capital is not applied to the material only, upon which industry is to be exerted, but also to the instruments by which industry is assisted, and also

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What is production ? Example ?

To what is the term capital applied ?

to whatever is necessary to the support of that industry.

Thus the capital of the shoemaker, comprises his leather, his tools, the provision for his support, &c. ; and, in fine, it is whatever of value or property he possesses.

The subject of production, may, therefore, be divided into three parts :—1st. Capital ; 2d. Industry ; and, 3d. The principles which govern the application of industry to capital.

#### SECTION I.

#### *Of Capital.*

As capital is the amount of value, or property, which each man possesses, capital appears in as many forms as there are various employments of men. Thus, the farmer, the manufacturer, and the merchant, possess capital in as many forms as they have articles of value.

In every industrious community, capital is continually undergoing changes, by the effect of labor exerted upon it. The cotton and wool of the manufacturer, are changed into the fabrics which he produces. The wood and nails of the carpenter, are changed into houses. The seed and manures of the farmer, are changed into vegetables, and these again into the grain of the harvest.

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How may the subject of production be divided ?

What is capital, and in what form does it appear ?

What is said of the changes which capital undergoes ?

The merchant exports one commodity, and imports another of a different kind. Also, the instruments and machinery of the several classes of laborers undergo changes, and are finally destroyed; but if they have been properly used, their value reappears in another form,—in the increased value which they have given to the various objects upon which they have been employed.

If the labor has been skilfully directed, the value of the product will be sufficient to replace the value of the original material, and also to pay the laborer, and pay the interest of the capital. Capital often passes through many hands, continually increasing in value, until it reaches the hands of the consumer, when, if it be profitably consumed, it again reappears in some form adapted to create a further increase of the means of enjoyment.

Thus, wheat passes from the hands of the farmer to those of the miller, then to the merchant, and thence to the consumer; but, if profitably consumed, its value reappears in reanimated health and vigor, by which we are prepared for subsequent labor.

But, if we destroy a value, and produce another only equal to it, we lose our *labor*. If we destroy a value, and reproduce nothing, we lose both *labor and capital*. If the value created be superior to the value of labor and capital destroyed, we are so much the more wealthy.

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If the labor required to effect the change be skilfully directed, what will be the result? If otherwise?

Hence, to add to our wealth, our labor must be profitably employed,—we must be industrious in creating value, and frugal in the disposal of it.

Of the different kinds and forms of capital, there may be made two divisions; productive, and unproductive, capital.

“*Productive capital* is that which, being in any manner united with industry, is in the process of augmentation. *Unproductive capital* is that which, not being united with industry, remains at the end of the year just as it was at the beginning. Money at interest, tilled land, and manufactories in operation, are productive capital. Money lying in coffers, unsaleable materials, manufactories unoccupied, and land lying waste, are unproductive capital.”<sup>a</sup>

In all branches of production where there are no restrictions upon the use of capital, the rate of accumulation is nearly the same. For if one kind of business be unusually lucrative, capital will flow into it, and men will engage in it, until, by competition, they reduce the profits to the ordinary rate. If commerce be unusually lucrative, more men will engage in it; and if it be depressed, they will devote themselves to other pursuits.

Nothing but oppressive legislation can render the rates of profit permanently unequal. In some parts

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<sup>a</sup> Wayland.

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What are the principal divisions of capital?

What is productive capital? Unproductive capital?

Where capital and labor are free, does the rate of accumulation vary greatly in different branches of production? Why not?

of Asia the son must follow the calling and occupation of his father, whether the business be profitable or not. Such restrictions upon industry can be attended by no benefits, but almost incalculable evils often flow from them.

Capital may also be still further divided into fixed and circulating capital.

*Circulating capital* comprises those articles of value which the owner wishes to dispose of as soon as produced. Thus, the wares of the merchant, the products of the manufacturer, and the harvests of the farmer, are circulating capital.

*Fixed capital* comprises those articles of value which the owner does not wish to part with while he continues his occupation, but the use of which he needs in the creation of other products. Thus, the ships and warehouses of the merchant, the machines and buildings of the manufacturer, and the tools and land of the farmer, are fixed capital.

Moreover, circulating capital consists of those articles which are already prepared for the gratification of human desire, or which are in a course of preparation for that purpose ; while fixed capital, in general, consists of the instruments which, in some form or manner, assist us in accomplishing this result. Money must therefore, be called fixed capital, because it cannot, di-

How may capital be still further divided ?

What is circulating capital ?

What is fixed capital ?

Does circulating capital require any further change before it can gratify desire ?

What kind of capital, then, is money ?

rectly, gratify desire, but is subservient to this purpose, only by its utility in facilitating the exchange of other articles of value.

Circulating capital is rapidly consumed by its use in gratifying desire; while fixed capital may last for a length of years. If fixed capital be properly used, it increases the amount of circulating capital, and *vice versa*. Thus, the fixed capital of the farmer, if skilfully used, increases the amount of his produce, or circulating capital. The avails of his produce he applies, in part, to the gratification of his wants or desires, and in part to the increase of his fixed capital, by the purchase of more land, the erection of buildings, the improvement of his tools, &c., by which he is enabled again to increase the amount of his circulating capital: and thus they go on, year after year, mutually augmenting each other.

## SECTION II.

### *Of Industry.*

I. The object of industry is the creation of value. We have seen that capital can be increased only by effecting some *change* in it, and it is evident that this change must be produced by labor.

Different changes are required for different kinds of

Which is the more rapidly consumed, circulating or fixed capital?

How does the use of fixed capital increase circulating capital?

What is the object of industry?

What is the only manner in which capital can be increased?

What changes are required?



capital, and for the creation of different products. Thus, the farmer, by means of seed, manure, and cultivation, aided by the agencies of the sun, earth, rain, and the atmosphere, changes the *elementary forms* of carbon, gases, and water, into wheat. Merchants and manufacturers are generally employed in effecting changes in the aggregate forms of matter. Thus, the cabinet-maker changes the form of a board into that of a desk or a table. Others change the *place* of matter. Thus, the importer brings goods from abroad, the merchant carries them into the country, and the farmer transports his produce to market.

Hence the necessity of different professions and different occupations; which all concur in the creation of value. They mutually support each other, and there is no reason for jealousy between different classes of producers;—if left to themselves, they all flourish, and all suffer, together. The farmer requires the tools and instruments made by the mechanic, the cloths of the manufacturer, and the wares of the merchant; and if the business of the latter be obstructed, the former suffers with him. Thus it is with all:—they are mutually dependant upon each other.

The industry above alluded to, which is requisite to effect a change in matter, may be called the industry of operation, or, *operative industry*. The laborers in this department of industry are those who, guided by

Why the necessity of different professions?

What is said of their mutual dependance upon each other?

What is "operative industry," and who are the laborers in this department?

certain directions, put forth the physical effort necessary to create the values desired. Such are the mere operatives, or workmen, in the arts. But, before this kind of industry can be exerted, there must be some persons who are able to give the necessary directions; for labor exerted without design or object, will be attended with no utility.

Hence there is need of two other kinds of industry.

First—The industry of *discoverers* or investigators, who ascertain the laws or the established relations of things;—such as the industry of Newton, when he discovered the laws of gravitation; and of Franklin, when he discovered the laws of electricity. The labor of philosophers belongs to this class.

Secondly—The industry of inventors; or those who avail themselves of the knowledge acquired by discoverers, and apply it to some practical purpose. Thus Fulton, knowing the laws of steam, which had been previously discovered, applied them to the purpose of propelling vessels through the water. Under this class may also be comprehended professional labor generally. The clergyman teaches us how to avail ourselves of the moral laws of the Creator. The lawyer teaches us how to avail ourselves of the laws of civil society, for the purpose of protecting our rights and redressing our grievances. The physician teaches us how to avail ourselves of the physiological laws under which

What is requisite before this industry can be exerted?

What other kinds of industry? Explain them.

Under which kind of industry may professional labor be ranked?

we are created, so that we may be relieved from sickness or preserved in health.

Two or three of these forms of industry are frequently performed by the same person. Thus, Franklin performed the labor of the discoverer when he discovered the laws of electricity; he performed the labor of the inventor, when he applied those laws to the construction of the lightning rod; and he would also have performed the labor of the operative, or artisan, if he had constructed the rod with his own hands.

The product of operative industry is a change of form or of place in *matter*; while that which the discoverer or inventor creates, is an *immaterial* product. It is knowledge, or a change effected in *mind*. Political Economy treats almost exclusively of material products, because the values of the products of discoverers and inventors, being immaterial, can be adjusted by no fixed rule.

The exertion of operative industry confers upon the laborer, either wholly or in part, a right to the value produced; and the extent of this right can be easily known and enforced where the product is material. Thus, the operative manufacturer who receives wool, the product of the wool grower, and manufactures it into broadcloth, acquires a right to the additional value which he has conferred upon the wool; and this addi-

Are the different kinds of industry ever performed by the same person?  
Example?

What is the product of operative industry? Of inventive industry?

Of what does political economy almost exclusively treat?

tional value being easily known, the right to it can be easily enforced by seizing upon a *material* product.

But in this respect there is a broad difference between the products of operative industry, on the one hand, and the products of discovery and invention, on the other.

Although discoveries in science, and inventions in the arts, may demand both expensive and protracted labor, yet those who create knowledge have little means of monopolizing it, because the value produced resides in no tangible object.

The discoveries of Locke and Bacon in the sciences, have been of inestimable value to mankind, but the discoverers could realize only a small share of the profits accruing therefrom, because the values produced being immaterial and intangible, and easily conveyed to others by means of the press, and thus illimitably increased, soon cease to possess any exchangeable value. But civil society has devised means by which laborers in the last two mentioned kinds of industry may receive some remuneration for their labor. The laws of copy and of patent right, by which authors and inventors are entitled, for a limited time, to the exclusive control over their works, are designed for this purpose.

But there is need of laborers in each of these departments of industry. A community in which there were

Are the products of inventive industry easily monopolized?

What laws are designed to remunerate inventive industry?

What is said of the importance of laborers in all the departments of industry?

to discoverers or inventors, if isolated from the rest of mankind, would remain stationary in civilization and the arts.

It would be a mere machine, which had the power to execute, but not the mind to direct : like the steam engine, which, if combined with proper machinery, and properly directed, is productive of the most useful results ; but whose power, if left to itself, is vainly dissipated or ruinously exerted.

And, on the other hand, were the community composed entirely of philosophers, inventors, and professional men, whose industry was employed in the creation of knowledge only, they must, of necessity, starve. Knowledge is of no utility, unless some use can be made of it. Thus, we see that all classes of laborers are mutually necessary to, and dependant upon, each other.

11. *Of the modes by which the productiveness of human industry may be increased ; and, first, by the use of natural agents.*

In the early stages of society, industry is productive of but a small amount of value. The reason is, that here labor derives but little assistance from the use of natural agents. With nothing to labor with but his hands and feet, man could subsist only in the most temperate climes.

By the invention of a very simple instrument, as a

bow and arrow, or a lance, his condition is materially improved; and, by still further availing himself of natural agents, and by economizing his labor, he may multiply his power, extend the circle of his desires, and increase the means of gratifying them, until he, at length, arrives at all the blessings of mature civilization. Hence, we see the use of natural agents. Without them, human productiveness would be limited to the exertion of the mere physical powers of man.

*Natural agents*, are all things, whether animate or inanimate, which man can use for the purpose of assisting him in production.

*Animate natural agents*, are beasts of burden, generally; such as the ox, the horse, and the mule; and, also, in particular districts, the camel, the rein-deer, the elephant, and the dog.

Some of the most important *inanimate natural agents*, are, the explosive force of gunpowder, wind, the gravitating power of water, and the expansive power of steam.

Every one is familiar with the uses to which the natural agents are applied. The value of the benefits which they have conferred upon mankind, by increasing the productiveness of the otherwise unassisted labor of man, can be estimated only by comparing the advantages which a civilized community possesses over a tribe of ignorant barbarians.

And, as by further discoveries in science, and inven-

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What are natural agents ?

What are animate natural agents ? Inanimate ?

What is said of the importance of the natural agents ?

tions in the arts, the natural agents shall become more subjected to the power of man, and as knowledge becomes more widely disseminated, in the same ratio will the condition of mankind be improved, and the means of happiness augmented.

### III. *Of the manner in which productiveness may be increased by division of labor.*

It has been seen that the productiveness of human industry, may be greatly increased by inventions and discoveries in the arts and sciences, by means of which man may avail himself of the use of natural agents. But human industry derives another important advantage from a proper *division of labor*.

Thus, there are three departments of industry : industry of discovery, industry of invention, and operative industry ; and different laborers in each.

In the first department, are ranked philosophers and men of science ; such as those who investigate the laws of mechanics, of astronomy, of navigation, and agriculture, &c. ; and here, also, there are many subdivisions. The astronomer, the mechanic, and the agriculturist, seldom make discoveries out of their own departments.

In the second department, are those who make inventions in the arts, and apply the laws discovered by

By what other means, besides the use of natural agents, may productiveness be greatly increased ?

What are the three principal departments of industry ?

Who are ranked under the first department ? Under the second ?

the first class, to practical purposes ; and here a division of labor is equally necessary to success in inventive industry.

In the third department of industry, there are as many distinct classes of laborers, and, consequently, as many divisions of labor, as there are different trades, pursuits, and professions, among mankind.

And so extensive is the field of labor comprised within these three departments of industry, that, if the labor were not divided among many thousands, and if each individual were obliged to be his own discoverer, inventor, and operator, old age would come upon him, and death would close his labors, before he could receive any avails from his industry.

Therefore, each individual succeeds best, and produces a greater amount of value, by devoting himself to but one occupation. Were the farmer obliged to make his farming utensils, to build his own house and barns, make his own furniture, and manufacture his own clothing, it is evident that each article would be poorly made, and much time would be uselessly consumed.

But, by constantly pursuing the same occupation, a great degree of skill and dexterity is acquired, which greatly increases the productiveness of human labor.

Division of labor, in a complicated process, avoids the loss of time required in passing from one operation

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Under the third ? What would be the result if there were no division of labor ? What is gained by division of labor, in a complicated process ?



to another ; it shortens the period required for learning an operation, and suggests the contrivance of tools for the performance of the operation in which they are employed. For, the simpler any operation is, the easier it is to contrive a tool, or an adjustment, by which it may be performed.

Some operations, in a given process, require greater muscular power, or greater dexterity, than others. Some can be performed only by the most experienced workmen, while others can be performed by children.

Now, by division of labor, a manufacturer is enabled to employ, upon each operation, precisely the labor adapted to it, and is obliged to pay for each portion of the labor, no more than it is actually worth. This must greatly diminish the cost of production.

Thus, the manufacture of pins may be divided into ten or more operations, and each operation employ one laborer. Thus, the labor of making a pin may be divided into wire-drawing, wire-straightening, pointing, heading, turning, &c.

But, some of the laborers employed, are men ; others, are women or children ; and their wages vary from six shillings to four and a half pence per day.

If the labor were not divided, one person must understand the whole process ; and, therefore, must be employed at the highest price of labor ; and, hence, he must be paid at the rate of six shillings a day, for that part of the work which is worth only four and a half pence a day.

This would greatly increase the price of pins, and, also, occasion a great deficiency in labor. It is by this means, also, that occupation is provided for the weak and the aged, for females and for children, who would, otherwise, be unable to earn any thing.

Thus, by a proper division of labor, all the labor of the community is rendered productive, and an immense amount is annually added to the revenue of a country.<sup>a</sup>

#### IV. *Limitations to the division of Labor.*

Every process can be reduced to its most simple operations ; and, when we have arrived at this point, we can proceed no further in the division of labor. Thus, the labor of making a pin can be divided into many separate operations, each differing from either of the rest ; but there is a point beyond which this division cannot be carried, for it is no division of labor to employ two men to perform the same operation.

From what has been said concerning the acquisition of skill, the saving of time, &c., by this division of labor, it is evident that an establishment which carries the division to this limit, and has just as many laborers as will fully employ each other, can undersell any other establishment of the kind, which does not carry the division of labor to the same extent. And the more systematically this division of labor, and of laborers, is accomplished, the greater will be the economy.

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Wayland.

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What is the natural limit to the division of labor ?

But the division of labor may also be limited by other causes. These are, the limitations of capital, and of demand.

1st. The greater the division of labor in any establishment, the greater the amount of capital which is requisite. Thus, in a pin manufactory, where division of labor is carried to its utmost limit, the proprietor must have sufficient capital to provide a large amount of the gross material, in order to keep all his laborers employed. A large amount of capital is requisite to establish and keep in operation such a manufactory.

Hence, in a poor, or in a new country, before capital has accumulated in the hands of large capitalists, there is but little division of labor. Manufactories will not be extensive, and the products of the country will consist mostly of the raw materials, which require but little division of labor for their production.

For example, in a new country, where cotton may be raised, the raw material, cotton, will be exported, in order to be wrought into cloth, where there are greater accumulations of capital, and consequently a greater division of labor.

2d. Division of labor is controlled by the demand for the article produced. If, in a certain district, there has, heretofore, been a demand for all the cotton cloth which one factory, with the proper division of labor,

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What other causes limit the division of labor ?

Why may not a division of labor be carried to any great extent in poor or new countries ?

How does a diminished demand for articles affect a division of the labor required for their production ?

can manufacture ; and, if the demand should now decrease one half, a portion of the laborers must be discharged, which would make the division of labor less, or the whole must work only half the time. The former alternative would, probably, be preferred, as we know is usually the case.

The demand for the article is controlled by several circumstances, which it may be well to mention :—

1st. It is evident, that the greater the *number of the consumers*, the greater the demand, and *vice versa*.

2d. The demand is controlled by the *wealth* of the inhabitants, for none buy but those who are able.

3d. The demand is controlled by the *cost* of the article ; which, as it is greater or less, increases or diminishes the number of consumers.

The same principles, as enumerated above, regulate the division of labor, whether considered in relation to portions of the same country, or to portions of the whole world. There are, also, certain physiological laws which regulate the division of labor in different countries.

Only a very few of the objects of desire, are produced in one country ; for, different portions of the globe possess different facilities for production, and no district possesses advantages for producing every thing. Thus, China produces tea ; Cuba produces sugar and cotton ; and New York produces wheat ; and it would be folly for one country to attempt to produce those products to which it is in nowise adapted.

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By what several circumstances is the demand for articles controlled ?  
 What principles regulate the division of labor in different countries ?

And by this natural division of labor nations are made dependant upon each other ; and if one prospers, and exchanges and commerce are free, all prosper ; and if one suffers, all suffer. Thus, this mutual dependance makes it the interest of nations to seek the happiness and prosperity of each other.

V. *Effects of the increased productiveness of human industry.*

When industry is judiciously applied to capital, the result is *product, value, or the means of gratifying human desire*. That is, increased productiveness is equivalent to increased means of human happiness. If every man, in a particular district, by the same amount of labor that he employed last year, were able this year to create twice as much value ; it must appear obvious that a greater number of desires would be gratified, and that, consequently, human happiness would be increased.

This subject leads us to examine an objection which has been made—that the use of labor-saving machinery is prejudicial to the interests of the laboring classes.

The objections urged against labor-saving machines are, that they employ a less number of laborers ; and hence, that many laborers are thrown out of employ. But, one general and incontrovertible argument against

What is the effect of this natural division of labor ?

What is the result of a judicious application of industry ?

What objections have been made to the use of labor-saving machinery ?

the *truth* of this objection is, that improvements in machinery have been going on ever since the creation; that the demand for labor has not diminished, but has more than kept pace with the increase of population; and that in those districts where improvements are the most extensive, the laborers are the most numerous. The desires of mankind have been found continually to increase with the means of gratifying them; and although more products have been created by this increase of productiveness, yet the desires of mankind have been found sufficient for their consumption. The population of a country is found to increase nearly in the ratio of its productiveness.

It is true, that by the use of machines the *manner* of labor is often changed, and a portion of the laborers are thrown out of that kind of employment. But these changes are generally gradual; for improvements in machinery are usually made by slow degrees, and as the demand for laborers becomes less, fewer will learn the trade, which will tend to keep up the wages of those who remain in it. But the improvement may be so sudden, that many laborers will be deprived of their present occupation. Thus, upon the introduction of the cotton gin machine, for freeing the cotton of the seed, which before required an immense amount of labor, many laborers were thrown out of this employment: but a new avenue for labor was thereby opened; cotton became cheaper—it was used by thousands who

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What may be said of the truth of this objection?

What change in labor is effected by the use of machines?

What has been the effect of the introduction of the cotton-gin?

before were unable to procure it, a greater demand for cotton was created, and a greater number of laborers demanded. There was a change in the manner of the labor, but the amount required was greater. And suppose the demand for cotton cloth to be doubled, there must not only be twice the amount of cotton produced, but also twice as many vessels built to transport it, and twice as many men to navigate them, besides a greater number of men to construct machinery to fabricate the cloth. And all this increased demand for labor is the result of the introduction of a simple labor-saving machine.

A printing press is a labor-saving machine. So by the invention of the art of printing many thousand copyists were thrown out of employ; but who can estimate the vast increase of laborers, in communicating knowledge, to which this invention has given rise? The desire for knowledge has fully kept pace with the means of gratifying it.

But producers are also the consumers of many products, and they derive an advantage from the cheapness occasioned by labor-saving machines. Each is thereby able, by the same amount of labor, to procure a greater amount of the objects of desire.

This is the same as though the income of each individual were increased: for, if a man can procure, by one day's labor, double the amount of products, it is

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What of printing presses?

What particular advantages do the producers themselves derive from the introduction of machinery?

the same thing in effect as though his wages were doubled.

By an increase of productiveness, therefore, every consumer is rendered richer. It is also one of the effects of machinery, as we have seen, that production is rendered more perfect ; so that each person not only obtains *more* of the same article, by his own labor, but he also obtains a *better* article.

Machinery, in a greater or less degree, supersedes human labor. Let us, then, suppose the extreme case, in which machinery should be brought to supersede human labor altogether. Yet the numbers of mankind would not be diminished, for the sum total of products would be the same, and there would probably be less suffering to the poorer and laboring classes to be apprehended : for in that case the momentary fluctuations, that distress the different branches of industry, would principally affect machinery, which, and not human labor, would be paralyzed ; and machinery cannot die of hunger ; it can only cease to yield profit to its employers, who are generally further removed from want than mere laborers. Although this is hardly a supposable case, yet it serves to illustrate the principle.

The conclusion, therefore, at which we arrive, is, that transient evil may sometimes be experienced by the producers, upon the introduction of labor-saving machines ; but that an increase of productiveness, occasioned by this means, is highly beneficial to the con-

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Suppose the extreme case, in which machinery should be made to supersede human labor entirely—what is the conclusion arrived at ?



sumers, and ultimately beneficial to the producers themselves. All that we possess above the comforts of savage life, is the result of the use of natural agents, and of the increased productiveness of human labor.

## SECTION III.

*Of the Principles which govern the application of Labor to Capital.*

We have thus far considered labor and capital separately. But, as all production is the result of the application of industry to capital, it will be proper to consider the conditions on which they unite, and the laws which regulate their union. In examining the conditions on which labor and capital unite, and in investigating the laws of production, we shall be led into the secret of national wealth, and shall discover those principles of government and legislation which have advanced the prosperity of some nations, and the mistaken policy which has so often involved the depression and bankruptcy of others.

*I. Freedom of Labor and Capital necessary to Production.*

Industry will be applied to capital in proportion to the security of property; and as every man enjoys the

How have labor and capital been considered thus far, and what is it now proposed to examine?

What is the first principle necessary to production?

What is said of the importance of security of property?

advantages of his labor and capital. This is almost a self-evident proposition, for no one will labor unless he expects to receive the rewards of his industry.

Where there is no division of property, and each one is at liberty to take what he will, as the indolent will fare as well as the industrious, there is no incentive to industry.

And the same consequence results from insecurity of property. Where the avails of one's industry are liable to be taken from him, at any moment, by the rapacious hands of a tyrant, few will labor more than sufficient to support existence; for if the industrious lose the avails of their labor, they are benefitted no more than the idle. Therefore, human labor will be exerted, in different countries, very much in proportion as the right of property is both understood and enforced.

Hence the necessity of wise and efficient laws, and the importance of all means which shall prevent the violation of the right of property, either by governments or by individuals.

Therefore, to preserve freedom of labor and capital, and consequently to increase the amount of productiveness, moral and religious principles should be inculcated, and men should be taught to respect the rights of others. All violations of property should be redressed, and each individual should be allowed to use his property and his industry as he will, and as he thinks will be the most advantageous to himself: for

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What is said of the importance of good moral and religious principles ?

every man is more likely to ascertain in what manner he can best employ his capital and industry, than any other man can ascertain for him.

But a government, by a mistaken policy, even when its object is the public welfare, may sometimes aggravate the very evil which it is designed to remedy.

If freedom of labor and capital be necessary to create the greatest amount of productiveness, we see what must be the effect of *monopolies*.

A *monopoly* is an exclusive right granted to a man, or to a company of men, to employ their labor or capital in some particular manner. Such was the exclusive right granted to the British East India Company, to import into Great Britain or her territories the productions of all countries east of the Cape of Good Hope.

The effect of such a regulation is, to restrain the freedom of labor and capital, and to prevent others from engaging in business which might be profitable to them. Such a regulation, is taking from one portion of community some of its natural rights, and granting them to others as a privilege. It is, therefore, a direct injury to those from whom the right is taken.

Moreover, those who hold this exclusive privilege, being liable to no competition, may charge for their commodities whatever they choose; and thus the price which the consumer must pay, is enhanced at the mere will of the monopolist. And it being for the pecuniary interest of the monopolist to charge dear for his com-

modities, and there being nothing to restrain him, there can scarcely be imagined any limit to the oppression which he may exercise.

In the case of a patent and copy right, which, perhaps, might be regarded as a species of monopoly, no right is taken from the community, and the law interposes merely to guaranty to a man the avails of his own industry.

There are, however, some kinds of business, in the good management of which the whole people are directly interested, which may be made the subjects of monopoly, for the general welfare.

Monopolies are sometimes created for the purpose of building bridges and railroads, constructing ferries and digging canals, where they are objects of public interest ; and it is thought that such monopolies are often very beneficial. For they are, many of them, works that would never be undertaken by individuals, unless government, by preventing the competition of others, should secure to the proprietors of such works a more exclusive right in them than they would otherwise possess.

But monopolies should never be granted where the exclusive object is to promote the interest of one person, or of a company of individuals.

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Are patent and copy rights monopolies ?

In what cases may monopolies properly be granted ?

II. *The greater the Ratio of Capital to Labor, the greater will be the Wages of Labor, and the greater will be the Stimulus to Industry.*

Those who hold capital, are desirous of uniting it with industry ; and those who have industry, are desirous of uniting it with capital : for, if they be not so united, neither will yield any profit.

Hence, when the number of laborers is great in proportion to the capital, the demand for labor becomes less, and the price of labor falls ; and, on the contrary, when the amount of capital is great in proportion to the number of laborers, the demand for labor increases, and the price of labor rises. This is always the case under a permanent and wise government, where the right of property is secure, and men expect to receive the avails of their own industry. But, without any opposition to this principle, wages may be high, and the laborer be unable to appropriate them to the gratification of his desires, and here the stimulus to industry will be lessened.

Such is often the case in a newly settled country of great fertility, where wages are high, but where the objects of desire are few, and attainable with difficulty.

But in a large city, where the ratio of capital to labor is great, the wages of labor increase in proportion ; and also the numerous objects of desire call forth a greater exertion of industry ; for, by means of it, a greater number of desires is gratified.

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How does the ratio of capital to labor affect wages, and how illustrated ?

Hence, an accumulation of capital is an advantage to the laborer as well as to the capitalist. For, as has been seen, the wages of labor rise in proportion to the increase of capital; that is, in proportion to the ability of those who must pay for the labor.

Hence, if the laboring classes repine at the prosperity of the wealthy, they repine against the means of increasing their own rate of compensation.<sup>a</sup>

<sup>a</sup> It must not, however, be supposed, that it is better for a nation, that one portion of the people should be mere capitalists, and the other mere laborers; that one portion should be very wealthy, and the other very poor: better if all, by industry, virtue, and economy, could attain to a moderate degree of independence, and thus unite the occupations of laborer and capitalist.

But, the principles, views, and abilities of men, are so different, to say nothing of the effects of fortunate or disastrous chances, or events, that any arbitrary attempts to equalize property, must be regarded as vain and foolish in the extreme; and if property were equally divided to-day, there would be an inequality to-morrow.

And, where this inequality arises from the economy and frugality of the more industrious members of community, and not from fraud and injustice, those less industrious, or less fortunate, have no cause of complaint, and have been defrauded of none of their rights.

But, where distinctions in wealth have arisen, and are still propagated by a partial and oppressive government, which taxes the poor and industrious, for the support of the wealthy and idle, there is sufficient cause of complaint, and the wealthy are justly regarded as the enemies of the poor.

Of what advantage to the laborer, then, is an accumulation of capital?

III. *The Productiveness of Industry and Capital will be increased in proportion to the Intellectual Improvement of a People.*

Ignorant men are indolent, because they are unacquainted with the benefits that may be secured by industry, or because they know not the means of securing them.

An Indian, who knows no better condition than his own, has no motive to industry beyond what may be adequate to procure the simple necessaries of life : but, acquaint him with the conveniences and luxuries of civilized life, and that by an additional effort he can procure them, and his industry will expand with the occasion. Thus knowledge excites the savage to exertion, and directs that exertion to a profitable end.

In all trades and professions, the amassing of wealth, and the consequent gratification of desire, are the prime motives to exertion ; and knowledge and skill in one's particular calling, are the sure and only means of success.

We therefore see how labor must be stimulated, and productiveness increased, by intellectual cultivation. The principle upon which this proceeds, is so evident in itself, that there is little need of a further illustration ; for every day's observation teaches us, that those who are best acquainted with their business, are the most successful.

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What effect has the intellectual improvement of a people upon the productiveness of industry and capital ?

Why are ignorant men usually indolent ?

Knowledge should be made general, and extended to all classes in community, for it enlarges the resources of all. Also, the prosperity of a nation will depend greatly on the purity of its moral character.

As morals become corrupted, idleness and crime increase. On the contrary, on the good moral character of a nation, and especially of a Republic, depend the justice of its laws, security of property, and individual and social virtue; the invariable attendants of which are industry and frugality, the sources of wealth and happiness.

#### IV. *Of Protective Duties.*

By protective duties, is here understood duties or taxes upon imported foreign products. Such duties are levied either for the purpose of favoring the domestic production of some commodity,—as when a duty is levied upon all imported broadcloths, for the purpose of favoring domestic manufactures; or, 2dly, for the purpose of public revenue; or, 3dly, to support the manufacture of some important article of public use, so as to enable a nation to rely on its own internal resources, in case of restrictions upon its commerce, by which a supply of foreign products may be prohibited. Each of these objects will be considered in detail.

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Why does the prosperity of a nation depend greatly upon the purity of its moral character?

What are protective duties?

For what purposes are they imposed?



1st. Suppose that foreign broadcloths can be afforded for five dollars per yard, but that our home manufactures cannot afford them for less than ten dollars per yard. In this case we should use foreign cloths exclusively.

But suppose that government, for the purpose of supporting home manufactures, should now impose a duty of four dollars per yard on all imported broadcloths. Now all who purchased broadcloths, would be obliged to pay nine dollars per yard for the same, for they could not be afforded for a less sum.

But it is evident that this duty would not support home manufactures, for the profits upon the sale of domestic broadcloths would not be sufficient to pay the cost of production. For, if it cost ten dollars per yard to manufacture the cloth, and only nine could be obtained for it, as no profits could be gained in the business, none would engage in it.

The effect of such a duty, then, where the duty is not sufficient to raise the price equal to the cost of production, is simply this:—the importer pays government four dollars per yard for all broadcloth that he brings into the country; and the consumer, or purchaser of the cloth, pays the importer. In other words, the consumer pays the importer four dollars extra per yard, for which he receives no value in return; and the importer is merely the agent for transferring this money into the hands of government.

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1st. When they are imposed for the purpose of favoring domestic manufactures, what are the arguments for and against them?

The consumers, or the people generally, are losers to the full amount of the extra price paid; the importer neither loses nor gains by the operation, because he charges the consumer or purchaser an extra price per yard equal to the amount of the duty; and the government receives the whole benefit, which is none other than an indirect tax upon those who use broad-cloths. By such a duty domestic manufactures are not supported, and the nation is evidently impoverished.

But let us suppose that the duty, instead of being four dollars, should now be increased to six dollars per yard.

Then foreign cloths could not be obtained for less than eleven dollars per yard, and the domestic manufacturer being able to manufacture cloth for ten dollars, would be able to undersell the importer. Now encouragement would be given to domestic manufactures, and industry would flow in that direction in proportion as that business was more profitable than any other.

But competition would soon reduce the profits to the same ratio that existed between other branches of industry. Nevertheless, as we can now furnish our own cloths cheaper than foreigners can produce them while they are obliged to pay the duty, we may use cloths wholly of domestic manufacture. Let us now see if the nation is any gainer in wealth by this system.

We will suppose that the price at which cloth is sold, still remains at eleven dollars per yard. The

manufacturer would then gain one dollar on every yard that he sold ; and it cannot be conceived that he could possibly gain more, for the cost of production, by labor, machinery, &c., is ten dollars per yard, and he sells for eleven. Free competition will always keep the price reduced ; and one branch of industry cannot long be more profitable than others, for the high profits will induce other individuals to make investments in the business, until the rate of profit is reduced to its ordinary level.

It is therefore evident, that the profits derived by the manufacturer are no greater than those derived from other branches of industry. The manufacturer gains one dollar profit on each yard, and the consumer evidently loses six dollars on each yard that he purchases. For, were it not for the duty on foreign cloths, he might have obtained those of the same quality for five dollars, and he now pays eleven.

What profit, then, does the nation derive by the support of domestic manufactures ? It may be said that they give encouragement and support to industry which would not otherwise be employed.

But, although industry should be supported, it would be supported unprofitably, for the cost of production, as we have seen, is greater than the value of the product. Thus, in the above case, the value of broadcloth was five dollars per yard, for it could be manufactured for that ; and wherever a greater value is consumed in the manufacture of the product, the excess is so much loss.

But again ; as the price of broadcloth rises, the de-

mand for it will lessen, and if the price be doubled, probably not half the quantity will be used. One half of the consumers, and those of the poorer classes, will thus be deprived of the use of the article.

And if the price of broadcloth be doubled, and only half the usual quantity used, the community will pay the same for the half that they did for the whole, and the same amount of industry will be employed as before. But it will be industry unprofitably employed; the same as where a laborer might have obtained a bushel of wheat for a day's labor, but now voluntarily works two days for the same.<sup>a</sup>

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<sup>a</sup>It is sometimes cheaper for a man to buy goods than to manufacture them; it is sometimes cheaper for a man to buy wheat than to raise it. Upon the same principle it is sometimes cheaper for a nation to buy its broadcloths than to manufacture them. And the principles which should govern the policy of individuals and of nations, are the same. If a farmer has time, which he could not profitably employ in any thing else, he may make many of his farming utensils; but if the business of cultivating, gathering, and disposing of his crops demands the whole of his time, better it would be to purchase his farming utensils of the mechanic. If the farmer could make all his farming utensils equally as well as the mechanic by working twenty days in the year, and if by working upon his farm ten days in the year he could raise produce sufficient to purchase his farming utensils, the latter would certainly be the more politic course. The same principle may be applied to nations.

Now, suppose that Great Britain had hitherto supplied us with all the broadcloth that we have used, and that she exported to this country one hundred thousand yards annually; suppose that we paid for this cloth five hundred thousand bushels of wheat, which cost the country five hundred thousand days labor;

2d. We are next to consider duties upon imports, as a system of taxation ; that is, where they are imposed for the purposes of public revenue.

The revenue which is obtained from duties on imports, is not levied in proportion to the wealth of those

now, suppose that we could not manufacture the same amount of cloth, of the same quality, with less than eight hundred thousand days labor, which would be the better policy for the country ; to manufacture the cloth, or to raise the wheat, and send that in exchange for it ?

The answer is at once obvious. While we can raise the wheat, we shall purchase our cloths with it. But if there is a great amount of industry in the country which could not be employed in raising wheat or any other products by which to obtain the broadcloth, we might then find it the better policy to manufacture our own cloths ; the same as the farmer, who had not land enough to employ his whole time in raising wheat or other products, might find it a saving to make a part or the whole of his farming utensils. It is for the advantage of nations, as well as of individuals, to obtain their necessary articles of consumption with the least possible amount of labor.

But although it may at first cost us more to manufacture our own cloths than to pay other countries for them, it may be urged, that by protective duties, we shall shorten the period at which we may profitably supply ourselves, and that thus our ultimate benefit will more than repay our temporary loss. And first, what proof have we that we can ever manufacture cloths as advantageously as England, for example, can manufacture them ? And why can England or any other country now afford them so cheap ? If we enquire into the causes that enable the English manufacturer to afford cloths at so low a price,

2d. What are the arguments for and against protective duties, when imposed for the purposes of public revenue ?

who pay. A person worth a million of dollars may avoid paying the tax, by not using the article upon which the tax is levied ; while a poor person, by using the article, may pay a greater amount of taxes.

If the duty were upon broadcloths, the man worth

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I apprehend that we shall not be so ardent to see the same state of things in our own country. Until our population, and especially the operative classes, become so numerous that the laborers are *obliged* to work for a bare subsistence, the wages of labor can never be so low in this country, nor, consequently, can manufactured products be afforded so cheap here, as in Great Britain, or in any other country where the same causes operate to keep down the wages of labor.

I speak here of the manufacture of those products for which one country affords no better natural facilities than another. If Great Britain receives the cotton which supplies her manufactures at the same rate that Massachusetts receives hers, and the natural facilities of water, steam power, machinery, &c., are the same in both countries—and if the wages of labor are lower in England than in Massachusetts, England can certainly manufacture cotton cloth cheaper than Massachusetts can. Therefore, before concluding that manufactures can be supported as cheaply and profitably in one country as in another, we must take into consideration the natural facilities of each country, and the wages of labor as they now are, and as they are likely to be in future.

But if it be thought, that by the natural course of events, we can ever manufacture any given article as cheaply as any other nation can produce it, the further question arises, can we, by protective duties, hasten such an event ; and if so, can we do it profitably ? For it may be that the cost would be far greater than the gain. As has been shown, protective duties are a present tax upon the nation ; and if their object be to encourage our manufactures until they can support themselves, they should

five thousand dollars would want as many coats as the man worth a million, and he must therefore pay as high taxes, if the public revenue were all derived from this source.

Another objection is, that the taxes paid by this

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not only be able to support themselves after that period, but also to repay the expense of that fostering care which has been bestowed upon them.

For the support of manufactures in a country that possesses natural advantages for them, large accumulations of capital in the hands of individuals are necessary, and also a numerous population; and the poorer and more numerous are the operatives, so much the cheaper may the manufactured articles be afforded. If the wealth of a community be pretty equally divided among its inhabitants, it is evident that the wages of labor will be higher, for those in easy circumstances will not labor at so cheap a rate as those who are pressed by immediate want.

Now, it has been shown, that where protective duties are necessary for the support of domestic manufactures, they do not increase the sum total of the capital of a country, but, on the contrary, the country is impoverished by them, for they occasion an unproductive expenditure of industry. But yet it is true that protective duties, if carried to a very great extent, may work such a change in things, that manufactured articles may be produced as cheaply in the country impoverished as elsewhere; for although protective duties impoverish the nation, they impoverish that portion of the nation chiefly which pays the duties or the extra price occasioned by them, and the other portion (the manufacturers) continue to increase in wealth. Thus, although there is a deduction from the national capital, yet what remains accumulates in the hands of a few, and the remainder are rendered poorer than they otherwise would be.

By the continued operation of such causes, manufactures may

method do not all accrue to the government. By a duty of five dollars per yard on imported broadcloth, the price of all broadcloth in the country is raised five dollars per yard, while foreign broadcloth continues to be imported ; and *government* receives only the extra

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finally be supported, if they will only increase the population to such an amount that there will be no other source of industry open for them ; for protective duties evidently collect capital in the hands of the few, and impoverish the great mass of the community. So far they are favorable to the support of manufactures ; but it must be confessed it is not so readily seen what tendency they have to increase the numbers of the population ; for as the means of subsistence fail, it is a natural consequence, that the population diminishes. But if the population, and especially if the poorer classes are sufficiently numerous, domestic manufactures may be supported, although their introduction may have been attended by an unprofitable consumption of the national wealth. But no person should wish them to be introduced before their natural time, if the unnatural means used for the purpose are attended with consequences so fatal.

At their proper time, manufactories will be established in every country where they can be rendered profitable, and it is thought that no legislative enactments can hasten that period without inflicting upon the country an evil greater than the good which is gained. But as facts are a kind of argument the least liable to contradiction, we will advance a few to illustrate the effects of the French protective system.

To favor the working of her own mines, France has imposed duties on all foreign *iron* imported into the country. During a period of eight years, from 1814 to 1822, the French paid, in the increased price of native iron, occasioned by the duties on foreign iron, upwards of forty millions of francs. This is the *direct cost* for protection : in other words, it is the price that



price paid on that which is imported, while the consumers pay into the hands of the producers the extra price on American cloths. Thus one portion of the people is paying into the hands of another, and not into the hands of government.

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France has paid for unproductive industry, for she could have obtained the iron for forty millions of francs less than she gave for it. The iron which the French are obliged to use, is rendered dearer by this system, consequently the demand for iron has diminished, for fewer can afford to use it; and wherever it is used, it has increased the price of every thing with which it is connected.

“The effect of these measures is to add fifty francs to the price of a plough, and to render cotton machinery one third dearer than it otherwise, would be if imported. The price of charcoal has been doubled or trebled, and from twenty-five to fifty per cent. has been added to the price of fire and wood.” And yet the iron business remains below the average rate of profit.

France has imposed a duty on foreign *sugar*, which has indeed increased the quantity made at home and at her islands; but by the effect of this duty, France pays for the sugar that she now uses one million four hundred thousand pounds per annum more than she would otherwise pay. Suppose this to continue for twenty years, it will then amount to twenty-eight million pounds sterling, the interest of which, at five per cent., will buy nearly the whole amount of sugar now consumed in France. It was thought that these duties would give encouragement to the manufacture of sugar from beet-root, which would finally supply France at the ordinary price. But long before such a period can arrive, if it *ever* can, France will have expended a sum of money, the interest upon which would far more than supply her with the sugar that she now consumes.

But it is not simply taking five dollars from one man and giving it to another,—it is worse than this ; it is taking five dollars from the consumer, while the manufacturer receives, in the case supposed, only one dollar profit, and the difference, four dollars, is consumed

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In order to favor the cotton manufacture, for which she is but poorly adapted, France has imposed duties upon the products of other nations, which have retaliated by imposing duties on her wines and silks. Thus other nations, which before purchased these articles of France, now supply themselves, which has been so great an injury to France, that since the Revolution her exports of wines and silks have considerably diminished. Thus the industry of France has been expended upon products that were not natural to her soil and climate ; and other nations, for the sake of retaliation, have expended their industry upon what is not natural to them. The productiveness of all countries would be greatly increased if all could be induced to follow the liberal system of free trade.

But while many admit that the free trade system would be the best for all nations, if *all* would adopt it, they contend, that if one nation adopts the prohibitive policy, others are obliged, in self-defence, to adopt the same. For example, we are told that if England imposes duties on the cotton that we export to that country, we must, *in self-defence*, oblige her to pay duties upon broadcloth, or some other product with which she supplies us. By obliging us to pay the duty on cotton, England may inflict a severe injury upon us, for she may thus deprive us of our best market for cotton ; but at the same time she inflicts a greater injury upon herself ; for if she attempts to cultivate the cotton either at home or in her colonies, the very fact that she is obliged to support that cultivation by a duty upon our cotton, shows that her industry might have been more profitably employed in the creation of some other product which she might have exchanged for our cotton.

in unproductive labor. It is so much value lost to the community.

3d. Duties are sometimes levied on imported articles, in order to encourage their home manufacture; lest, in case of war or some unforeseen event, the nation that produced the articles 'should' refuse to supply them.

Thus, if, in time of peace, we received all our munitions of war from Great Britain, because she could afford them cheaper than we could manufacture them, it would certainly be an advantage to the nation to obtain them from that source, provided it could always

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But although we suffer by the policy of England, shall we gain any thing by adopting the same policy towards her? If we impose a duty on her broadcloths, whether we attempt to manufacture our own cloths, or still use those of England, the country is impoverished, as has already been shown. The only benefit, as I conceive, that we can derive from this system of retaliation, is, that we may, perhaps, compel England, by injuring her, to adopt a more liberal policy towards us.

If England closes her market against our cotton, we may refuse to receive her broadcloth; we may, perhaps, injure her more than she can injure us. But while we continue the prohibitive policy towards England, we shall be injuring ourselves; and the only wisdom in such a course, would be the probability that we might induce England to abolish her duties on our products. Were the foreign trade of nations regulated by their true interests, there would no longer be any necessity for this destructive system of commercial warfare.

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3d. What may be said of the policy of productive duties, when imposed for purposes of national safety?

thus obtain them. But, if war should occur, Great Britain would prohibit the export from her ports of munitions of war, and we should be left at the mercy of our enemy.

It is best for the nation to guard itself, at any hazard, against such an event. And, although duties upon articles of necessity are an evil, yet in the case above mentioned it may be an unavoidable one.

### V. *Of Bounties.*

The design and effect of bounties is nearly the same as that of protective duties, and the principle objections that may be urged against the former, apply equally to the latter. But, in one respect they differ from protective duties. Bounties are never offered for the purpose of obtaining a revenue; on the contrary government, in this case, is paying out money instead of receiving it.

The following is the manner in which bounties are bestowed:—If foreign cloth can be afforded for five dollars per yard, and we cannot make it for less than ten, government gives to the home manufacturer five dollars for every yard that he sells, and the cloth is sold at its former price of five dollars per yard.

But from whence does government obtain the money which it thus expends in bounties? Evidently by tax-

What is the design and effect of bounties?

How do they differ from protective duties?

In what manner are bounties bestowed?

ing the people in some manner; for government has nothing which it does not receive from the people.

To show the inexpediency and folly of granting bounties for the purpose of favoring domestic manufactures, would require but the same arguments which may be used against protective duties; for the effects of each upon production are the same.

Bounties, however, the same as protective duties, may be effectual in supplying us with necessary products, such as munitions of war, &c., for the supply of which it would be unwise to depend upon foreign countries. But, for several reasons, bounties are less objectionable than protective duties:—for,

1st. The price of the article is not visibly raised, and the rich and the poor are supplied as equally as before, and apparently, though not really, at as cheap a rate;—for the taxes of all must be heavier, as from this source government obtains the revenue which it expends in bounties.

2d. In the case of bounties, we pay the extra price only upon articles of domestic manufacture, while by discriminating duties we pay the same upon articles both foreign and domestic.

Thus, by a duty of five dollars upon every yard of imported broadcloth, the price of broadcloth is liable to be raised five dollars, and the country pays this extra price for all the cloth which it consumes, whether foreign or domestic.

In what cases might bounties be bestowed with propriety?

Why are they less objectionable than protective duties?

But, by a bounty of five dollars on domestic cloths, the price of broadcloth is not advanced, and the country pays, in increased taxes, only for the cloths of home manufacture. The evil of bounties is of the same nature, although of less extent than that which arises from protective duties.

## PART SECOND.

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OF THE

## DISTRIBUTION OF WEALTH.

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It has been seen, under the head of production, that all exchangeable value is the result of the application of labor to capital.

Where both labor and capital are the property of the same individual, the whole increase of value becomes his exclusive property ; but, where they belong to different individuals,—where one advances labor and the other capital,—the value must be shared between them.

It belongs to this part of the work to treat of the laws by which this *distribution* is regulated, in the various branches of production.

The subject of *Distribution* is different from that of *Exchange*. The former treats of the laws by which the *immediate producers* of value receive respectively their portion of the result : but the latter, considering these values as already apportioned among their respec-

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Of what does this part of the work treat ?

How does the subject of Distribution differ from that of Exchange ?

tive owners, treats of the *manner* in which individuals make a mutual exchange of these values, and the principles which regulate those exchanges.

After value has been created by the union of industry and capital, the first object is to divide that value among those who have contributed to the production.

We shall therefore next proceed to consider the laws which regulate this division.

We shall first consider the *relative* proportions of the value created which different kinds of labor receive.

I. Let us, for example, suppose a cotton factory to be established where many different kinds of labor are required.

Among the laborers there will be some possessing considerable skill and experience, acquired by previous discipline; and others, whose manual labor only will be required, which any healthy laborer can perform, although possessed of no previous skill and experience.

Now, we know that those of the latter class will be paid the lowest wages; but, where some previous skill and experience are required, the wages will be higher.

Where previous skill and experience are required, and where trust and confidence also are reposed, as in

What are the first laws to be considered, under the head of Distribution?

How is the subject illustrated by the case supposed?

What principles regulate the wages of those who perform the simple labor?



those who manage the purchases and sales, a greater remuneration will be given ; and he who has the general supervision of the whole, will expect to receive the greatest remuneration for his services.

Suppose the factory to be a profitable establishment, and that, at the end of each year, after settling the accounts of the receipts and expenditures, there remains a certain sum, to be divided among the laborers and the owners, of the capital employed. Of that part which falls to the laborers, let us see what are the principles which regulate their respective portions ; for we know they will not share equally.

First, with regard to the portions of those who perform the *simple labor*, or that which is unconnected with previously acquired skill.

Such laborers must be paid at least as much as their labor costs them ; that is, sufficient to furnish them with all the necessaries of life. For, if less be paid them, their number will diminish, and the class will soon become extinct.

Their wages must also be sufficient to support their families—to support their children while unable to support themselves—and also to support the aged and the infirm.

The wages of all the laboring classes must be adequate for all these purposes—for these are the *least* wages which they can receive, and live, and keep their species in existence.

And, were the profits in any kind of industry not sufficient to afford the means of support to the laborers, that branch of industry would soon be abandoned.

It is however here to be remarked, that what is necessary to the sustentation and comfort of a human being, differs greatly in different climates, and in different countries in similar climates.

The necessary cost of living in a cold climate, is usually greater than the cost of living in a warm climate. In the latter, therefore, the wages of labor will be less than in the former.

Thus, in some parts of the East Indies, laborers may be obtained for five or six cents per day ; while in the United States, a laborer can barely support himself with fifty cents per day.

Thus, the greater the expenses of living, the greater will be the wages of labor.<sup>a</sup>

This general principle, the cost of living, is therefore the first and the most important principle that regulates the wages of labor.

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<sup>a</sup> There sometimes arises a temporary exception to this general principle. It sometimes happens that a high price of food depresses rather than elevates the scale of wages. During a period of temporary scarcity, when, of course, provisions are high, the difficulty of procuring subsistence may force more laborers into the market, or exact more exertion from those already engaged, and thus the supply being too great for the demand, the wages of labor will fall.

But the sufferings of the laboring class would, ere long, thin its ranks, and again reduce the supply to a level with the demand. This temporary exception is, therefore, a confirmation of the general principle.

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How does the cost of living vary in different climates ?  
And, how are the wages of labor affected thereby ?

But the wages of simple labor are often far above this point, and are also liable to many variations : the causes of which, we will proceed to explain.

If the profits upon industry and capital are great, and capital is abundant, the wages of labor will rise ; for, in proportion to the amount of capital, and the profits to be made by its investment, the demand for labor will increase ; and, the greater the demand for labor, the greater will be its exchangeable value.

And, if the supply of labor be small, while there is abundant capital for its employment, the greater will be the demand, and the higher the wages of labor.

But, if the supply of labor be abundant, an opposite effect will be the result, and the wages of labor will fall.

The application of these principles will determine the wages which the common operatives in a cotton factory, or in any branch of business, will receive for their labor.

The above are the most important principles which regulate the wages of simple labor.

But there is another kind of labor that requires education, which of course adds to its cost ; and, where one kind of labor costs more than another, the wages must be sufficient to pay the whole cost, or that kind of labor will soon cease to be produced.

If, in the above factory, those who manage the pur-

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What circumstances cause the wages of labor to vary from the cost of living ?

What regulates the wages of educated labor ?

chases and sales, had previously employed much time in commercial transactions, whereby they had acquired skill in the management of such business, as such skill can be obtained only by costly experience, they must be remunerated for all their skill has cost them, or no one hereafter will be at the expense of acquiring it.

And, where an apprenticeship is required in any trade, the time thus employed, and the expenses incurred, must be met by a proportionate increase of wages paid for labor in such trade.

Thus, before a person can be admitted to the practice of law or medicine, a previous course of study must be pursued, and the practitioner must be remunerated for the expenses of his education; and, as the time thus employed in acquiring the profession, has produced no revenue, he must receive an additional compensation equal to what he might have obtained during the same time in other branches of industry.

And, if it be a trade or profession in which few succeed, those few will be more highly remunerated for their services.

The same principles affect the wages of different kinds of labor in the before-mentioned factory. Each kind of labor must be paid *at least* as much as it has cost: the wages will then vary from the standard of cost, according to the fluctuations of supply and demand, and according to the profits obtained in that branch of industry.

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How is it in different professions?

What general principles regulate the wages in the before-mentioned factory?

Thus, if a certain amount of profits is to be shared among the laborers in the factory, their *relative proportions* are to be determined by the above-mentioned circumstances.

In determining the wages of labor, therefore, mathematical exactness cannot be expected. All that can be effected, and all that is necessary, is firmly to establish general principles, whence it will be easy to draw a multitude of inferences, varied and modified by circumstances.

II. We next proceed to consider the *relative proportions* of the value created which fall to the share of different kinds of capital employed in the production.

All capital which possesses exchangeable value, (and that is the only kind of capital for the use of which any thing is given in exchange,) has been obtained by labor, and, consequently, represents a certain amount of labor.

But, different kinds of capital represent different kinds of labor; such as the labor of discovery—the labor of invention—and mere manual labor: consequently, the use of capital should be paid upon the same principles that the labor which obtained it was paid.

Suppose that a western fur-trader should obtain the

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Can we arrive at mathematical exactness upon this point ?

What is the second division of the subject to be considered ?

How has all exchangeable value been obtained ?

Upon what principles should the use of capital be paid ?

Illustrate the principle by the case supposed.

aid of an Indian to assist him in transporting his furs, and for twenty days' labor should agree to give him ten pounds of powder.

This would be the wages of labor paid for twenty days' service.

But, suppose the trader should now require a canoe, the building of which would cost the Indian twenty days' labor.

If he purchased the canoe, he would give him ten pounds of powder; that is, allowing that the tools and the materials of the Indian cost him nothing, and that this kind of labor required no more skill than the other.

But, if the trader only wished to obtain the use of the canoe, how much powder must he give for the use of this capital?

If he used the canoe but twenty days, he would not give ten pounds of powder for the loan of it during that time, if the canoe were but little injured by this use of it; for then the Indian might lend it many times, and receive for the twenty days' labor employed in building it much more powder than he received for the same amount of labor employed in transporting furs.

But, if the Indian knew that the canoe would be destroyed by this twenty days' use of it, he would then demand the ten pounds of powder.

But, if the canoe might be employed a hundred days before it would be rendered useless, then for the hundred days he would charge but ten pounds of powder, and for twenty days only two pounds.

Thus, the interest paid for the use of capital, is de-

terminated by the same principles which regulate the wages of labor. For capital is labor only in another form.<sup>a</sup>

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<sup>a</sup> Smith asserts that all values produced, represent pre-exerted human labor, or industry, either recent or remote; or, in other words, that wealth is nothing more than labor accumulated, from which he infers the consequence that labor is the sole measure of wealth, or of value produced.

Mr. Say considers this principle erroneous, and his argument is, that when once an important invention is made, the production resulting from it, is no longer the product of the inventor's industry; that "the man who first discovered the property of fire to soften metals, was not the actual creator of the utility this process adds to smelted ore."

It is true that the labor of discovering this process, if any labor were required, did not create the utility here spoken of. Mr. Say is, therefore, correct, and I apprehend that the views of Mr. Smith were also correct, although he failed to express them clearly.

Although the utility of the above-mentioned process, was not created by the discovery, yet the *exchangeable value* of smelted ore, is still determined by the labor required to effect that process. And the *exchangeable value* I suppose to be the wealth here referred to by Mr. Smith.

Very great value is often created by a very small amount of human industry, assisted by natural agents; therefore, it is not human industry alone which creates this value. But it is nevertheless true, that the exchangeable value of the commodity, is determined by the human industry required to be exerted.

When, therefore, we speak of interest paid for the use of capital, and regard capital as only accumulated labor, we consider merely the exchangeable value of that capital, which is all that regulates its rate of interest.

For, however great the *intrinsic value* of the capital may be

In considering the wages paid for labor, we saw that different kinds of labor were paid different wages.

It is the same with the interest paid for the use of capital. If it be a kind of capital which is obtained by mere manual labor, other things remaining the same, the lowest rate of interest will be paid for it. But fluctuations of supply and demand will change the rate of interest, upon the same principles that the same causes will change the wages of labor.

But if the capital be the result of talent, skill, and experience, it will obtain a higher rate of interest. Therefore, the general principle which regulates the interest paid for the loan of capital, is the cost of its production.

But there are causes which greatly vary the rate of interest from this standard.

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while it costs nothing, that is, while no labor is required to produce it, it is evident that nothing will be given for the use of such capital, any more than for the use of air and sunlight.

Therefore, we may with perfect propriety consider capital or wealth as accumulated labor, for that portion of wealth which is not derived from human industry, has no exchangeable value whatever.

But, as this exchangeable value varies from the cost of production, by the fluctuations of supply and demand, so the same fluctuations similarly affect the rate of interest paid for the use of the capital, as will be seen.

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Do the principles which regulate the wages of different kinds of labor, differ from those which regulate the interest of different kinds of capital?

What, then, is the general principle which regulates the interest of capital?



The *first* are the fluctuations of supply and demand, which are very evident, and require no comment.

The *second* is *risk*. When a man loans capital, there is always a risk of his not being repaid when he himself needs his capital, and also a risk of his never being repaid. And the greater this risk, (whether it depend upon the character of the borrower, the insecurity afforded to property by government, or the different modes of employing the capital,)—the greater will be the rate of interest.

*Thirdly*, the rate of interest is varied by the different degrees of the productiveness of capital. The different degrees of productiveness vary the demand; and the ratio between supply and demand, produces the same effect upon the rate of interest as upon every thing else.

*Rent*, or the price paid for the use of land, is regulated by the same principles that regulate the interest upon other kinds of capital.

He who hires land for the purpose of employing it in production, pays according to its productiveness; that is, according to the profits which may be derived from it.

The price paid for the use of money, is called *interest*, and is usually estimated in money, because those who wish to borrow capital, usually borrow money in the first place, wherewith they obtain the capital.

What causes often vary the rate of interest from this standard?

What is rent, and how regulated?

What is interest?

How is capital usually borrowed?

But it is in reality *capital* that is wanted, and not *money*. When, therefore, the interest of money is spoken of, it must be borne in mind that it is the same thing as the interest of capital, or the price paid for the loan of capital.

But a man is allowed to loan his capital, and to receive for its use what others are willing to give. But when he converts his capital into money, and then loans it, why should he be restricted by law, as he is in all civilized countries, in the price which he may receive for the use of it? Why the restriction in one case more than in the other?

If the legislature should enact that a man shall not, under severe penalties, receive more than a certain amount of compensation for the loan of land, farming utensils, &c., all would say that the law unjustly interferes with the right of property. But, if the individual convert his property into money, and he be restrained in the loan of it, is not the case the same?

But the *real* price of capital or money, or its real worth and value when employed in production, cannot be fixed by law;—why then should the rate of interest remain the same, when capital is so much more valuable at one time than at another?

Political economists have generally agreed that laws

Does the interest of money differ from the interest or price paid for the use of capital?

What difference have the laws made between the price paid for the use of capital and that paid for the use of money?

Can the real price or real profit of capital or money be fixed by law?

What have political economists generally thought of laws regulating the rate of interest?

regulating the rate of interest are an unjust interference with the right of property, and injurious to the prosperity of a country.

It is generally thought, on the other hand, that laws regulating the rate of interest prevent great fluctuations in the price of money, and that if there were no such laws, capitalists would often take advantage of the necessities of the borrowers, to extort from them an unjust and oppressive price for the use of money.

But fluctuations in the price of money are probably more likely to arise when the rate of interest is established by law. Suppose the established rate of interest be seven per cent., while capital invested in most kinds of business is worth twelve per cent.

In such case, those who have money will not loan it for seven per cent., but will either loan it at a higher rate and find some method of evading the law, as is often the case; or they themselves will invest it in business, and thus receive the worth of it, viz., twelve per cent.

Now, the result is the same to the community, whether the capitalist receives twelve per cent. for his money when he loans it to another, who will invest it in business; or whether he himself thus invests it, and thus obtains its worth.

But the effect of the law is to compel the capitalist to invest his own capital in business, for which he may

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What prevalent opinions are opposed to this?

How are these objections answered; and what is the effect of the law regulating the rate of interest, upon the capitalist?

have no inclination and little skill, or to receive for it less than its real worth, and to surrender its profits, without compensation, to another.

Now, when the profits upon capital rise above the legal interest, there will arise a great demand for capital, but no one will loan it at the legal rate, because it is worth much more. There is then a scarcity of capital,—no supply, and the demand increasing.

This increases the price which men are willing to give for the loan of capital, and those who are the least conscientious will break through the “cobwebs of the law,” and avoid the penalty, by loaning at the legal rate, and receiving a present, or *bonus*, for the favor, in advance. This is offering a premium to those who are sufficiently daring to break the law, and artful enough to screen themselves from its penalty.

The law, then, establishing the rate of interest, has often a manifest tendency to increase those fluctuations to which the rate of interest is liable, and to bring the law into disrepute, by offering a premium to those who will break it. And it is well known to business men, that when the profits upon capital rise above the legal rate of interest, the law becomes a dead letter.

But it is also said, that if there be no legal interest established, capitalists will often take advantage of the necessities of the borrowers. The same objections

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What will be the result when the profits of capital rise above the legal rate of interest?

What, then, is the effect of the law upon fluctuations in the rate of interest?

may be urged against the loan of other kinds of capital as against the loan of money. If money, or other capital, were in the hands of a few wealthy capitalists only, they might monopolize the loan of it, raise the interest, and thus seriously oppress the borrowers.

So far as there is danger from this source, it is a weighty argument in favor of establishing the rate of interest. Perhaps this evil might occasionally arise in individual cases, in the absence of such a law.

But in this country capital is so universally disseminated among all classes, that this evil is little to be feared. Competition among those who have money or other capital to loan, would probably keep the rate of interest nearly upon a par with the profits to be made by the employment of capital.

Whether, then, the rate of interest should be established by law, or left to be regulated by the supply, the demand, and the profits of money, that is, of capital, is a question that would be attended with no diversity of opinion, were it not for the apprehended danger that a few capitalists would monopolize the loaning of money, and thus acquire the power of oppressing the borrowers.

This danger would doubtless be the greatest in a country where property is the most unequally distributed. But it is evidently proper for the law to define what shall be the rate of interest, when nothing is said on the subject in the contract.

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What is the principal objection to the absence of a law regulating the rate of interest, and how considered ?

What, then, alone occasions the diversity of opinion upon this subject ?

But the rate of interest paid for the use of money, is by no means a certain indication of either the prosperity or the adversity of a country. For, if the rate of interest be raised by an increase of risk, as this rise of interest benefits no one, it is an indication of adversity. But, on the other hand, if the rise of interest be occasioned by increased productiveness, as where the employment of capital affords greater profits than usual, then it is an indication of national prosperity.

If the rate of interest fall, on account of the diminution of risk, it is then an evidence of increasing prosperity. But, if the fall be occasioned by a diminution of the profits formerly gained by the use of capital, it is then an evidence of national adversity.

Thus, in England, a large amount of capital for which an interest is paid, is employed in manufactures; but, if other nations should henceforth make their own manufactures, the capital thus employed in England would be thrown out of employ, and the rate of interest paid for capital would fall. The fall, in this case, would be an evidence of national adversity.

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Is the rate of interest any sure indication of either national adversity or prosperity?

For what several reasons is it not?

## PART THIRD.

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OF THE

## EXCHANGE OF WEALTH.

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EXCHANGE is a transaction in which two individuals mutually and voluntarily transfer to each other the right of property, to a given amount, either in capital or labor.<sup>a</sup>

Exchange is of three kinds, viz:—

1st. Barter in general, or exchange in kind.

2d. Exchange by means of a metallic currency.

3d. Exchange by means of a paper currency.

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<sup>a</sup> Wayland.

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What is exchange ?

Of how many kinds is exchange, and what are they ?

## SECTION. I

## OF BARTER IN GENERAL, OR EXCHANGE IN KIND.

I. *The necessity of Exchanges.*

As men are constituted with different aptitudes for different pursuits, and with different dispositions towards those pursuits, it will be an advantage to all if each one will devote himself to that occupation for which he is the best adapted.

Thus, one man has a talent for mechanical pursuits, one for agriculture, another for manufactures, and another for navigation. And if each be allowed to pursue the occupation for which he is best adapted, a greater amount of productiveness will be the result; and the same with nations, as we have before seen.

There are products which are natural to one country and not to another; and no country possesses advantages for producing every thing. But each individual and each nation wishes to obtain the products of other individuals and of other nations, and this can be effected only by an *exchange* of products.

We have seen that productiveness is greatly increased by *division of labor*. The same principle applies to exchange. Were each individual obliged

What kind of labor is the most advantageous for each individual, and for the whole community?

What occasions the necessity for exchanges?

What is gained by division of labor in exchanges?



to make all his own exchanges, there would be a great loss of time and labor, and it would be better for the whole if a part of a society would devote themselves exclusively to the business of making them.

Hence, we see the need of *merchants*, who effect exchanges between inhabitants of the same country, or between different nations.

If the citizen who now purchases his groceries and drygoods of the merchant, were obliged to go to the original producers of these articles, and there exchange some products of his own for them, the labor of exchange would be immense, and the cost of the articles inestimable.

The wholesale merchant and the importer conduct the exchanges between different nations, and the retail merchant purchases of the former, or of the manufacturer, and sells to individuals in smaller quantities. By this saving of time and labor, the *exchanges* increase the cheapness of articles, and thus add to the productiveness of industry.

Although exchange simply, when uncombined with the labor of transportation, adds nothing to the value of a commodity, yet it adds greatly to the convenience of both buyer and seller.

Thus, suppose two individuals, one of whom has two knives, and the other, two pencils.

As one of each is useless, an exchange will be better for both. And although no value has been added to the articles by the exchange, yet each individual is

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Does the simple exchange of a commodity add to its value ?

richer than he was before, for he is now enabled to gratify a greater number of desires.

It is thus with nations. A nation exchanges commodities which it does not need, for those of which it has need.

Thus, Cuba produces more cotton and sugar than she requires for her own consumption, and New-York raises more wheat than she needs, and a mutual exchange of products will be advantageous to both countries.

This illustration is sufficient to show the fallacy of the notion formerly entertained, that by exchange only one party is benefited, and that what one gains another loses.

As a simple exchange, therefore, confers no new value upon the product, the exchange should be effected with as little loss of time as possible, in order that the article may be more speedily applied to the use for which it was designed.

Also, a delay in making the exchange adds to the price which must be paid for the article. This addition is the interest on the capital advanced.

Thus, if a merchant purchase to-day a thousand dollars worth of goods, and sell them to-morrow, he charges the purchaser for his labor and skill, and adds to the sum the interest of only one day upon his capital.

But, if he retain the goods a whole year, and then

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How does it add to the convenience of individuals and nations ?

How, then, should exchanges be effected ?

What is the effect of a delay in making exchanges ?

dispose of them, he charges for his labor and skill the same as before, and adds to the sum the interest on his capital for a year.

Besides, if the merchant dispose of his goods within a week after the purchase, he may reinvest the same capital, and exchange it fifty times in the course of a year, and thus receive a profit on his skill and labor fifty times a year.

Thus, rapid exchanges are advantageous both to the buyer and the seller, and, consequently, to the whole community.<sup>a</sup>

As individuals exchange for the purpose of improving

<sup>a</sup> Thus, if French silks were to be imported to New-York, the sooner they were disposed of, the better for all parties. But, should they be carried first to New-Orleans, thence up the Mississippi, and across the country, to New-York, the producer or the exporter of the silks must charge the New-York merchant for all this extra labor of exchange and transportation, and the New-York merchant must charge the consumers a higher price, which would be so much loss to the latter, and the demand for the article would also be diminished; less silks would be disposed of, which would injure the business of the producer, the exporter, and the merchant.

The sooner the producer gets his returns for his silks, the sooner he can recommence a new and equally lucrative operation.

All unnecessary exchanges and transportation are no other than the expenditure of unproductive labor, which must be paid for, but which adds no new value to the product.

Why, then, are rapid exchanges advantageous to all?

For what do individuals exchange, and how only can they effect their object?

their condition, if they really exchange articles of less utility for articles of greater utility to themselves, the more numerous their exchanges, the more generally will their condition be improved. And, whatever promotes such exchanges, promotes the happiness and prosperity of a people. And to this end, there must be,

1st. A *desire* for exchange, which will depend principally upon the intelligence of the people.

2d. An *ability* to exchange, which will depend upon the productiveness of their labor and capital ; and,

3d. The *security of property*, which will depend upon their individual and social morality.

That is, exchanges will be frequent in proportion to the *intelligence, wealth, and moral character* of a people.

## II. *Barter in general, or Exchange in kind.*

It has been seen, that the general rate at which products are exchanged, is not quantity for quantity, but value for value ; because a given amount of labor will procure a much larger amount of some products than of others.

The rate of exchange, therefore, is regulated by the amount of labor which is required to produce the article:<sup>a</sup>

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<sup>a</sup> Although exchangeable value is regulated by the cost of production, exchangeable value is not *the* cost of production, as

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Upon what do the frequency of exchanges depend ?

What is the general rate at which products are exchanged ?

By what is the rate of exchange regulated ? How illustrated ?

If an ounce of gold may be procured by one day's labor, and a hundred weight of iron may be obtained by the same amount of labor, the gold is said to be "of the same value," or, in common language, "worth as much" as the iron.

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has been frequently asserted. The cost of an article means simply the amount of labor expended, or the expense incurred in its production: but the exchangeable value of the article, or the price at which it is ordinarily disposed of, is something more than the cost of its production.

Cost and exchangeable value are different things. If they were the same things, commodities would be disposed of merely for what they cost; that is, in manufactures, for instance, the money received by the sale of an article would only be equal to that expended in its production, and thus the manufacturer would gain nothing.

But this is not so. In all profitable business, the cost of production must be somewhat less than the exchangeable value of the product.

When a merchant imports a cargo of teas from the East Indies, he must first estimate what the cargo has cost him, and also the interest on the capital employed, before he can determine upon the price; that is, upon the exchangeable value at which he ought to dispose of it.

For this purpose, he must sum up the wages which he pays for labor—the amount which he exchanges for tea—the interest on the sum thus advanced—risk of the ship and cargo, or the premium paid for their insurance—the interest on the capital advanced in fitting out the ship; and, lastly, the wear and tear of the ship, &c., or the repairs required during the voyage.

All of this is equivalent to the direct cost of production, added to the interest of the capital advanced; and this, which is the whole cost or expense incurred, must be added to the *profit*

Although, if by chance the ounce of gold should be found in its native state, it would be worth just as much, although no labor were required to produce it; for the amount found, when compared with the whole amount which required labor for its production, would be so small, as not to affect the general principle.

But, as the chances of obtaining gold without labor increased, the value of gold would proportionably diminish.

In all exchanges, therefore, we may regard it as the labor which is exchanged, and not the intrinsic values of the commodities. For the intrinsic value of a hundred weight of iron is inestimably greater than the

which the importer makes by his sales, and we then have the exchangeable value of the cargo.

Capital, united with industry, together with the interest upon the capital used, which here goes to increase the exchangeable value of the product, may be said to be the wages paid for the use of capital. Thus, capital and industry both labor in production, and the same rules of supply and demand, regulate the wages of both.

In the case supposed above, if the individual engaged in the business of importing tea, had hired the capital, which he was to refund, together with the interest, this whole amount, interest and all, might be reckoned as so much labor exerted towards the cost of production, for labor might pay this interest.

But the exchangeable value of the tea, must still be in advance of the cost of production, if the business were profitable, and must be estimated at the cost of production, added to the profit made in the business.

What then, may we suppose to be exchanged in all cases?

value of an ounce of gold. Mankind could dispense with the latter far more conveniently than with the former.

In the earliest stages of society, all exchanges were made in kind—that is, by barter. If one savage wished to obtain a bow and arrow from another, he was obliged to give in exchange some product of his own.

But, as exchanges increased in number and amount, many disadvantages would arise from this mode of exchange.

We have seen how division of labor increases productiveness, the effect of which is to multiply products in the hands of the producer. Thus, hats accumulate in the hands of the hatter, bread in those of the baker, and shoes in those of the shoemaker; and the case is the same throughout all the trades and professions.

But, although each individual produces but one kind of commodity, he wishes to obtain a portion of the products of every other producer. The hatter has hats which he wishes to exchange for bread and shoes; but, perhaps both the shoemaker and the baker are at present supplied with hats, and wish for some other article—perhaps fuel.

The hatter must, then, find some one who wants hats, and who has fuel to dispose of; and he must thus obtain the fuel; and then, by a second exchange, he will be able to obtain the required articles.

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How were exchanges made in the early stages of society?

What inconveniences would arise from this mode of exchange?

But here is a loss of time, which must be added to the cost of the hats, or the hatter will be the loser. Hats will then become dearer, and this will be a loss to the consumer or purchaser; and as they become dearer, the demand for them will lessen, which will be a loss to the producer.

But there is another difficulty which would attend exchange in kind. If the hatter wish for a penknife, or any article of less value than a hat, how is he to obtain it? He cannot divide a hat, but must find some one who will give in exchange for it such articles as the owner of the knife may desire, and which are, moreover, capable of being divided without injury.

But *material* products are not the only things to be exchanged. One great article to be exchanged, is *labor*. If exchanges were made wholly in kind, it would frequently happen that the laborer would not be able to labor for those who needed his services, because they could not give him in exchange such articles as he wished. The lawyer would be obliged to receive his fees in such commodities as his client produced; and the same with physicians, and other professional men.

The effect of these inconveniences in making exchanges would be, that fewer exchanges would be made,

What would be the effect of a loss of time required in exchanging, upon the price of the article?

How would both the consumer and producer be affected?

What difficulty besides the loss of time would attend exchange in kind?

Are material products the only things to be exchanged?

What difficulties, then, would the laborer encounter?



and every person would be his own farmer, mechanic, and manufacturer, and there would be no division of labor, except in its most imperfect form.

Now, these inconveniences might be remedied if there were some appropriate article that was universally wanted, and which every person would be willing to receive in exchange for such products as he wished to dispose of. And then, by exchanging for this article, the producer might obtain, by another exchange, whatever he needed.

The necessity for such an article, has led to the adoption of some medium of exchange even among the rudest nations. In pastoral nations, cattle were frequently used as a circulating medium. Property was estimated as being worth so many head of cattle. Thus, Homer mentions that the armor of Diomedes cost nine oxen.

Some of the baser metals were afterwards used. The Lacedaemonians, under Lycurgus, established iron as the circulating medium.

Shells and beads were used as money by the North American savages.

The Romans used copper or brass, in the early ages of their history.

But as these materials became more abundant, and consequently depreciated in value, gold and silver

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What would be the general effect of these inconveniences in making exchanges?

How might these inconveniences be remedied?

What articles have been used as a medium of exchange at different periods?

were substituted in their place. At first, gold and silver were weighed at every exchange; but as this required much time and care, they were next fashioned into coin, and the value or weight of each piece stamped on the face of it.

Gold and silver are now used for the purposes of money throughout the civilized world.

Copper is used only in the payment of sums less in value than the lowest denomination of silver coin.

## SECTION II.

### OF EXCHANGE BY MEANS OF A METALLIC CURRENCY.

#### I. *Of the qualities necessary to that which constitutes the circulating medium.*

The design and use of money, or of whatever is used as a circulating medium, is to facilitate exchanges. Whatever instrument best accomplishes this purpose, should be selected; and the preference is now universally given to gold and silver. Those qualities in gold and silver which have given them this preference, will be seen by inquiring into the qualities necessary to constitute a circulating medium.

1st. The article used as a circulating medium must be universally desired as such; that is, it must be an

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How were gold and silver first used ?

What is the design and use of money ?

What is the first requisite for the article used as a circulating medium ?

article which every one is willing to receive in exchange for such products as he wishes to dispose of.

This article or instrument for facilitating exchanges, is called *money*. And if this article be not difficult of transportation, it is evident that every one will be willing to receive it in exchange for his own products, if he can obtain as much for his money as he could have obtained for the products which he disposed of for the money.

Thus, a farmer exchanges a bushel of wheat for a dollar, because a merchant will give as much tea or sugar for a dollar as he will give for a bushel of wheat.

And now the question naturally arises—what is it that renders money so valuable to community? We answer—the same that renders a plough, or any other farming utensil, valuable to a farmer. The earth must be cultivated, and a plough is an instrument for cultivating the earth, and it is desired and is valuable for that purpose:—it greatly increases the productiveness of labor.

But it requires labor to make a plough, and if the farmer exchange his products for it, he must give those articles in exchange which have cost him as much labor and skill as the plough has cost the mechanic.

We have said the earth must be cultivated. So also exchanges must be effected. Now, money is an instrument for facilitating exchanges, and it is desired

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Why are persons willing to exchange their products for money?  
What is it that renders money so valuable to community?

and is valuable for that purpose. In its department of labor—that is, in exchanging—it greatly increases the productiveness of labor.

But the instrument, viz., money, cannot be obtained without labor, and its exchangeable value, like the exchangeable value of other articles, is regulated by the cost of production, varying, as other products vary, by fluctuations in supply and demand.

If in New-York a bushel of wheat is exchanged for a dollar, it is because the labor expended in mining, in transporting the silver from the mine, and in coining, is equal to the labor expended in raising the wheat, and in transporting it to the place of exchange.

Thus, the exchange of silver and wheat is regulated by the same principles which regulate any other exchanges. And the exchangeable value of the precious metals, like other commodities, is likewise influenced by the fluctuations of supply and demand. If more gold and silver are obtained by the same amount of labor, their exchangeable value becomes less, that is, more money will be given in exchange for other products.

This was the case after the discovery of the mines of South America, by which the amount of the precious metals was greatly increased. And if, by any reason, money becomes scarce in a country, so that there is not a sufficient quantity to effect the exchanges,

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What regulates the exchangeable value of money ?

How is the exchangeable value of the precious metals varied by fluctuations in supply and demand ?

then there will be an increased demand for money, and its exchangeable value will rise :—the same as if there were not a sufficient supply of ploughs in the country, —the demand for ploughs would increase,—their value would rise, and a greater amount of other products would be given in exchange for them.

2d. The instrument used as a circulating medium should not be liable to sudden fluctuations of value, occasioned by variations in the cost of production.

Suppose that an individual has exchanged to-day a quantity of wheat, which cost him one hundred days' labor, for a quantity of silver which cost the same amount of labor. The individual receiving the silver expects that he can exchange it for other products which cost one hundred days' labor.

But, if in a few days silver could be produced by one half the amount of labor that it formerly cost, the value of silver would fall, and he who had exchanged wheat for silver, would find that his silver would obtain for him, in exchange, products which had cost only fifty days' labor.

Hence, vegetable products, the amount of which is liable to vary under the same amount of labor, could never be employed as money. But gold and silver are not liable to these sudden fluctuations, and on this account they are better adapted for a circulating medium than any other articles.

3d. If the article used should contain a large amount

What is the second requisite for a good circulating medium ?

Why might not vegetable products be employed as a circulating medium ?

of value within a small bulk, it would be a great advantage, by thus saving the labor of transportation. The iron money of Lycurgus would be a very inconvenient circulating medium in the present day.

4th. The substance should be capable of division without loss of value, in order that persons may purchase in as small quantities as they choose.

5th. The substance should be of such a nature that it can be easily verified, and distinguished from counterfeit imitations. Platina is more costly than silver, but in appearance it very much resembles some of the baser metals. This is an objection to its use as a circulating medium. But gold and silver are easily verified, and counterfeit imitations are easily detected. We meet with no counterfeit gold coins, and with but little counterfeit silver money.

And lastly, it may be remarked, that gold and silver are used as the instruments for facilitating exchanges, because they are the best and most convenient instruments for that purpose, and not because government has arbitrarily made them the circulating medium. As, under every government, the people should have the liberty of making what exchanges they choose, the government should not interfere with the instrument which the people have selected for this purpose.

Any laws directing the people *in what manner* they

What is the third requisite for a convenient circulating medium? The fourth? The fifth?

Are gold and silver used as the circulating medium because government has arbitrarily made them such?

In what manner should government not interfere with the circulating medium?

shall use the instrument, money, is as great an interference with the liberty of exchanging, as if government should direct the farmer to use his ploughs in a particular manner: this would be an interference with his right to cultivate the soil as he may deem expedient.

If one citizen wishes to purchase any articles of another citizen, he should have the liberty of exchanging as he pleases; or if he wishes to exchange his specie for foreign products, government should not prevent him.

And if it be admitted (as it certainly will be under a free government) that citizens have the right of keeping or exchanging their property as they please, it follows that government has no right to prevent the importation or exportation of specie.

But there is one kind of agency which government may properly exert over the circulating medium. Gold and silver being used as a circulating medium *by common consent*, the agency of government should be exerted to render the circulating medium such as the people wish it, and so to prepare the substance employed that it may be used with the greatest common advantage.

To accomplish this object, the substance which has been thus universally chosen for the purposes of exchange, should be made a *legal tender* for the payment of all debts. That is, if a debtor offer his creditor *legal* money in payment of a debt, the latter is bound to receive the same, or free the former from his obliga-

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What agency, then, may government properly exert over it?

tion, unless some other article had been previously agreed upon between the parties.

Government should also regulate the coining of money, because it is a work that requires great fidelity, and could not be safely intrusted to individuals.

The business of coining comprises whatever relates to the uniform purity of the metal, and to such size and form of the material as shall best adapt it to the purposes of exchange.

But the power of government should never be exerted so as to interfere with the right of individuals to exchange their property *with any one* and *for any thing*, as they may think for their advantage.

## II. *Of the amount of money necessary to effect the exchanges of a community.*

Whatever be the instrument used in making exchanges, its value, at any one time of exchange, must be equal to the value of all the commodities exchanged for it.

Suppose the precious metals were the only instruments used for this purpose. But yet the value of the precious metals in community is not equal to the value of all the other commodities.

The value of the precious metals would be equal to the value of all the other commodities, if all exchanges were made in money, and made at the same instant.

But only a very small portion of the commodities

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Why is not the value of the precious metals in community equal to the value of all the other commodities?



once exchanged during a year, are exchanged at the same time. Consequently, a small amount of money, if used many times, may exchange a large amount of property.

Thus, if A and B have each one thousand dollars worth of property to exchange with each other, ten dollars in the hands of either party may be sufficient to effect the exchange of two thousand dollars worth of property.

Thus, A, having the money, may purchase of B ten dollars worth of his property, and B may then use the same money wherewith to purchase of A; and thus, by one hundred mutual exchanges, the whole work would be accomplished.

It is the same with the exchanges of community. A single dollar may perhaps in one year be the instrument of exchanging values of a thousand times its amount.

And, as many exchanges are made in *kind*, this also diminishes the amount of money required. Where wheat is exchanged for cotton, if the values exchanged are equal, no money is required to accomplish the work.

Between nations also most exchanges are made in kind. A nation that possesses no mines of the precious metals, can obtain the products of another nation

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In what manner is a small amount of money made to exchange a large amount of property?

What kind of exchange furthermore diminishes the amount of money required?

How are exchanges made between nations?

only by its own labor, which must be employed in the creation of products which may be given in exchange.

If, for instance, New-York purchase of Liverpool, New-York must eventually pay the debt in American products. If it pay Liverpool in gold and silver, these articles must previously have been obtained by sending American products to some other nation.

Thus, one nation cannot exchange with another to a greater amount than it has products to give in exchange ; and we see what it is that creates a demand for foreign products.

The productiveness of one country opens a demand for the products of another. For it is the same with nations as with individuals : they cannot purchase unless they have something to give in exchange.

The prosperity or the adversity of one must, therefore, go hand in hand with the prosperity or adversity of another. Should the products of America fail, and famine desolate the land, England would find no market here for her manufactures ; nor, under such circumstances, could England escape the evils that afflicted us.

The value of the specie used in any country for the purposes of exchange, is therefore necessarily small in proportion to the whole value of capital. In Great Britain, some writers, have estimated it at the 50th, and others at the 127th part of the whole capital.

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How is the prosperity of one nation allied with that of another ?

What estimates have been made of the relative value which specie bears to other capital ?

But the amount of circulating medium required in any community while its value remains the same, varies with the amount of products to be exchanged. While the amount of exchanges remains the same, the same *value* in specie will always be required, and no greater value can be used. If a greater amount of specie be introduced, its value will fall, and if the amount be diminished, its value will rise.

It is the same with money as with other instruments in other kinds of labor. If more ploughs be introduced than are necessary for agricultural purposes, their value will fall ; and if the number of ploughs be diminished, their value will rise.

Nothing is gained by introducing more ploughs than are needed, as they must be sent from the country, or they will remain on hand, unproductive capital. And, if more money be introduced than is necessary for the purposes of exchange, it must either be sent abroad again, or remain on hand, unproductive capital.

If the amount of production in a country be greatly increased in any one year, a greater amount of money will be required to make the necessary exchanges ; or, if the amount of money remain the same, its value will rise.

But the very nature of the case will provide its own

Upon what depends the amount of circulating medium required in any community ?

What will be the effect of an increase of productiveness upon the amount required ?

How will the want of money be remedied in this case ?

remedy : specie will be imported to supply the deficiency, or the domestic products will be exported, unless there has been a corresponding increase of productiveness throughout other nations.

Let us suppose that there has been during one year a great increase of productiveness in the State of New-York alone, throughout all the departments of agricultural, manufacturing, and commercial industry. Every thing would now be cheap. If wheat were formerly sold for two dollars per bushel, it could now be obtained for one.

Suppose that, in ordinary seasons, six bushels of wheat, or their equal in value, six dollars, could obtain a yard of broadcloth in Liverpool, and that it is immaterial to the New-York merchant which he sends in exchange.

But, during this very productive season, the New-York merchant finds that six dollars and twelve bushels of wheat are of equal value in this country, but six bushels of wheat will obtain as much broadcloth in Liverpool as six dollars will purchase.

The New-York merchant will now find it greatly to his interest to export wheat in exchange for broadcloth, and therefore the specie, which is now needed at home, will not leave the country.

Thus, the want of money will soon be remedied by the exportation of that superfluity of productions which has occasioned the want.

This will be the case in every country, whenever an increase of productiveness shall have created a demand for money.

Thus, the interest of the merchant, and of every other individual, is the same as the interest of the nation. What is favorable to the former, is also favorable to the latter.

Also, if, during such a season, other nations wish to obtain our products, it will evidently be to their interest to send specie in exchange, because specie is scarce here, and products abundant ;—specie is in the greatest demand, and we will give more for that than for any other article.

It is also evident that an unproductive season will render money comparatively more abundant than usual ;—exchanges being less in amount, there will be less demand for the instrument used in exchanging. Money will therefore be cheap, and every thing else dear. We shall have more money than can be used in exchanging, and shall be in greater need of other products.

But the nature of the case provides its own remedy. The New-York merchant now finds that twelve dollars and six bushels of wheat are of equal value to him in New-York, but the twelve dollars will obtain *two* yards of broadcloth in Liverpool, while the six bushels of wheat will obtain only one.

It is now for his interest to export the specie, and it is also for the interest of the whole country. National and individual interests are the same. The

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What will be the effect of an unproductive season upon the amount of money required ?

How will this case provide its own remedy ?

same principles in political economy should regulate the management of the affairs of both.

When, therefore, we speak of the abundance or scarcity of money, we are to understand by the terms, not the real amount of money in community, but the relative proportion which it bears to the products required to be exchanged.

There is an abundance of money when there is more than a sufficiency for the purposes of exchange—the same as a community has a superabundance of vehicles for transportation when there is more than a sufficiency for transporting all its merchandize; but should its merchandize be increased, the same number of vehicles, which was before an abundance, might become a scarcity.<sup>a</sup>

*Abundance of money, and scarcity of money, are,*

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<sup>a</sup> There is this difference, however, between the two cases:—If the amount of merchandise be increased, the same number of vehicles cannot accomplish the whole work of transportation.

But if a million of dollars were required to effect the exchanges of a country, during one season, and the amount of products to be exchanged should be doubled during the next, the same amount of money might be made to do all the work of exchanging.

But the *value* of money must rise to twice its original amount. If one dollar were formerly exchanged for a bushel of wheat, it must now be exchanged for two. The inconvenience that

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What, then, are we to understand by the terms *abundance* and *scarcity* of money?

therefore, terms which convey an idea of the relation, merely, that exists between the amount of money and the amount of products to be exchanged.

A *scarcity* or an *abundance* of money may arise from various causes. It has been seen that an increase of productiveness renders money comparatively scarce, and a diminution of productiveness renders it comparatively abundant. The scarcity of money in the first case is, therefore, an indication of prosperity, and the abundance of money, in the second case, is an indication of adversity.

An abundance of money may be occasioned by the discovery of a new mine ; and if the cost of mining be not too expensive, the abundance of money thus occasioned will be an advantage to the nation. But it can be of use only by being sent abroad in exchange for other products, if there were previously sufficient money in community for the purposes of exchange. But should gold and silver become as abundant as iron, they would lose all value as money.

A scarcity of money may also be occasioned by an unproductive consumption of value ; as, if it be employed in useless wars : and here it is a sign of adver-

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arises from this relative scarcity of money, results from the difficulty of accommodating exchanges to this new state of things. But should this state of things become permanent, there would be no more difficulty in the way of exchange than formerly.

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From what various causes may a scarcity or an abundance of money arise ?

sity. Therefore, the relative abundance or the relative scarcity of money, is by no means an unfailing indication of the prosperity or adversity of a country.

An abundance may be the sign of prosperity in one case, and of adversity in another. The only sure indication of the economical prosperity of a country, is the increase of its productiveness.

### III. *Of Banks of Deposit and Exchange,*

We have seen that exchanges are greatly facilitated by means of the use of a metallic currency. But were an individual to give gold and silver in exchange for whatever he purchased, if he were engaged in extensive business, he would be obliged to keep constantly on hand a great amount of the precious metals, in order to effect his exchanges.

This would be so much withdrawn from his productive capital; and if, by any means, he could diminish the amount, and effect his exchanges with a less sum, he might, to the whole extent of this contraction, enlarge his business and increase his sources of wealth.

If a manufacturer worth fifty thousand dollars were obliged to employ ten thousand of it in effecting his exchanges, it is evident that he could invest in his business only forty thousand. But if, by any means,

Is either a scarcity or an abundance of money any certain indication of either the prosperity or adversity of a country?

What is the only sure indication of a country's prosperity?

What would be the effect upon the amount of one's productive capital if he were obliged to effect all his exchanges with specie?



he could effect all his exchanges with one thousand dollars, he could then employ in his business forty-nine thousand dollars of productive capital.

Another inconvenience that the manufacturer would encounter, is the time and labor lost in transporting a great amount of gold and silver. If this also could be avoided, it would be a manifest advantage. And were all exchanges made through the medium of money, each payment must be counted by both parties, which would occasion a loss of time, and a wear and tear of the coin.

Although this may be deemed a trifling inconvenience and loss, yet it would be very perceptible in a large mercantile house which exchanges from fifty to one hundred thousand dollars worth in a day.

And were each individual to keep constantly on hand the whole amount of gold and silver necessary to effect his exchanges, he would be exposed to frequent robbery, and would be obliged to guard his property with increased vigilance. Gold and silver are bulky and noisy, and consequently difficult of concealment. Since the institution of banks, robberies have been far less frequent than formerly.

The evils above mentioned have been, in a measure, remedied by the institution of banks. We shall proceed to consider the nature and uses of banks, and the benefits which they confer upon community, when

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What are the several other inconveniences that would attend exchanges by an exclusive metallic currency ?

How have these evils been, in a measure, remedied ?

properly conducted, and also the evils and abuses to which they are liable.

The banks first instituted were those of deposit and exchange. They are the most simple in their plan and in the nature of their operations. Individuals, instead of keeping their money on hand, *deposit* it with an individual or with a company for safe keeping.

Thus, suppose that the merchants in a place, instead of keeping their money themselves, lodged it with a company in whom they had implicit confidence, and that this company established a *bank* where they might receive the money, and conduct the business relative to its deposit and transfer. The bank would now open its books, and keep an account with each person depositing money, crediting him with whatever he deposited, and debiting him to whatever he withdrew.

Let us now see how the business of exchange might be conducted in such a community. If A owed B one thousand dollars, he need not withdraw that amount of his money from the bank in order to make the payment, but he may give B an order for one thousand dollars, which B will present to the banker, and the one thousand dollars will be transferred from the account of A to that of B. If B owe C, he may make his payment in the same manner; C may do the same to D; and D perhaps may owe A, and pay him in the same manner.

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What was the first kind of bank instituted?

Describe how exchanges would be effected by the aid of a bank of deposit and exchange.

And thus, at the end of the day, exchanges to the amount of four thousand dollars may have been effected without any transportation or counting of the specie. It has been the labor of a few minutes, and has all been accomplished by writing a few lines in a bank leger.

There has been a saving of the transportation, counting, and consequent wear and tear of the coin; and, also, the expenses of guarding and securing the money have been materially lessened.<sup>a</sup>

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<sup>a</sup> We shall hereafter see how the institution of another kind of bank, lessens the amount of the precious metals required to effect the exchanges of a community, and by that means renders available a greater amount of productive capital.

But a less amount of money is required to effect exchanges between individuals, than may be at first imagined, and banks of deposit, in a measure, diminish that amount, although not to the same degree as banks of circulation and issue.

An individual can purchase only by the disposal of some values of his own production. All purchases, therefore, are merely exchanges of the products of one man for those of another, and one man cannot purchase to a greater amount than he has, or is supposed to have, products to give in exchange.

If, then, each individual exchanged directly for the ultimate article desired, and there were no need of first obtaining any thing intermediate, with which to procure it, there would be no need of money in any exchange whatever; for every man sells as much as he buys, and this would be merely barter.

But, when one man purchases of another fifty dollars' worth of products, in one day, and parts with only twenty-five dollars' worth of his own, he requires something more to make the exchange: he must pay the difference in money.

And if the exchanges of a community were transacted by several banks, they would be conducted upon the same principles, without the necessity of a transfer of the money deposited.

Suppose that A, B, C, and D, have business with each other, which requires a transfer of property ; suppose that A and D have deposited their money in the *first* bank, B and C in the *second*. If A is to pay B a thousand dollars, he gives him a draft, check, or order on the first bank, which B deposits in the second

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But, if the second individual will not receive the products of the first, the former will need fifty dollars to make the exchange. Thus, an individual may be obliged to make all his purchases with money, which will require a large amount of the precious metals, although, at the end of the year, his purchases may not exceed his sales.

He has, finally, exchanged product for product, although he has been obliged to use an instrument, money, to accomplish the work. Now, a bank of deposit and exchange may, in a great measure, supply the place of this instrument, money, and at a far cheaper rate. The individual may deposit in the bank a small sum of money, equal to the excess, if any, of his purchases above his sales during a day, a week, or a longer period.

If, now, the bank transact the business of exchange between the parties, and the accounts be settled at the close of each week, an amount of money equal to the difference of the exchanges between the parties would meet every emergency. Each person might, therefore, employ a greater portion of his capital in active business, and the active capital of community would, therefore, be greatly increased.

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Describe the manner in which exchanges would be effected between several banks of this kind.

bank. C pays D in a draft on the second bank, which D deposits in the first bank.

Each bank is thus to receive a thousand dollars, and to pay out a thousand dollars. The drafts cancel each other, and thus the transaction is completed. It would have been useless to transport the money back and forth in this case, yet it must have been done had there been no banks or similar institutions to transact the business.

If the exchanges were between distant places, as between New-York and Liverpool, the saving of time and labor by this method of exchange would be still greater. Suppose that A in Liverpool sells to B in New-York ten thousand dollars' worth of broadcloths, and that C in New-York sells to D in Liverpool ten thousand dollars' worth of cotton; A is entitled to demand ten thousand dollars from B, and C to demand the same amount from D. A now writes an *order* to B, ordering him to pay ten thousand dollars to the bearer, or to some person mentioned. D gives A ten thousand dollars for this order, and transmits it to C, who receives it in payment of the debt due him from D; C then carries this order to B, or to his banker,

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But banks of discount and loan, and of circulation and issue, more fully and more conveniently accomplish the same object, and have now almost entirely superseded the use of banks of deposit and exchange.

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Describe the manner in which exchanges are usually effected between distant places, such as New-York and Liverpool.

and receives for it ten thousand dollars. Thus all the payments have been made without the transfer of any specie. Banks usually conduct this business.

In the case supposed above, D might not have known to whom to apply for the "order;" but if all the merchants in Liverpool who had demands on the merchants in New-York, should deposit their orders or written demands with a certain bank, the purchasers would know where to apply, and the bank might conduct the business between the sellers and purchasers.

But we have supposed that the exchanges between the two places were equal. Now, suppose that New-York should purchase of Liverpool products to the amount of ten millions of dollars, and should sell to her products to the amount of only five millions in return. In some way New-York must pay the difference. If she send specie in exchange, she must have obtained the specie from some other quarter by an exchange of her products, for there is no other way by which she could have obtained it.

Or New-York might perhaps send wheat to Cuba, and obtain in exchange sugar or cotton, which might be transmitted to Liverpool, sold, and the proceeds deposited in a bank in Liverpool. Then the merchant, who owed a debt in Liverpool, would send to his creditor a draft or order upon the bank; the money, previously deposited there by the sale of the sugar and

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Of what assistance are banks in this transaction?

Now, suppose that the exchanges between the two places were unequal, how will the difference be paid?

cotton, would be given in exchange for it, and thus the debt be cancelled.

These "orders" for the payment of money between different countries are called bills of exchange, or foreign bills of exchange, in distinction from inland bills of exchange. They greatly facilitate commerce or the exchanges between different nations, as we shall see by inquiring more particularly into their nature and origin.

A bill of exchange is an open letter of request, or an order from one person to another, desiring the latter to pay, on account of the former, a sum of money therein mentioned to a third person.

Thus, if A in New-York have owing him from B in Liverpool ten thousand dollars, and C in New-York be going to Liverpool to purchase goods, A may draw a bill of exchange on B; that is, request him to pay ten thousand dollars to C. A thus assigns the debt due him to C; C pays A for this bill, and carries his money over to Liverpool in paper credit, without the risk of robbery or loss. For although this bill should fall into the hands of another person, it would not be paid without the authority of C written upon it for that purpose.

The person who draws the bill is termed the *drawer*; he to whom it is addressed, is, before acceptance, called the *drawee*, and afterwards the *acceptor*. The person

What is a bill of exchange?

How are payments of money made by them?

Who is the *drawer* of a bill of exchange? The *drawee*? The *acceptor*?

in whose favor it is drawn is termed the *payee*, or the one to whom the debt is made payable; and when he endorses the bill, or transfers his right in it to another, he is called the *endorser*, and the person to whom he transfers it is called the *endorsee* or *holder*.

Bills of exchange were probably first invented among merchants for the more easy and safe remittance of money from one to the other in different countries; but since the great increase of commerce, they have become equivalent to specie, and thereby greatly facilitate commercial transactions.

Thus, a merchant in New-York may have present need of ten thousand dollars wherewith to purchase goods in Liverpool, but may not have ready money to that amount, but a Liverpool merchant may owe him ten thousand dollars, payable in six months from this time.

The New-York merchant now draws a bill of exchange on his debtor, payable at six months after date, and gives this in security for the goods which he purchases; and the one of whom he obtains the goods may, in his turn, obtain goods on the credit of this bill of exchange; and thus the bill may have the same effect in different hands, and be transmitted by endorsement or otherwise. It thus answers the purpose of money. But the credit of the person on whom the

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Who is the payee? The endorser? The endorsee?

By whom and for what purpose were bills of exchange probably first invented?

In what manner are they made to answer the purposes of money?



bill is drawn must be good, or the bill will not be thus received.

When one country has purchased of another a greater amount of products than has been sent in return, there arises a demand for bills of exchange wherewith to pay the debt. If the New-York merchants have imported cloths from Liverpool to the amount of two millions of dollars, and have sent in return products to the amount of only one million, there will arise a demand for bills of exchange upon Liverpool.

Perhaps Liverpool may be indebted to Paris, and Paris to New-York. In this case New-York will receive her pay from Paris in bills of exchange upon Liverpool, and send these bills to Liverpool in payment of the debt due there. Thus, New-York pays Paris, and Paris pays Liverpool.

This is an accommodation to all parties, who make their payments without the transmission of any specie whatever, which is a saving of the cost and risk incurred by transportation. It is credit that is transferred, and not money.

Thus, bills of exchange become articles of merchandise as much as any thing else, and are negotiated to a considerable degree, by banking institutions, and by men who devote themselves to the buying and selling of exchange.

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Under what circumstances would there naturally arise a demand for bills of exchange upon Liverpool or any other place?

By whom are the bills of exchange negotiated?

## SECTION III.

## OF EXCHANGE BY MEANS OF A PAPER CURRENCY.

I. *Banks of Discount or Loan, and of Circulation or Issue.*

There is another kind of bank founded on principles materially different from banks of deposit and exchange. Banks of deposit are now, indeed, nearly obsolete, and are suited only to the early stages of commercial prosperity, and are liable to many inconveniences.

The common process of banking offers all the advantages possessed by banks of deposit and exchange, except, perhaps, that of security; the banks now established possess a greater degree of utility, are more convenient, and far less expensive.

Many objections, however, have been urged against them, and some very justly, considering the manner in which they have often been conducted.

We shall examine the principles upon which they are instituted, and the manner in which they are designed to operate, and leave the reader to judge how far the defects complained of are inherent in their nature, and how far they arise from a fraudulent and remediable abuse of their privileges.

What other kind of bank remains to be considered ?

What is said of the objections urged against them, and the manner in which the subject will be treated ?

Banks in this country are chartered incorporations, which are created by the legislatures of the States, under such restrictions and regulations as the legislature may impose. Persons wishing to be incorporated as a banking company, present a petition to the legislature of the State in which they reside, praying for such privilege.

If the petition be granted, they are thus incorporated, and the amount of capital designed to be employed in the banking transactions is fixed in the act of incorporation.

This sum is divided into shares, or equal portions, of such amount as may be supposed best suited to the wants of the community; and at a given time and place, publicly notified, books for subscription are opened, and every one is allowed to subscribe for and purchase as many shares as he wishes, until the shares are all disposed of.

The subscribers or purchasers are called *stockholders*, and the shares are called *stock*.

The stockholders then meet, and choose from their number certain persons to conduct the operations of the bank, who are called *directors*; and the whole of these together are called the *board of directors*.

The directors then choose from their number a *president*, and a person not of their number, as *cashier*.

The board of directors meet at stated times to direct

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What are banks in this country, and how created ?

What is their manner of operation ?

the general affairs of the bank ; but the active duties of the bank devolve upon the president and cashier.

When the bank is thus organized, those who have subscribed for stock are required to pay to the cashier the sums for which they have subscribed. The bank is then ready to commence operations.

The bank loans its own bills, redeemable in specie, to those who wish to borrow, and receives the notes of individuals, of equal amount, in return, and charges them interest on the amount loaned, which is paid in advance.

The payment of the bills loaned is usually guaranteed by some other person or persons, called *endorsers*. If those who borrow money of the banks fail to pay the debt is collected of the endorsers. The ordinary period of loan is thirty, sixty, or ninety days, at the close of which time the notes may be required to be paid ; and the bank may thus, if it chooses, close its business within sixty days, and remain as it was when it commenced, with the exception of the interest obtained by its loans.

Let us now see what guarantee the bank possesses for the redemption of its bills.

Suppose the capital of the bank to be one hundred thousand dollars, and this amount to be actually paid, in specie, by the stockholders. If now the bank issue bills merely to the amount of its capital, it will have more than a double guarantee for their redemption.

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What guarantee does the bank possess for the redemption of its bills, if it loan merely to the amount of its capital ?

For it will have specie equal to the amount of bills loaned, and will also hold the notes or securities of individuals to the same amount.

This will now be a double security for the redemption of its bills. But, in addition to this, it has also the interest of the sum loaned, which has been paid in advance. It has, therefore, more than a double security for the redemption of its bills.

It is therefore evident, that the bank may issue bills to a greater amount than it has specie, and still be able to redeem all its bills, if its securities are good.

Therefore, in the charters which they receive from the legislature, they are allowed to issue bills to a greater amount than they have specie, and the extent of this amount is fixed in the act of their incorporation. Banks are usually allowed to issue bills to twice or three times the amount of their capital.

But the bank pledges itself to redeem its bills in specie, on demand, and in failure of so doing, forfeits its charter,—in other words, the bank *breaks*, or becomes insolvent.

Now, there is a possibility that the bank may be broken while it is perfectly solvent,—that is, while its available dues exceed its liabilities. For example: the capital of a certain bank is one hundred thousand dollars, and it has loaned bills to the amount of three hundred thousand dollars, for the period of sixty days.

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To what extent, then, may banks be allowed to issue bills ?

How does a bank pledge itself to redeem its bills ?

How may a bank be broken while it is perfectly solvent ?

For the three hundred thousand dollars of its bills in circulation the bank has good security to that amount, together with its capital of one hundred thousand dollars ; but the securities are not available until the expiration of sixty days. If, at the expiration of that period, the borrowers of the bank's money fail to pay their debts then due, the bank may take the property secured to it, to the full amount of such debts.

But if the whole amount of these bills should be returned to the bank within thirty days after their issue, and specie should be demanded from them, the bank would not have wherewith to meet the demand. And the bank failing to fulfil its promises to redeem all its bills in specie, must therefore break, although at the expiration of the sixty days it might still be able to redeem all its bills, if not in specie, at least in valuable property to that amount.

The cause which so lately (in 1837) obliged the banks in this country to suspend specie payments, was the sudden presentation of their bills, and the demand for specie, while no time was allowed them to collect their debts, and redeem their bills with the securities which they held.

But in ordinary times there is no danger that the bills will be returned for specie *so suddenly*. And if the loans of a well-conducted bank do not exceed sixty days, it can within that time compel the payment of

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Why were the banks in this country obliged to suspend specie payments in 1837 ?

How many a bank usually place itself on a safe footing within a short period ?

its debts, call in its loans, and leave no demands against it, while its capital remains untouched. For those who borrow the bills of the bank, must repay them at the expiration of the time for which they were loaned—either in specie, in the bills of the same bank, or in the bills of other specie-paying banks.

In the former two cases, the bank calls in its own bills, or specie sufficient to meet them; and in the latter case, it may exchange other bills for its own, or for the specie of the banks that issued them. And thus none, or only a few, of its bills will be left in circulation, and the demands that can be made for specie will be quite trifling.

Thus, any well-conducted bank may, in a short period, wind up its concerns, redeem its promises to pay its bills in specie, and place itself upon a perfectly safe footing. And this, also, although it has loaned bills to three times the amount of its capital.

The same might have been accomplished by the banks generally throughout the United States in 1837, if they had been allowed the short period of sixty days; at the expiration of which time they might have called in all their bills.

But the remedy would have been far worse than the evils incurred by a temporary suspension of specie payments. To have removed such an amount of the circulating medium of the country, would have been a blow as fatal to commerce, as the destruction of his

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What would have been the effect if the banks, in 1837, had withdrawn their bills from circulation, in order to render themselves secure?

implements of husbandry would have been injurious to the farmer.<sup>a</sup>

We see, then, that well-regulated banks may safely, in ordinary times, issue bills to a greater amount than they have capital; and the extent of their capital need be no more than sufficient to redeem every bill as soon as presented, and, besides, to guaranty the holders of its bills against any injury that the bank might suffer from a failure of its securities.

## II. *Of the Sources of the Profits of Banks.*

1st. From deposits. Individuals frequently deposit money with a bank for safe keeping. The bank then uses this money as its own, upon which it receives considerable profits. Thus, if a bank have fifty thousand dollars of deposits, it may consider this as a portion of its capital, and issue bills upon it to perhaps twice or thrice its amount.

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<sup>a</sup> But a bank never issues its bills gratuitously; and even if it have no funds of its own, these bills imply, in the coffers of the bank, a value of like amount, either in the form of specie, or of valuable securities bearing interest. So long, therefore, as the business of the bank is well administered, supposing a total failure of confidence to bring all its notes upon it at once for payment, the worst that can happen to the holders, is to be paid with the same bills or securities whereon the bank issued its notes. And if the bank have a capital of its own, there is so much additional security.

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What should be the extent of capital possessed by banks generally?

What are the several sources of the profits of banks?



2d. By negotiating and exchanging drafts and bills of exchange, &c. Thus, A, at Buffalo, wishing to send a thousand dollars to B, in New-York, gives one thousand dollars to a Buffalo bank for its draft to that amount, which is a request to some bank in New-York to pay on demand one thousand dollars to B. This draft is then sent to B, who receives the money by presenting the draft at the bank.

And if a person in New-York wishes to send money to Buffalo, the business is transacted in the same manner.

And it is evident, that if the exchange of drafts between the two places were equal, there need be no transmission of money. This is a safe and convenient way of making payments in distant places; and the banks charge a certain per centage for transacting this business, from which a portion of their profits is derived.

3d. The chief source from which a bank derives its revenue, is its regular loans. The bank receives interest on all the notes it issues, and the amount of these notes may be twice or thrice that of the capital of the bank.

There would, however, be little or nothing gained by banking, were banks allowed to issue notes only to the amount of their actual capital; for although they received interest on their notes, interest to the same amount would lay dormant in the specie withdrawn from circulation.

### III. *Of the utility of Banks.*

In treating of the utility of banks, as a distinct subject of consideration, there can be little more than a repetition of the principles which have already been advanced.

It has been seen, that in a state of barter exchanges are difficult, and few in number. The use of money as a labor-saving instrument, increases the number and convenience of exchanges. Banks are more complicated instruments, or labor-saving machines, designed to accomplish the same object.

A proper estimate of the utility of such institutions, when well conducted, can be derived only from an intimate acquaintance with the varieties and magnitude of commercial transactions; from a knowledge of the peculiar adaptation of the machine to the purposes for which it is designed; and, finally, the application, to this knowledge, of established principles in political economy.

But the *principles* upon which commercial transactions are conducted, are few and simple, and easy of comprehension, and may be gathered mostly from the preceding parts of this work which treat of Production and Exchanges.

The nature of banks, and the principles upon which

What is said of the utility of banks?

For what are banks designed?

How only can a proper knowledge of their utility be obtained?

What is said of the *principles* of commercial transactions?

they are conducted, have been examined as far as the limited extent of this work would permit; and perhaps the application of principles already established, would remove any necessity of considering this subject further in detail. But, to render the subject somewhat plainer, we will briefly advert to a few of those principles which may be deduced from the previous portion of the chapter on exchanges.

In reference to the utility of banks as institutions of deposit, it is sufficient to advert to their saving of the labor of transportation, of counting, and of vigilance, which have already been examined under the article, "Banks of Deposit and Exchange." Although banks of deposit are now nearly obsolete, yet all their advantages are retained in the banks of the present day.

The utility of banks as institutions of discount<sup>a</sup> and

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<sup>a</sup> Discounting a note or bill, is merely the advance of its present value before it becomes due. Thus, if A holds a note of one hundred dollars, due twelve months hence, and wishes the money at the present time, B, perhaps, will discount the note for him.

A transfers the note to B, in consideration that B will now advance him the *present value* of the note. That is, B gives A in exchange for the note, not one hundred dollars, but such a sum as, put at interest at the given rate, would, at the expiration of a year, amount to one hundred dollars.

Thus, banks discount commercial paper, bills of exchange, &c

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What of the utility of banks as institutions of deposit and exchange ?  
 From what is the utility of banks of discount derived ?  
 (What is meant by discounting a note ?)

loan, or of circulation and issue, is derived, not from their adding any thing directly to the capital of a country, but from their *rendering the existing capital much more productive.*

This object is accomplished in several ways. Banks collect together and render productive a large amount of capital that would otherwise be scattered and useless. Small sums in the hands of laborers, widows, minors, and aged persons, which would otherwise be often thrown away in folly and dissipation, are now safely deposited in banks, which allow the depositor a certain rate of interest, and still make a profit to themselves. Thus, a larger amount of capital is engaged in active production, by which not only the owners of capital thus rendered useful, but also the banks and the country at large are benefited.

Banks also render the capital of a country far more productive by the facilities which they afford for *the extension of credit.* For example, a merchant in one of the western States wishes to purchase a new stock of goods to the value of ten thousand dollars, but can-

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If a bank discount a bill of exchange, it gives its own money in return for the bill—subtracting therefrom the discount. The bank then collects the full amount of the bill, when it becomes due.

Where a bank discounts a note or bill of exchange, it is in effect loaning its own money, and receiving in security the note or bill payable on a future day.

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In what different ways do banks render the capital of a country more productive?

How do banks afford facilities for the extension of credit?

not command that amount of money at the present time.

But he perhaps owns twenty thousand dollars of valuable property. He now goes to a neighboring bank, and, by mortgaging his property as security, obtains the loan of ten thousand dollars, with which he goes to New-York or New-Orleans and makes his purchases, and after the sale of his goods is enabled to return the bank what he borrowed, and retain a profit to himself.

And if the merchant be a poor man, but be honest, skilful, and industrious, he may probably borrow money of the bank on the security of other individuals. Banks afford the same facilities not only to merchants, but to all business men who are able to give security for the sums borrowed. For the use of this money, the borrowers pay the banks a certain amount of interest. And it is much cheaper to the borrower—to the merchant, for instance—to obtain credit from the banks than from the importer of whom he obtains his goods. For the importer, fearful that he may lose, either by the want of skill or fidelity in his debtor, charges him considerably more for his goods than he would charge if he sold them for cash. He has both a cash and a credit price for his goods.

But if the merchant could pay cash for his goods, he could not only obtain them cheaper, but the importer could afford them cheaper; for if the latter can receive cash for his goods immediately on their sale,

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Why is it the cheapest to a borrower to obtain credit from banks ?

he also is enabled to purchase his goods cheaper, for he thus obtains them in a foreign market at a cash instead of a credit price.

And thus, by the extension of credit which the banks afford, there is a benefit to the whole community. But it may be said, if there were no banks, individuals would loan money in the same manner as banks now do.

In the first place, they would have much less to loan, for they could loan gold and silver only, as the paper of private, unknown individuals, would not be received at a distance from home. They could never loan *credit* so extensively as banks.

And again, after the trouble of finding a capitalist, he might be timid and suspicious; unacquainted with the business and character of the borrower, his risk of loss would often be great; the rate of interest would consequently be high; and there would be, on the whole, but little disposition on the part of the capitalist to part with the immediate control of his means.

But the many inconveniences that would result from this system of loaning, are too obvious to need enumeration.

But it has been seen that banks may issue notes to a greater amount than they have specie, and yet be safe to the community. These notes answer the same purposes as specie in exchanging commodities; con-

How does this credit system benefit the whole community?

What inconveniences would arise were private individuals the only money lenders?

While bank notes answer the same purpose of exchange as species, how do banks increase the productive capital of a country?

sequently the result is the employment of a cheaper instrument for facilitating exchanges.

But as only a certain amount of value is required to effect the exchanges of a community, if more money be put in circulation its value will diminish, and *vice versa*; and the paper money that is issued being redeemable in silver, its value is still equal to the silver money.

But if there be an increased amount of this money, its value will be lower here than abroad, and a dollar will obtain more abroad than it will purchase at home. But as the specie only is of any value abroad, specie alone will be exported.

Suppose that half the specie could be exported without impairing the currency at home, this export, then, would be, to its full amount, so much gain to the productive capital of the country, for it would procure in exchange an equal amount of other capital.

The advantages, therefore, of having a portion of the currency of the country in paper money, redeemable in specie, are, first, its greater convenience in exchange; and, secondly, it enables us to use a cheaper instrument instead of a dearer, and to employ the amount of the difference between the cost of paper money and specie in the various operations of human industry.

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What, then, are the advantages in having a portion of the currency in paper money, redeemable in specie?

#### IV. *Of the disadvantages of Banks.*

Banks are liable to forgery, fraud, and fluctuation.

1st. Bank paper is liable to forgery, and those who have counterfeit notes imposed upon them must bear the loss. The security from signatures is small. The greatest security is in the excellence of the engraving, for an ordinary artist can very accurately counterfeit a bad engraving, but only the best artists can accurately counterfeit a good one. Banks should employ the best artists in the execution of their bills, for they are probably under the fewest temptations to engage in counterfeiting. It is true that coin may be counterfeited, but the process is much more difficult and expensive, and false coin is easily detected.

2d. The transactions of banks may be fraudulently conducted by their officers, and thus expose the community to a loss, if they have no other security than the integrity of bank directors. But the system of banking may be so regulated by wise legislation, that there will be little danger to the community from this source.

3d. There is, however, one disadvantage to which

What are the disadvantages of banks ?

What is the danger from forgery, and in what manner best avoided ?

To what danger is community exposed from fraudulent transactions of banks ?

What is the principal disadvantage to which paper money is exposed ?



paper money is greatly exposed : it is liable to sudden and great fluctuations in value.

If a certain number of dollars be necessary to accomplish the exchanges of a community, and twice this number be introduced, the price of money will fall one half ; that is, if five dollars were given for a barrel of flour before, ten dollars will be given now.

The *same value* will be given in both cases, but not the same *nominal amount*. And if half the quantity were removed, the reverse would be the case.

Therefore, if banks suddenly increase their loans, that is, issue a great amount of paper money, while there are no more exchanges to be made than before, the price of money will fall ; that is, a dollar will not obtain as great an amount of other commodities as it could obtain previous to this excessive issue of notes.

Suppose that before this excessive issue of bills a laborer could have obtained a bushel of wheat for a day's work, and that he had labored twenty days for a farmer, and received for his services twenty dollars, expecting to obtain for his money within a few weeks twenty bushels of wheat. But in the mean time money becomes much more plenty, on account of the vast amount of paper money put in circulation by the loans of the banks—the price of money consequently falls, and the laborer can now receive perhaps only ten or

How are fluctuations in the value of money occasioned ?

What is the effect of a sudden increase of bank paper while exchanges remain the same ?

How may the wages of labor be effected by this increase ?

fifteen bushels of wheat for his twenty dollars. The difference is a total loss to the laborer.<sup>a</sup>

Various causes may occasion this excessive increase of money, and consequent fluctuation of value. A season of unusual productiveness may occasion it.

<sup>a</sup> But, it may be remarked,—banks are not very liable to make extensive loans, unless the *wants* of community require it. If there be an increase of productiveness throughout the country, and consequently more commodities to be exchanged, then it is an advantage to have the amount of money increased proportionally to the greater amount of exchanges required to be made. But, if money be increased beyond this amount, and if the amount at one time necessary still remain the same, while the number of exchanges has diminished, it is then attended with evil to the community.

But, while the number and amount of exchanges are increasing, there will naturally be a demand for more money, and the banks will keep the supply equal to the demand; and, when exchanges diminish, the loans of the banks will naturally be contracted. For they cannot issue bills unless there is a demand for them.

But, at times the spirit of speculation rages throughout community, and the *nominal* value of property rises immeasurably high. The same amount of money is required to exchange *nominal* as *real* value. There is then an *unnatural* demand for money, and the banks issue as before, until, at length, the eyes of men are opened—the bubble speculation bursts—property falls to its natural level—and there is a vast amount of useless money afloat in community.

The excessive issue of money, therefore, beyond the real wants of community, is the evil to be avoided. This evil may

How may fluctuations in the value of paper money be occasioned by the occurrence of a season of unusual productiveness?

By an increase of productiveness products are rendered cheaper. Speculators will then buy, in the hope of making large profits by their sales—there is a call upon the banks for money, and, as it is to their interest so to do, they will loan to the utmost extent of their power.

An unusual excitement is thus given to business—wild speculations are engaged in—and the consequence is, a great excess of money is issued, far beyond the real wants of community.

But, as money is now cheaper at home than abroad, there will soon arise a demand for specie to be exported—bank bills are now bought up by speculators, and specie demanded for them—confidence in the banks begins to fail, and they are obliged, for their own security, hastily to call in their loans.

There now arises a scarcity of money, and a pressure is felt in all commercial transactions. But, by this scarcity of money, products again become comparatively cheap—there is again a disposition to buy, and to engage in speculations—banks again increase their loans—and the same extremes, unusual commercial activity and violent depression, again succeed each other.

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in a great measure be remedied, by limiting the loans of the banks to a certain amount above their capital actually paid in.

But the banks and bank directors are generally censured for all these evils, while the speculators, the real originators of them, turn from themselves the odium, by being the first and loudest in their denunciations of the banking system.

But gold and silver money cannot be thus suddenly and extensively increased in amount, for they have a natural price, different from that of bank bills, depending on the cost of production. Thus far a specie currency would be an advantage, for it would increase and diminish in a more exact proportion to the real wants of community.

Banks, also, by conspiring together, may at one time loan very freely, and at another simultaneously contract their issues, and enforce the payment of their loans—thus rendering money scarce, and unable to be obtained.

In this manner, they may render great numbers of the population bankrupt. For those who have payments to make, being unable to obtain money will often be obliged to dispose of their property at a great sacrifice.

These, however, are evils which arise mostly from an abuse of banking privileges. Wise legislation may in a great measure remedy them, but even then there are some dangers to which every banking system is necessarily liable.

The effect of banks upon individual and national wealth, is described by Smith in a quaint and ingenious metaphor :—

The capital of a nation he likens to an extensive

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Why is not gold and silver money liable to these sudden fluctuations ?

What evils may banks inflict upon community, by conspiring together for that purpose ?

Do these evils, however, arise from the very nature of banks, or from an abuse of their privileges ?

tract of country, in which the cultivated districts represent the productive capital, and the high roads the agent of circulation; that is to say, the money, that serves as the medium to distribute the produce among the several branches of society.

He then supposes a machine to be invented for transporting the produce of the land through the air; that machine would be the exact parallel of credit-paper. Thenceforward the high roads might be devoted to cultivation.

The commerce and industry of the country, however, he continues, though they may be somewhat augmented, cannot be altogether so secure, when they are thus, as it were, suspended upon the Dædalian wings of paper money, as when they travel about upon the solid ground of gold and silver.

In this country, public opinion appears to have decided that the advantages afforded by banks are altogether paramount to the evils which they inflict upon community. But it is universally conceded that the banking systems in the different States are generally very defective.

Many theories have been advanced for the better regulation of the currency, but it is difficult to induce so many separate sovereignties as the States to unite in any one system.

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How is the effect of banks upon individual and national wealth described by Smith?

What is said of the present banking systems in the different States?

It is thought by many that the Safety Fund System adopted in New-York, combines the most salutary provisions for the security of banks, and for the evils heretofore so frequently inflicted by their failures, and by the dishonesty of their directors.

An exposition of this system will be given in the accompanying note.<sup>a</sup>

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<sup>a</sup> By the late Revised Statutes of the State of New-York, it is provided that each bank in the State hereafter created, or whose charter shall be renewed, shall yearly pay to the treasurer of the State a sum equal to one half of one per cent. on the capital stock of the bank, until three per cent. on the capital stock shall be paid in, which shall remain a perpetual fund, to be denominated a Bank Fund.

This bank fund is to be appropriated to the payment of such debts (exclusive of the capital stock of such banks as shall become insolvent) as shall remain unpaid after the property and effects of the bank have been applied to that purpose. This fund is invested by the comptroller in public stocks, or in loans, issued upon the credit of the State.

The income arising from this fund, if not needed to pay the debts of insolvent banks, is to be paid to the banks, in proportion to their contributions; but when the fund is reduced, by the payment of the debts of insolvent corporations, the banks are again to commence paying into the fund as formerly, until the fund be reimbursed. And if the fund, at any time, should not be sufficient to pay the debts of insolvent corporations, then the first moneys paid into the fund are applied to the liquidation of the same.

Bank commissioners also are appointed, whose duty it is to

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Of the New-York Safety Fund System? -(Explain it.)

visit and thoroughly inspect the affairs of each bank at least once in four months, and to report to the legislature.

The amount of notes or bills put in circulation, as money, by any bank, is limited by law to twice its capital stock then paid in, and actually possessed; and the amount of its loans and discounts at any one time, is limited to twice and a half its capital stock then paid in, and possessed.

In cases of fraudulent insolvency by the directors of any incorporation, the directors thus guilty are made responsible in their private capacities for the debts of the institution.

Also, every moneyed corporation hereafter to be created in the State, is to have all its capital paid in before it can make any loans or discounts, and the payment of the capital is to be proved on oath, to the satisfaction of the bank commissioners.

The stock of a bank is usually paid by instalments; that is, only a certain portion of each share is paid when the bank commences operations, and the remainder is paid in such amounts and at such times as are designated by the act of incorporation. But, in New-York, a bank cannot commence business until the president and cashier have made and subscribed an affidavit, stating that the whole stock of the bank has actually been paid.

Thus, by the provisions which regulate the banks in New-York, under the safety fund system, there is little opportunity for fraud, and the holders of bank notes can suffer no permanent loss by the failure of banks. It is thought that this system will effectually remedy the most prominent evils to which banks have heretofore been liable.

The subject of banking at the present time is one of the most exciting interest. The shock that has lately been felt in the commercial world, and in all monetary transactions,—the general depression of credit,—the failures of thousands,—and the suspension of specie payments by the banks, have directed public opinion to inquiry into the causes of this wide-spread calamity, and to the suggestion of countless remedies for the evil.

The intimate connection of this subject with Political Economy, will excuse us in adverting for a moment to matters of po-

lital controversy ; and in treating of such a subject, it is hardly possible to avoid them.

Passing by the causes which have led to these calamities, it is not surprising, where all are interested in the establishment of a safe, convenient, and permanent currency, that many projects should be advanced for the accomplishment of such an object, both by the honest and by the interestedly selfish, and that a violent prejudice should arise against the currency system under which these calamities happened.

But it is surprising to find so many who are so unacquainted with some of the first principles in political economy,—viz., the advantages derived by a division of labor in effecting exchanges, as well as in increasing production,—that they seek the destruction of all banking institutions whatever.

I am willing to believe that those who advocate such a measure, are not actuated by pecuniary motives ; for I can conceive of no possible good that the adoption of such a measure could confer upon any class of society, and it is not difficult to predict the evils that would fall upon all.

Banks must be established under such regulations as government may impose upon them, or their business must be done by individuals. But individuals being frequently unknown to the public, have certainly greater opportunities for the commission of fraud than public incorporated bodies.

Collusion, for the purpose of raising the rate of interest, is as liable to occur between individual money-lenders as between banks ; and doubtless more so, as it is more difficult of detection.

The wisdom of one man will probably not succeed any better, at least, in managing banking transactions, than the combined wisdom of a dozen individuals. All the evils to which banks are liable, would still exist to as great a degree, at least, as at present, if individuals should undertake to do the business now done by banks.

But it is also said that we can do without banking institutions and banking transactions,—that we may have an exclusive gold



and silver currency, and that every man may make and receive his payments in coin.

This would merely be carrying us back two or three centuries in civilization—to the first stage of improvements upon a state of barter ; and the argument is of the same kind with that which would attempt to persuade us to abandon the conveniences and luxuries of the civilized, for the scanty necessities and simpler modes of savage life.

But the arguments in favor of an exclusive metallic currency for the use of a great commercial people, embracing as they do the destruction of the credit system, need no attempt at refutation. The subject might have merited discussion three centuries back, in the infancy of commerce, but is now too far behind the intelligence of the age, to meet with any favor from the more intelligent portion of community.

All that is requisite to show the folly of that visionary and utopian scheme, is an acquaintance with the commercial state of the civilized world, and a knowledge of established and immutable principles in political economy.

That banks have been, at times, productive of some evils, cannot be denied ; but that they have also been, by the aid which they have given to commercial credit, one very efficient cause of rendering us the second commercial nation in the world, appears fully as evident.

Before, then, we commence a warfare of extermination against *all* banks it may be profitable to inquire whether the evils complained of may not, in a great measure, be avoided in future by better banking regulations, and by a salutary reformation, without the necessity of entire destruction.

It would doubtless be better were our banks established upon a firmer metallic basis. This, may, in a measure, be effected by the prohibition of the issue of small bills, which would introduce an amount of specie equal to the amount of small bills withdrawn from circulation. The small exchanges between individuals would then be made in specie, the great mass of the circulating medium would be less liable to sudden and excessive

fluctuations, and merchants and others engaged in large commercial transactions, might still avail themselves of the advantages afforded by banks.

But, while banks may be established by the States upon different systems, and under different regulations, it is evident that the community will entertain but little confidence in them. And, whatever system may be adopted, it is all-important to its success that the people should have confidence in its *permanency*,—that it should not be liable to sudden changes and innovations; but, that the system, throughout the States, should be *one* and uniform. And until this confidence be gained, credit cannot revive; for credit implies confidence—confidence in the permanency and stability, as well as in the present utility, of the currency system which may be adopted.

In relation to the subject of *credit*, so little understood by most people, I cannot forbear to quote the words of Mr. Say:—

“The expressions, *credit is declining*, *credit is reviving*, are common in the mouths of the generality, who are, for the most part, ignorant of the precise meaning of *credit*. It does not imply confidence in the government exclusively—for the bulk of the community have no concern with government, in respect to their private affairs. Neither is it exclusively applied to the mutual confidence of individuals—for a person in good repute and circumstances does not forfeit them all at once; and even in times of general distress, the forfeiture of individual character is by no means so universal as to justify the assertion, that credit is at an end. It would rather seem to imply *confidence in future events*.

“The temporary dread of taxation, arbitrary exaction, or violence, will deter numbers from exposing their persons or their property; undertakings, however promising and well-planned, become too hazardous; new ones are altogether discouraged, old ones feel a diminution of profit; merchants contract their operations; and consumption in general falls off, in consequence of the decline and the uncertainty of individual revenue. There

can be no confidence in future events, either under an enterprising, ambitious, or unjust government, or under one that is wanting in strength, decision, or *method*. Credit, like crystallization, can only take place in a state of quiescence”



## PART FOURTH

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OF THE

## CONSUMPTION OF WEALTH.

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### I. *Of the nature and different kinds of Consumption.*

THE ultimate end and design of the creation of value, is the gratification of desire. But, in answering this end, the value is destroyed. Thus, flour is converted into bread; its value as flour is destroyed, but it reappears in another form; the bread is used for food, and its value as bread is gone for ever. This act, by which we annihilate a particular value, is called *consumption*.

Sometimes this consumption is followed by no further utility than the present gratification of desire, as in an exhibition of fireworks—the value of the article is destroyed in the gratification of the desire of amusement, and no further utility can be derived from it.

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Of what does part fourth treat ?

For what is value created—and how is it made to answer its end ?

But, in the consumption of bread for the gratification of a desire necessary to support existence, its value reappears in renovated health and vigor. The former is called *unproductive*, the latter, *productive consumption*.

By consumption, however, is not understood the destruction of *material* products only, but the destruction of *value*, in whatever form that value exists; for it may exist either in the form of *labor* or of *capital*. But all values that have been added by human industry, if once destroyed, cannot be destroyed a second time; and whatever cannot lose its value, is not liable to consumption.

But all products are consumed sooner or later; either by design or by accident; rapidly or gradually: for they are produced solely for the purpose of consumption.

The farmer raises wheat for the purpose of destroying its value in the gratification of desire. And the farmer may consume its value when changed to the form of bread, or he may obtain from the merchant in exchange for it another value in the form of cloths and sugar, which he wishes to consume. And the merchant obtains the wheat for the purpose of consuming it himself, or for the purpose of selling it to another who wishes to consume it. Thus, all values are designed for consumption.

What is consumption, as here understood?

What is unproductive, and what productive consumption?

By consumption do we understand the destruction of *material* products only?

But, we have said there are two kinds of consumption—*productive* and *unproductive*.

In productive consumption, the value which is destroyed in one form, reappears with increased amount in another form. Thus, the farmer consumes seed, utensils, and labor, expecting that the produce of his farm will replace the values consumed and pay the interest of his capital, and also leave him a suitable recompense for his labor and skill.

In the departments of operative industry, values are consumed for the purpose of changing their form, in order that they may be better adapted for consumption. Thus, the manufacturer consumes cotton, whose value reappears in the form of cloth. Here the object is an *increase of value*. But, if the value of the cloth be less than all the values consumed in its production, it has evidently been an unproductive consumption of value, and a loss to the manufacturer.

But values are also consumed for the *gratification of desire* where no increase of value in any material product is expected. Thus, values are consumed for the gratifications of the senses—for intellectual gratification—and for social and moral pleasures. And these kinds of consumption may be either productive or unproductive; for those gratifications which render a man better, wiser, and happier, must be considered as productive of value to him.

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What becomes of the value destroyed in productive consumption?

For what purposes are values consumed in the departments of operative industry?

When are values consumed without a design to increase their value?

But, if their tendency be to render man corrupt, debased, and wretched, the values which have been consumed in the gratification have been unproductively consumed.

But, that which is economy and productive consumption to one man, may perhaps be profusion and unproductive consumption to another, and must be determined by the fortune, condition, and wants of the individual.

An expense that would render a man of moderate fortune wiser and happier, might be extravagance in a poor man, and, by depriving him of more important gratifications, render him wretched.

And, so varied are the means and the circumstances of individuals, that the only practical rule which can be given for individual consumption is, "Be economical, wise, and prudent, in all things."

And even *economy* itself is a relative term—the knowledge of our means, and the best mode of employing them. It is equally distant from avarice and profusion.

## II. *Of Public Expenditure.*

It now remains for us to advert for a moment to *public consumption*, or public expenditure. Our remarks upon this subject will be short, for, after all, it

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When may this kind of consumption be productive—and when is it unproductive?

Is it easy to establish rules of economy which will apply to all circumstances?

What is economy?



will be found that there is a perfect analogy between the finances of an individual and those of a nation, and that the same principles of political economy should regulate the management of the affairs of both.

Government must be supported, and in no other way can it be maintained than by means derived from the people. And, as government possesses nothing, its revenues are derived from, and its expenditure provided for, by means of taxation. And its object being to provide for and promote the general welfare of the people, it should accomplish this object with the consumption of as little value as possible.

The principles which regulate national consumption are, therefore, the same as those which apply to individuals.

If useless and extravagant expenditure will impoverish an individual, the same causes will impoverish a nation—public and private expenditure affect wealth in the same manner.

Yet, some writers have maintained, that public wealth increases with the increase of public consumption, and that where taxes are imposed by government to be consumed in games and festivals, the nation loses nothing—for what is taken from the people in the form of taxes, is returned again by the expenditures of government.

The argument is of the same kind, as if a robber should enter a merchant's house and take away his

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Is there any difference between the principles which should regulate public and those which should regulate private expenditure ?

money, and tell him he did him no injury, for the money would be employed in purchasing the commodities he dealt in. But in such a case, although the money be returned, the commodities are parted with without any equivalent.

And the same with the taxes of a nation : if they are consumed by government in useless expenditure, there is so much value lost. For, although the nation receive back its money, it parts with commodities for which it receives no return.

The subject of public expenditure is so plain, after a knowledge of the nature of wealth and the design of consumption, that it is not thought requisite to give it a further discussion. The application of principles already established—and of those which will readily suggest themselves—will in all cases, as far as reason can teach us, direct the manner and the extent of public consumption.

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How have some writers regarded public profusion—and how is the subject considered ?

Is the subject of public expenditure a difficult one ?

**AN APPENDIX,**  
CONTAINING  
A BRIEF ACCOUNT  
OF THE  
POWERS, DUTIES, AND SALARIES  
OF  
NATIONAL, STATE, COUNTY,  
AND  
TOWN OFFICERS.



ARTICLE II.  
APPENDIX.

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CHAPTER I.  
OF NATIONAL OFFICERS.

THE government of the United States is divided into three great departments—the Executive, the Legislative, and the Judicial, each having distinct duties to perform.

SECTION I.  
OF THE EXECUTIVE DEPARTMENT.

The executive officer of government is the President. The general duties annexed to the office of President have already been considered in a previous portion of this work; but as they are obviously too numerous and too various to be performed by one man, subordinate departments have been created, and the duties of their officers prescribed by Congress.

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Into what great departments is the government of the United States divided?

Who is the executive officer of government, and what is said of his duties?

The departments created are those of State, Treasury, War, Navy, Post-office, and Mint.

### I. *Of the Department of State.*

The presiding officer of this department is called *Secretary of State*. His general duties are to conduct all correspondence with foreign powers; to keep the seal of the United States, and affix it to all civil commissions signed by the President; to preserve, publish, and distribute the acts and resolutions of Congress; and to have the supervision of patents and copyrights, &c.

The Secretary is assisted in the duties of his office by clerks, messengers, watchmen, &c.

### II. *Of the Treasury Department.*

The object of this department is to manage the *monied concerns* of government. The general duties of the *Secretary of the Treasury* are, to prepare and submit to the President or to Congress plans for the improvement and management of the public revenue, and for the support of public credit; to superintend the collection and disbursement of the revenue; and to report to the Senate or House of Representatives,

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What subordinate executive departments have been created ?

Who is the presiding officer of the department of state, and what are his general duties ?

What is the object of the treasury department ?

What are the duties of the Secretary of the Treasury ?

when required by either, respecting all matters pertaining to his office.

The Secretary is assisted in the business of his office by two comptrollers, five auditors, a treasurer, a register, and a commissioner of the land office. Each of these officers is charged with specific duties, and has under him a number of inferior officers.

### III. *Of the War Department*

At the head of this department is the *Secretary of War*, who is to perform such duties as shall be intrusted to him by the President, agreeably to the Constitution, relative to military commissions, the land forces, and warlike stores of the United States, or to such other matters respecting military affairs as the President shall assign to such department; or relative to the granting of lands to persons entitled thereto for military services rendered to the United States; or relative to Indian affairs.

The war department is divided into the following subdivisions, all under the general control and superintendence of the Secretary:—

1. War office.
2. Requisition bureau.
3. Pension bureau.
4. Indian bureau.
5. Bounty land office.
6. Office of the general staff.
7. Adjutant-General's office.
8. Engineer's department.
9. Topographical bureau.
10. Ordnance department.
11. Quarter-Master's department.
12. Purchasing department.

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By whom is the Secretary assisted in the business of his office?

Who is at the head of the war department, and what are his duties?

Into what divisions is the war department divided?

13. Pay department. 14. Subsistence department  
15. Medical department.

#### IV. *Of the Navy Department.*

The *Secretary of the Navy* has a general superintendence of the naval establishment, and executes such orders as he shall receive from the President relative to the procurement of naval stores and materials, and the construction, armament, equipment, and employment of vessels of war, as well as all other matters connected with the naval establishment of the United States.

The Secretary is assisted by eight clerks and two messengers.

There is also a Board of Navy Commissioners, appointed by the President, consisting of three officers of the navy. The board, under the superintendence of the Secretary, discharges all the ministerial duties of the department, and is assisted by six clerks, a draughtsman, messenger, and superintendent of building. In addition to the above officers, there are attached to the department twelve navy agents, seven naval storekeepers, and eight naval constructors.

#### V. *Of the Post-office Department.*

The general post-office, established at the seat of government, is placed under the direction of a *Post-*

What are the duties and powers of the Secretary of the Navy ?

By whom is he assisted ?

Who compose the Board of Navy Commissioners, and what are their duties ?

Who is at the head of the post-office department, and what are his duties ?



*master-General.* He establishes post-offices and appoints postmasters on routes established by law. He provides for the carriage of the mail, and pays all expenses arising from the conveyance of the mail, the collection of the revenue of the department, and other expenditures. He prosecutes offences against the department, and renders a quarterly account of the receipts and expenditures of the Secretary of the Treasury.

The expenditures of the post-office department are paid from its receipts in postage. Its funds, unlike those of the other departments, do not make a part of the general revenue of the country, but its receipts and expenditures are kept within itself. In this manner, as its funds have extended, new mail routes have been established, the mail greatly expedited on the old ones, and their frequency increased.

The Postmaster-General is assisted by two assistants, an examiner, a register, solicitor, three book-keepers, and sixty-two clerks.

The business of the office is divided into three divisions.

The first assistant Postmaster-General has the superintendence of the first division, in which are included the book-keeper's office, solicitor's office, pay office, examiner's office, and register's office.

The second division is under the direction of the

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What use is made of the funds of the post office department ?

By whom is the Postmaster-General assisted ?

How is the business of his office divided ?

second Assistant Postmaster-General. In this division are the office of appointments and instructions, the dead-letter office, and the office of mail depredations.

The chief clerk is charged with the duties of the third division. In this division is the office of mail contracts.

### VI. *Of the Mint Department.*

The officers of the mint are a *Director*, *Chief Coiner*, *Assayer*, *Engraver*, *Melter* and *Refiner*, and a *Treasurer*, and as many clerks and workmen as are necessary. The duty of the *Director* is to superintend and manage the business, and all the officers and persons employed in it. The *Assayer* assays or tests the quality of all metals which require it, and delivers them to the Chief Coiner. The *Chief Coiner* coins them in such quantities as the Director requires. The *Engraver* sinks and prepares the *dies* for the coin, with the proper devices and inscriptions. The *Melter* and *Refiner* takes charge of all copper and silver or gold bullion delivered out by the *Treasurer* after assaying, and reduces the same into bars and ingots for the rolling mills, and then delivers them to the Coiner or Treasurer, as the Director deems expedient. The *Treasurer* receives and gives receipts for all metals which may be lawfully brought to the mint to be

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What are the officers of the mint department, and what are their several duties ?

coined ; and, for ascertaining their quality, he delivers from every parcel so received a number of grains to the Assayer, who assays such of them as require it.

## SECTION II.

## OF THE LEGISLATIVE DEPARTMENT.

We have seen that all legislative power granted by the Constitution of the United States is vested in a Congress, which consists of a Senate and House of Representatives.

The powers and duties of Senators and Representatives have been considered in a former part of this work. The organization of these bodies respects, 1st, their *officers* ; 2d, their *committees* ; and 3d, their *rules*.

I. Their *officers* are the presiding officer, (in the House the Speaker, and in the Senate the Vice-President,) the Secretary of the Senate and Clerk of the House of Representatives, their principal clerks and engrossing clerks, the Librarian, Sergeant-at-arms, the Door-keepers and Assistant Door-keepers of both houses, and the Chaplains. The general duties of the officers may be known by their titles.

II. The chief business of legislative bodies is done by their *committees*, to whom all matters requiring investigation are first referred, and by whom a report is

In what is the legislative power of the general government vested ?

What does the organization of Congress respect ?

What are the officers of the two houses ?

How is the chief business of legislative bodies done

made upon the subject, which report is the topic of consideration with the house.

The principal committees in either house are, the committees on foreign relations, on commerce, on the judiciary, on military affairs, &c. These are called *standing committees*, because committees on the same subject are appointed at every session. Besides these, there are *select committees* appointed for specific objects, and only for the particular occasion. Also, the whole house, at times, resolves itself into a committee called a *committee of the whole*. The object of this is to obtain greater freedom of debate. When in committee of the whole, a chairman is appointed in place of the Speaker, and the regular rules of the house are set aside, and simply order is preserved, as in common deliberative assemblies. When the committee of the whole have finished their discussions, the Speaker resumes the chair, and the members may then vote upon the subject.

Committees in the House are appointed by the Speaker ; in the Senate, by ballot. In the House they consist of *seven* members each ; in the Senate, of *five*.

III. The *rules* of business, both for the Senate and the House, are substantially the same.

At the beginning of a session the order of business is as follows : After Congress is organized, the President's

What are the principal committees in each house ?

What is the "committee of the whole," its object, &c. ?

How are committees appointed in each house, and of how many members do they consist ?

What is the order of business at the beginning of a session ?

message is received and read, with the accompanying documents; then such parts as relate to *foreign affairs, commerce, the judiciary, the military, &c.*, are referred to their appropriate committees, who examine the subjects committed to them, and report such bills as they think necessary and proper. On these bills Congress decide, by accepting or rejecting them.

The order of daily business is as follows: 1st. The journal of the preceding day is read; 2d. Petitions are presented and disposed of; 3d. Reports from standing and select committees are called for and disposed of. To these subjects, and that of *resolutions*, only one hour in a day is allowed. Next, the *order of the day* is called for—which consists of unfinished business in regular order, and subjects particularly set apart for that day.

The principal motions, and the order of their precedence, are as follows:—1st. The motion to adjourn; 2d. To lay the subject on the table; 3d. For the previous question; 4th. To postpone to a day certain; 5th. To commit or amend; and, 6th. To postpone indefinitely.

### SECTION III.

#### OF THE JUDICIAL DEPARTMENT.

The judicial power of the United States has been previously examined. We shall here briefly enumerate the different Courts, and their officers.

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What is the order of daily business?

What are the principal motions, and what is their order of precedence?

The *Supreme Court of the United States* consists of one Chief Justice and eight Associate Justices. It holds annually, at the city of Washington, one session which commences on the second Monday in January.

The *Circuit Courts* are composed of a Justice of the Supreme Court and the District Judge of the district in which the Circuit Court is held. There are nine Circuit Districts, and in each two courts are annually holden.

The United States are also divided into Judicial Districts, in each of which there is a *District Court*, consisting of one judge, called a District Judge. There are now upwards of thirty District Courts.

#### *Of the Officers of the Courts.*

The officers of the United States Courts are Attorneys and Counsellors, Clerks, Marshals, and Reporters.

The *Attorneys* and *Counsellors* are persons learned in the law, who are employed by the litigant parties to conduct suits in the above courts.

It is the duty of the *Clerk* of each court to enter and record, in a book kept for the purpose, all the orders, decrees, judgments, and proceedings of the court.

The *Marshal* is the ministerial officer of the court,

Of what is the Supreme Court composed? The Circuit Courts?

How many Circuit Districts are there?

Of what are the District Courts composed?

What are the officers of the United States Courts?

What are Attorneys and Counsellors?

What are the duties of the Clerk of each Court?

What is the Marshal?

and executes all lawful precepts directed to him. He has power to command all necessary assistance in the execution of his duty. Instead of a Marshal, the ministerial officer of the State Courts is the Sheriff of the county.

*Reporters* are persons appointed by the courts to report and publish their judicial decisions and opinions.

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## CHAPTER II.

### OF STATE, COUNTY, AND TOWN OFFICERS.

THE Constitutions of the States are similar to each other, and, in form, nearly the same with the Constitution of the United States. We shall therefore consider the form and manner of government, and the powers and duties of the officers in one State only. For this purpose we have selected the State of *New-York*.

State governments, like the national, are divided into three great departments,—Legislative, Executive, and Judicial.

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Who supply the places of Marshals in the State Courts ?

What are Reporters ?

Do the Constitutions of the States differ materially from each other

How are the State governments divided ?

## SECTION I.

## OF STATE OFFICERS.

I. *Of Legislative Officers.*

The legislative officers are thirty-two *Senators* and one hundred and twenty-eight *Members of Assembly*.

*Senators* are chosen by the people, and by districts; one Senator being chosen annually in each Senate District. Their term of office is four years.

*Members of Assembly* are chosen annually, by the people.

The powers and duties of Senators and Members of Assembly vary but little from those of Senators and Representatives in Congress; with the exception that the latter have for their objects *national concerns*, the former *municipal*. In the *mode* of legislation there is very little difference.

II. *Of Executive Officers.*

The executive officers are a Governor and Lieutenant-Governor, Secretary of State, Comptroller, Treasurer, Attorney-General, Surveyor-General, State Printer, Private Secretary for the Governor, and a Door-keeper of the executive chamber.

What are the legislative officers of the State of New-York?

How are the Senators chosen, and what their term of office?

Members of Assembly?

How do the powers and duties of the members of the State Legislature differ from those of the National Legislature?

What are the executive officers of the State?



*Of the Governor.*

The executive power of the State is vested in a *Governor*, who is chosen by the people, and holds his office for two years.

To qualify a person for the office of Governor, he must be a native citizen of the United States, a freeholder, and have attained the age of thirty years, and have been five years a resident within the State.

He is commander-in-chief of the militia and navy of the State; he may convene the legislature (or Senate only) on important occasions; he shall communicate by message to the legislature, at every session, the condition of the State, and recommend to them such matters as he shall deem expedient; transact all necessary business with the officers of government; expedite all such measures as shall be resolved upon by the legislature, and take care that the laws be faithfully executed.

The Governor has power to grant reprieves and pardons after conviction for all offences, except in cases of treason and impeachment.

*Of the Lieutenant-Governor.*

The *Lieutenant-Governor* is elected by the people, at the same time, and for the same term of service, as the Governor. He is President of the Senate; and, in case of vacancy in the office of Governor, the powers

In whom is the executive power of the State vested?

What are the qualifications for Governor? His term of office? What are his powers and duties?

How is the Lieutenant-Governor elected—his term of office—powers and duties?

and duties of the Governor devolve upon the Lieutenant-Governor. In case of the removal of the latter the President of the Senate acts as Governor.

### *Of the Secretary of State.*

The *Secretary of State* is appointed by the legislature, and holds his office three years, unless sooner removed by a concurrent resolution of the Senate and Assembly.

It is the duty of the Secretary to keep the public deeds, papers, records, &c., of the State, except mortgages belonging to the people of the State; to attend at every session of the legislature, for the purpose of receiving bills which shall have become laws, and to distribute the printed laws and journals of each session to certain persons entitled by law to receive them; to record such statements of county elections as he shall receive from the county clerks, and notify a meeting of the State canvassers, for the purpose of examining the returns of elections; to record the certificates of the board of canvassers, and deliver copies of such to each person thereby declared to be elected, and a like copy to the Governor, and cause the same to be published in the public papers.

He is, by right of office, one of the commissioners of the land office, one of the State canvassers, one of the commissioners of the canal fund, a member of the

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How is the Secretary of State appointed, and what is his term of office?  
What are his powers and duties?

canal board, one of the trustees of the State library, superintendent of common schools, and State sealer of weights and measures.

### *Of the Comptroller.*

The *Comptroller* is appointed in the same manner as the Secretary of State, and holds his office for a like term, and is removable in the same manner.

It is the duty of the Comptroller to superintend and manage the revenues of the State; to exhibit to the legislature, at its annual meeting, a statement of the funds, revenues, and expenditures of the State; to suggest plans for the improvement and management of the public revenues; to keep and state all accounts in which the State is interested, and superintend the collection of all moneys due to the state; to examine the accounts of the debts and credits in the bank books kept by the Treasurer; to draw warrants on the Treasurer for the payment of all moneys directed by law to be paid out of the treasury.

He has power, also, to vote in behalf of the State at all elections of directors of banks, corporations, or joint-stock companies, at which the State is entitled to vote; and all papers relating to the canals are kept in his office.

He is, by right of office, one of the commissioners of the land office, one of the commissioners of the

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How is the comptroller appointed? His term of office?  
What are his powers and duties?

canal fund, a member of the canal board, a trustee of the State library, and one of the State canvassers.

### *Of the Treasurer.*

The *Treasurer* is appointed annually by the legislature. Within ten days after his election, he gives a bond to the State, in the sum of fifty thousand dollars, that he will faithfully execute the duties of his office.

He receives all moneys paid into the treasury, and pays all warrants drawn by the Comptroller on the treasury ; and no moneys are paid out of the treasury except on a warrant of the Comptroller. He makes an annual report to the legislature of the business of his office, and his accounts are annually examined by a committee appointed by the legislature for that purpose.

### *Of the Attorney-General.*

The *Attorney-General* is appointed by the legislature, and holds his office for three years.

It is his duty to prosecute and defend all suits in which the State is interested, and, at the request of the Governor, Secretary of State, Comptroller, Treas-

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How is the Treasurer appointed ?

What is his term of office ?

What are his duties ?

How is the Attorney-General appointed ?

What is his term of office ?

What are his powers and duties ?

urer, or Surveyor-General, to prosecute such persons as are charged by either of those officers with the commission of an indictable offence, in violation of the laws which such officer is required to execute, or in relation to matters connected with his department.

All moneys received by the Attorney-General for debts due or penalties forfeited to the State, are paid by him into the treasury.

He cannot act as attorney in any private suit. He keeps a register of the business of his office, and delivers the same into the hands of his successor.

He is, by right of office, one of the commissioners of the land office, of the canal fund, and canal board, and one of the trustees of the State library.

### *Of the Surveyor-General.*

The *Surveyor-General* is appointed by the legislature, and holds his office for three years.

It is his duty to superintend surveys and sales of lands belonging to the State ; to retain in his office a map of the State, and to delineate thereon the bounds of all towns or counties erected or altered by the legislature ; and whenever such bounds shall be so described that they cannot be delineated by the Surveyor-General on the map of the State, he shall direct the Supervisor

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How is the Surveyor-General appointed ?

What is his term of office ?

What are his duties ?

To whom does he account for moneys received ?

of such town to cause such survey to be made, and to transmit the same to the Surveyor-General's office.

Whenever a dispute shall arise between the officers of two or more towns respecting the bounds of the same, the Surveyor-General, if necessary, shall direct a survey to be made, and shall determine such dispute.

He accounts to the Comptroller for all moneys received by him in behalf of the State, or from the treasury.

He is, by right of office, one of the commissioners of the land office, of the canal fund, the canal board, and is one of the State canvassers.

#### *Of the State Printer.*

The *State Printer* is appointed by the legislature, and holds his office during their pleasure.

It is his duty to print, during each session of the legislature, a specified number of copies of the journals of each House ; a portion of which is to be delivered to the clerks of the Senate and Assembly, for the use of their respective Houses, and the remainder to the Secretary of State, as soon as may be after the close of each session.

He also prints such number of copies of all documents as either House may order.

He prints a State paper, as often, at least, as semi-

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How is the State Printer appointed ?

How long does he hold his office ?

What are his duties ?

weekly, and publishes in such paper copies of laws, when directed by the Secretary of State, and also such notices as are required by law.

He also prints, and delivers bound to the Secretary, as many volumes of the laws, documents, &c., of each session, as the Secretary may direct.

*Of the Governor's Private Secretary, and the Door-keeper of the Executive Chamber.*

They are appointed by the Governor, and hold their respective offices during his pleasure. Their duties are few, and are well enough expressed by their titles.

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Besides the executive officers before mentioned, there is another numerous class, called, *administrative officers*. We will mention a few only of the principal ones.

There are *four Canal Commissioners*, appointed by the legislature, who constitute a canal board, and have the care and superintendence of the State canals.

There are *two Canal Appraisers*, appointed by the Governor and Senate, who appraise the damages sustained by individuals whose lands and property have been appropriated to the use of canals.

*Superintendents of Canal Repairs* are appointed by

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How are the Governor's Private Secretary and Door-keeper of the executive chamber appointed?

What other class of officers is there?

Mention the principal ones, and their duties.

the canal board, who superintend the repairs on the sections over which they are appointed.

*Collectors of Canal Tolls* are also appointed by the canal board.

There is a *Mayor* in each city of the State, appointed annually by the common councils of the respective cities, (except in the city of New-York, where the Mayor is now chosen by the electors.)

There are *three Bank Commissioners* appointed to examine the affairs of such banks as are made subject to their power, and to ascertain their actual condition, and their ability to fulfil their engagements.

### III. Of Judicial Officers.

We shall simply enumerate the different courts of the State, and a few of the powers and duties of their officers.

1st. The President of the Senate, the Senators, the Chancellor, and the Justices of the Supreme Court of the State, constitute a *Court for the Trial of Impeachments and the Correction of Errors*. The mode of impeachment and trial by this court is similar to that in the national legislature. This court is also the ultimate tribunal for the correction of errors that happen in other courts of the State.

2d. There is a *Court of Chancery*, held by the Chan-

Who compose the Court for the Trial of Impeachments and the Correction of Errors?

What is said of the mode of impeachment?

By whom is the Court of Chancery held?



cellor, the jurisdiction of which is very extensive, and difficult to be defined. It takes cognizance of various cases of *fraud*, *trust*, and *accident*; the specific performance of agreements; the settlement of wills, devises, legacies, &c.; and of many other cases in which courts of law afford no remedy. Chancery powers, in certain cases, are given to every Circuit Judge within the limits of his circuit.

There is a *Supreme Court*, the powers of which are vested in the Chief Justice and two Associate Justices, any two of whom may hold the court. The jurisdiction of this court is very extensive. It has power to command magistrates and all civil officers to do their duty; it reviews and corrects the decisions of the inferior courts, and it also has jurisdiction of civil and criminal cases. The court holds four terms in each year: one in the city of New-York, two in Albany, and one in Utica.

4th. There are eight *Circuit Courts* in the State; there being one Circuit Court in each senatorial district. In each district there is a Circuit Judge, who appoints the times and places of holding circuit courts within his district. These courts try issues of fact joined in cases brought in the Supreme Court, or other issues properly sent to the circuit to be tried by

Of what cases does it take cognizance?

Of whom is the Supreme Court composed?

What are some of its powers?

How many terms does it hold annually—and where?

How many Circuit Courts are there in the State?

What cases are tried by this court—and how tried?

jury. The trials of causes in these courts are had by jury.

5th. There are *two Courts of Oyer and Terminer* held in each year in every county in the State. In most of the counties they are held by a Circuit Judge or a Justice of the Supreme Court, together with at least two Judges of the county courts of the county. This court has power to enquire of, by the grand jury, and try all crimes and misdemeanors committed or triable in the county where it is held, and to deliver the jail of the county, according to law, of all prisoners therein.

6th. *Courts of Common Pleas* are held in each county, except in New-York, by the Judges of the county courts, at such times as are specified by statute. The general powers of these courts are, to try all cases and matters at common law of every kind, with some few exceptions and limitations specified by statute.

7th. *Courts of General Sessions* may be holden by any three Judges of the county courts in every county of the State, except in New-York. These courts have power to try and determine all crimes and misdemeanors, except those which are punishable with death or imprisonment in the state prison for life.

8th. *Courts of Special Sessions* are held in the seve-

Where and by whom are Courts of Common Pleas held ?

What are the general powers of these courts ?

Where and by whom are Courts of General Sessions held ?

What are their powers ?

Where and by whom are Courts of Special Sessions held ?

ral counties in the State, except New-York, by any three Justices of the county, or by two Justices and a Judge of the county courts. These courts are held at such times as offences properly triable by them are complained of before them. They have jurisdiction of certain offences enumerated by law, the chief of which are petit larceny, (or theft,) assault and battery, charges for cruelly treating animals, for wilful trespasses, &c., and a few other minor offences. The accused may demand and have a trial by jury, in all cases, when tried by the Court of Special Sessions; or, if he choose, he may be bound over to be tried by the higher courts of the county.

9th. Every *Justice of the Peace* may, in the town for which he is elected, hold a court for the trial of certain civil actions specified by law. But a Justice can in no contested suit render judgment for a sum exceeding fifty dollars and costs of suit; but, upon confession of a party, he may render judgment to the amount of two hundred and fifty dollars.

## SECTION II.

## OF COUNTY OFFICERS.

The principal civil officers in the counties of this State, are the following: Sheriff, Coroner, District Attorney, Judges of the County Courts, County Clerk,

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Over what offences have they jurisdiction?

What is said of courts held by Justices of the Peace?

What is the extent of their jurisdiction?

What are the principal civil officers in each county of the State?

Surrogate, Superintendents of the Poor, County Treasurer, Board of Supervisors, Commissioners of Loans, County Sealer, and Inspector of Commodities.

### *Of the Sheriff.*

There is one *Sheriff* in each county in the State, who is chosen by the electors of his county once in every three years. Before he enters upon the duties of his office, he is required to execute a bond to the people of the State for the faithful performance of his duties.

He is the principal conservator of the public peace—the ministerial officer of the courts of his county; he executes all writs and legal executions directed to him from the courts of record of the State; he gives notice of elections held in his county; he has the custody of the jails and prisons in the county, and the prisoners in the same, and appoints keepers of such jails and prisons. He may appoint an under-sheriff, and so many deputies as he thinks proper.

In case of a vacancy in the offices of Sheriff and under-sheriff, the first Judge of the county designates one of the Coroners to fill the office of Sheriff.

### *Of Coroners.*

There are four *Coroners* for each county in the State, who are chosen by the people, and who hold their

How is the Sheriff chosen—and what is his term of office?

What are his powers and duties?

How many Coroners are there in each county—how chosen—and what their term of office?

office for three years. But in the city of New-York there is only one Coroner.

The principal duty of Coroners is to investigate, by jury, cases of sudden death or severe injury. The jury, after an examination of the facts and circumstances of the case, deliver to the Coroner their inquisition in writing, in which they certify how, where, and when, the person dead or wounded became so ; who such person was, and who was guilty of the act ; together with the circumstances attending the transaction.

If either murder, manslaughter, or assault and battery has been committed, process is issued for the apprehension of the person charged with the offence, and the inquisition found by the jury is returned to the next criminal court of the county.

### *Of the District Attorney.*

There is a *District Attorney* for each county in the State, who is appointed by the Judges of the county, and holds his office for three years. His principal duties are, to conduct all prosecutions at the Courts of Oyer and Terminer and General Sessions. He files in the office of the County Treasurer an account of all moneys received by him by virtue of his office, and pays the same to the Treasurer.

What are their powers and duties ?

How is the District Attorney appointed ?

What are his duties ?

*Of the Judges of the County Courts.*

There are a *First Judge* and *four side Judges* of the county courts in each county in the State, (except New-York,) who are appointed by the Governor, with the consent of the Senate, and hold their offices during five years. They hold Courts of Common Pleas and General Sessions, and assist in holding Courts of Oyer and Terminer in their several counties. Their various duties are too numerous to be detailed here.

*Of the County Clerk.*

There is one *Clerk* for each county, who is chosen by the electors, and holds his office for three years. It is the duty of the County Clerk to keep and arrange all books, records, deeds, parchments, maps, &c., that are now or may be deposited in his office, and to provide books for the recording of deeds, mortgages, or other conveyances acknowledged or proved according to law; to inform the Governor of all persons appointed to offices in the county, and also of all vacancies in civil offices, and to report to the Comptroller the names of all the religious societies in the county.

How many judges of the county courts are there in each county?  
 How appointed—and what their term of office?  
 What courts do they hold?  
 How is the County Clerk chosen—and what is his term of office?  
 What are his duties?

### *Of the Surrogate.*

There is one *Surrogate* for each county, appointed by the Governor and Senate, who holds his office for four years. He gives a bond to the people of the State for the faithful performance of the duties of his office, approved by the Clerk of the county.

The *Surrogate* has power to take the proof of wills of real and personal property ; to grant letters testamentary, and of administration ; to direct and control the conduct, and to settle the accounts of executors and administrators ; to enforce the payment of debts and legacies, and the distribution of the estate of intestates ; to order the sale and disposition of the real estate of deceased persons ; to appoint guardians for minors ; to remove them, and to direct and control their conduct, and settle their accounts ; and to cause the admeasurement of dower to widows.

### *Of the Superintendence of the Poor*

They are appointed by the Board of Supervisors of their respective counties, (in number not less than three, nor more than five,) and hold their office for one year. They have the general superintendence and care of the county poor ; but the regulations made

By whom is the *Surrogate* appointed—and what is his term of office ?

What are his powers and duties ?

How many *Superintendents of the Poor* are there in each county ? How appointed—and what their term of office ?

What are their powers and duties ?

by them for the relief and support of the poor, require the sanction of a majority of the judges of the county courts.

They draw on the County Treasurer for all necessary expenses incurred in the discharge of their duties, and account for the same to the Board of Supervisors. They make an annual report to the Secretary of State.

### *Of the County Treasurer.*

The *County Treasurer* is appointed by the Board of Supervisors, and holds his office during their pleasure. He gives to them such bond as they shall direct, for the faithful execution of the duties of his office. He receives all moneys belonging to the county, and applies the same according to law; keeps an account of his receipts and expenditures; transmits to the Comptroller a statement of all moneys received by him for penalties, and pays the amount to the Treasurer of the State, deducting his compensation therefrom; and exhibits to the Board of Supervisors his books and accounts, to be audited and allowed by them.

### *Of the Board of Supervisors.*

One Supervisor is chosen annually in each town, by the electors thereof.

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By whom is the County Treasurer appointed—and what his term of office?  
What are his duties?

Who compose the Board of Supervisors?



The Supervisors of the several towns meet annually in their respective counties, and at their annual or adjourned meetings have power to make such orders concerning the corporate property of the county, as they may deem expedient ; to settle all accounts chargeable against the county, and direct the raising of such sums as may be necessary to defray the same ; to cause the court house and jail of the county to be repaired at the expense of the county ; and to perform all other duties that may be enjoined on them by any law of the State.

The Board, except in some special cases where counties are excepted, also audits accounts of town officers and other persons.

### *Of Commissioners of Loans.*

*Commissioners of Loans* are appointed under "An act authorizing the loaning of moneys belonging to the State," by the Governor, with the consent of the State, and hold their office for two years. They give bonds, with sufficient security, to the people of the State, for the faithful performance of the duties of their office.

They receive and keep account of all moneys payable upon mortgages under their charge ; exhibit to the Board of Supervisors of their respective counties

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What are the powers and duties of the Board ?

By whom are the Commissioners of Loans appointed ? What are their duties ?

all mortgages taken by them or their predecessors in office, for moneys loaned pursuant to law, together with their books, minutes, &c. ; and keep their books of mortgages in the Clerk's office of the respective counties for which they were appointed.

### *Of the County Sealer.*

There is a *County Sealer* for each county in the State, who is appointed by the Board of Supervisors, and holds his office during their pleasure. He receives from the State Sealer, and keeps in his office, copies of the original standards of weights and measures established by law. He also furnishes the several *Town Sealers* in the county copies of these original standards.

All things sold or agreed for, are, in law, construed to be made in reference to these standards.

### *Of Inspectors of Commodities.*

*Inspectors of Commodities* are appointed by the Governor and Senate, wherever they are thought necessary, and hold their offices during two years. Their duty is, to inspect all articles that are by law subject to their inspection, and to decide if they are of the standard quality.

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By whom is the County Sealer appointed? What are his duties?

By whom are Inspectors of Commodities appointed—and what are their duties?

Thus, the purchaser is insured through the Inspector that the article he buys is sound and merchantable.

## SECTION II.

## OF TOWN OFFICERS.

All town officers (except Justices of the Peace) are chosen annually. They consist of a supervisor, a town clerk, assessors, justices of the peace, a collector, overseers of the poor, commissioners of highways, commissioners of common schools, inspectors of common schools, constables, a town sealer, overseers of highways, pound-masters, fence-viewers, commissioners of excise, board of auditors of town accounts, and commissioners of deeds.

*Of the Supervisor.*

It is the duty of the *Supervisor* of each town to receive and pay over all moneys raised therein for defraying town charges, except those raised for the support of highways and bridges, of common schools, and of the poor; to prosecute for all penalties of fifty dollars, or under, given by law to such town for its use, and for which no other officer is specially directed to prosecute; to keep an account of the receipt and expenditure of all moneys which shall come into his hands by virtue of his office; to account with the

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What are the Town Officers of each town? How are they chosen?

Justices of the Peace and Town Clerk for the disbursement of all moneys received by him; to attend all annual and adjourned meetings of the Board of Supervisors of the county; to lay before them all accounts that may be presented to him against the town; and to cause a survey of the town to be made when required by the Surveyor-General of the State.

He is one of the inspectors of elections in the town, and is chairman of the board.

#### *Of the Town Clerk.*

It is the duty of the *Town Clerk* to keep the records, books, and papers of the town; to record the minutes of the proceedings of town meetings; to deliver to the Supervisor copies of all entries of votes for raising money; and to return to the County Clerk the names of Constables elected in the town.

#### *Of Assessors.*

The number of *Assessors* in each town is not less than three, nor more than five. It is their duty to estimate the value of all real and personal property owned in the town, in order to a just apportionment, among the citizens, of the tax to which the town may be subjected.

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What are the duties of the Supervisor?

What are the duties of the Town Clerk?

What is the number of Assessors in each town—and what are their duties?

### *Of Justices of the Peace.*

One *Justice of the Peace* is chosen annually in each town, and holds his office during four years. They hold courts for the trial of certain civil actions; they preside at and preserve order at town meetings; they are authorized to cause every person charged with the commission of a crime, to be brought before them for examination; they have power to administer any oath required by law to be taken or administered; and they also impose fines for certain offences described by statute.

### *Of the Collector.*

There is one *Collector* for each town. His principal duty is to collect the taxes according to such tax list and warrant as the Board of Supervisors shall deliver to him and to deliver to the County Treasurer a list of uncollected taxes.

### *Of Overseers of the Poor.*

There are two for each town. They have the superintendence of the poor of the town, and their duties are defined by statute. In some counties, the poor are supported by a county tax; in others, each town supports its own poor.

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What are the duties of Justices of the Peace ?

What are the duties of the Collector ?

Of Overseers of the Poor ? Their number ?

*Of Commissioners of Highways.*

There are three for each town. It is their duty to have the care of the highways and bridges in their respective towns; to regulate the roads, and alter such as they may deem inconvenient; to divide the town into road districts; to lay out such new roads, and discontinue such old roads, as shall appear to them, on the oath of twelve freeholders, to be expedient; to deliver to the Supervisor a statement of the improvements necessary on roads and bridges, together with the probable estimate thereof; and to cause milestones to be erected on the post-roads, and such other public roads as they may think proper.

*Of Commissioners of Common Schools.*

There are three for each town. They are inspectors of common schools—they divide the town into school districts—they receive and apportion all moneys for the use of schools in the town—and report annually to the county clerk.

*Of Inspectors of Common Schools.*

There are three for each town. It is their duty to examine persons offering themselves as candidates for common-school-teachers of their town, and, if they are

Of Commissioners of Highways? Their number?

What is the number and what are the duties of Commissioners of Common Schools?

Of Inspectors of Common Schools, and their number?

duly qualified, to give them a certificate to that effect. The Inspectors are also required to visit and examine, at least once a year, all the common schools of their town.

### *Of Constables.*

They cannot exceed five for each town, except in certain cases provided by statute. They are conservators of the peace—the ministerial officers of Justices Courts, &c., and their duties, although numerous, are similar to those of the Sheriff of the county.

### *Of the Town Sealer.*

There is one for each town. He receives from the County Sealer copies of the original standards of weights and measures, and these are compared, once in three years, with the copies deposited in the office of the County Sealer.

The Town Sealer compares all weights and measures brought to him for that purpose, with the copies of the standards in his possession; and when these are made to conform to the standard, he seals and marks them, for which he is entitled to certain fees, allowed by law.

### *Of Overseers of Highways.*

Their number is equal to the number of road districts in each town. It is their duty to repair and keep in

Of Constables, and their number?

What are the duties of the Town Sealer?

Of Overseers of Highways—and their number?

order the highways within their respective districts—to warn all persons assessed to work on the highways, to come and work thereon—and to execute all lawful orders of the Commissioners of Highways.

### *Of Pound-Masters.*

So many of these are chosen as the electors may determine, and in many towns they are wholly discontinued. Where they are chosen—beasts doing damage, or running at liberty contrary to law, may be delivered to them, and, unless sooner discharged, kept six days, and then sold to pay the damages, &c. ; and the surplus (if any) is paid to the owner of the beasts. But if no owner appear within one year, the surplus is paid to the Overseers of the Poor.

### *Of Fence-Viewers.*

The Assessors and Commissioners of Highways of each town are, by right of their office, *fence-viewers*.

When disputes arise between two or more owners of adjoining lands, concerning the just proportion of division fences to be made and maintained by them, any two or more Fence-Viewers may be chosen by the parties to decide the dispute ; and their decision is final. Besides, any two Fence-Viewers have power to appraise damages done by beasts, when applied to for that purpose.

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What are the duties of Pound-Masters—and their number ?  
Of Fence-Viewers ?



*Of Commissioners of Excise.*

The Supervisor and Justices of the Peace, are *Commissioners of Excise* for their town, any three of whom form the board. They have power to grant to keepers of inns and taverns in their towns, licences to sell strong and spirituous liquors and wines to be drank in their respective houses ; and to license resident grocers to sell such liquors and wines, in quantities less than five gallons, but not to be drank on their premises. The Commissioners determine the sums to be paid for such licenses—but they cannot be less than five nor more than thirty dollars ; and they expire in one year. Persons not so licensed, are subject to penalties in case they sell.

*Of the Board of Auditors of Town Accounts.*

The *board* is composed of the Supervisor and Town Clerk, together with the Justices of the town, or any two of the Justices.

The board examines the accounts of the Overseers of the Poor, of the Commissioners of Common Schools, and the Commissioners of Highways, &c., of their respective towns, for moneys received and disbursed by them in virtue of their offices.

The accounts thus audited are delivered to the Town Clerk, to be kept by him for inspection by any of the

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Who are Commissioners of Excise ?

What are their powers and duties ?

Who compose the Board of Auditors of town accounts ?

inhabitants of the town. The accounts of the Supervisor are examined and audited by the Justices and Town Clerk.

*Of Commissioners of Deeds.*

Their number, in each town, is determined by the Judges of the county courts, and they are appointed by the Judges and Board of Supervisors of each county.

They have power to take the proof and acknowledgment of conveyances of real estate, and the discharge of mortgages; to take acknowledgment of bail in actions in the Supreme Court, and in actions in the Court of Common Pleas of the county for which they are appointed; and to take acknowledgment of satisfaction of judgments in the Supreme Court, and in the Court of Common Pleas of the county for which they are appointed. After taking the acknowledgment of any conveyance, the Commissioner endorses a certificate thereof, signed by him on the conveyance.

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By whom are the accounts of the Supervisor examined and audited ?

By whom are Commissioners of Deeds appointed ?

What are their powers and duties ?

# THE SALARIES

OF NATIONAL, STATE, COUNTY, AND TOWN  
OFFICERS.

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## I. NATIONAL OFFICERS.

President of the United States . . . . .	\$25,000
Vice-President of the United States . . . . .	5,000

### *Department of State.*

Secretary of State . . . . .	6,000
Chief Clerk . . . . .	2,000
Commissioner of Patent Office . . . . .	3,000

### *Treasury Department.*

Secretary of the Treasury . . . . .	6,000
Chief Clerk . . . . .	2,000
First Comptroller . . . . .	3,500
Chief Clerk . . . . .	1,700
Second Comptroller . . . . .	3,000
Chief Clerk . . . . .	1,700
Third Comptroller . . . . .	3,000
Chief Clerk . . . . .	1,700
Fourth Comptroller . . . . .	3,000
Chief Clerk . . . . .	1,700
Fifth Comptroller . . . . .	3,000
Chief Clerk . . . . .	1,700
Solicitor of the Treasury . . . . .	3,500
Chief Clerk . . . . .	1,150
Treasurer . . . . .	3,000
Chief Clerk . . . . .	1,700

Register . . . . .	\$3,000
Chief Clerk . . . . .	1,700

*General Land-Office.*

Commissioner . . . . .	3,000
Solicitor . . . . .	2,000
Principal Clerk of Public Lands . . . . .	1,800
Principal Clerk of Private Claims . . . . .	1,800
Principal Clerk of Surveys . . . . .	1,800
Recorder . . . . .	1,500
Secretary . . . . .	1,500

*War Department.*

Secretary of War . . . . .	6,000
Chief Clerk in the Secretary's Office . . . . .	2,000
Clerk of the Requisition Bureau . . . . .	1,600
Principal Clerk of the Bounty Land Office . . . . .	1,400
Commissioner of Indian Affairs . . . . .	3,000
Chief Clerk . . . . .	1,600
Commissioner of the Pension Office . . . . .	2,500
Chief Clerk . . . . .	1,600
Chief Clerk of the Engineer Department . . . . .	1,150
Chief Clerk of the Topographical Bureau . . . . .	800
Chief Clerk of the Ordnance Department . . . . .	1,150
Chief Clerk of the Quartermaster's Department . . . . .	1,150
Commissary-General of the Purchasing Department . . . . .	3,000
Chief Clerk . . . . .	1,700
Clerk of the Clothing Bureau . . . . .	700
Paymaster-General of the Pay Department . . . . .	2,500
Chief Clerk . . . . .	1,700
Chief Clerk of the Subsistence Department . . . . .	1,350
Surgeon-General of the Medical Department . . . . .	2,500
Chief Clerk . . . . .	1,150

*Navy Department.*

Secretary of the Navy . . . . .	\$6,000
Chief Clerk . . . . .	2,000
Three Naval Commissioners, each . . . . .	3,500
A Secretary . . . . .	2,000
A Chief Clerk . . . . .	1,600

*General Post-Office Department.*

Postmaster-General . . . . .	6,000
Auditor . . . . .	3,000
Three Assistant Postmaster-Generals, each . . . . .	2,500

*Mint Department.*

Director . . . . .	2,000
Treasurer . . . . .	1,200
Chief Coiner . . . . .	1,500
Assayer . . . . .	1,500
Melter and Refiner . . . . .	1,500
Assistant Assayer . . . . .	1,000
Engraver . . . . .	1,200

*Legislative Department.*

Senators, Representatives, and Delegates to the national legislature, receive eight dollars for every day's attendance, and eight dollars for every twenty miles travel, by the most usual road, from their place of residence to the seat of Congress, both in going to and returning from the session. And if detained on the journey by sickness, or if unable to attend after their arrival, they are entitled to the same daily allowance.

The President of the Senate *pro tempore*, during the absence of the Vice-President, and the Speaker of the House of Representatives, receive, in addition to their compensation as mem.

bers, eight dollars for every day's attendance on their respective houses.

The following are the salaries of the officers of the two houses :—

Secretary of the Senate . . . . .	\$3,000
Clerk of the House of Representatives . . . . .	3,000
Principal Clerks . . . . .	1,800
Engrossing Clerks . . . . .	1,500
Librarian of the Library of Congress . . . . .	1,500
Sergeant-at-Arms, and the Doorkeepers of the Senate and House of Representatives, each . . . . .	1,500
Assistant Door-keepers . . . . .	1,450
Chaplains, each . . . . .	500

*Judicial Department.*

Chief-Justice . . . . .	5,000
Eight Associate Justices, each . . . . .	4,500
Attorney-General . . . . .	4,000
Reporter . . . . .	1,000
Clerk and Marshal . . . . .	<i>fees of office.</i>

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## II. SALARIES OF STATE OFFICERS, &c., OF NEW-YORK.

The pay of a Member of either house of the Legislature, is three dollars per day.

Governor . . . . .	4,000
Lieutenant-Governor, (pay double that of a Senator, and six dollars per day during the session.)	
Comptroller . . . . .	2,500
First Deputy Comptroller . . . . .	1,500
Second Deputy Comptroller . . . . .	1,500

Treasurer . . . . .	\$1,500
Deputy Treasurer . . . . .	1,300
Secretary of State . . . . .	1,750
Deputy Secretary . . . . .	1,500
Surveyor-General . . . . .	800
Attorney-General . . . . .	1,000
Governor's Private Secretary . . . . .	600
Canal Commissioners, each . . . . .	2,000

*Judicial Department.*

Chief-Justice of the Supreme Court . . . . .	2,500
Two Associate Justices, each . . . . .	2,500
Reporter , . . . .	500
Eight Judges of the Circuit Courts, each . . . . .	1,600
Chancellor of the Court or Chancery . . . . .	2,500
Register and Assistant Register . . . . .	<i>fees.</i>
Reporter . . . . .	500

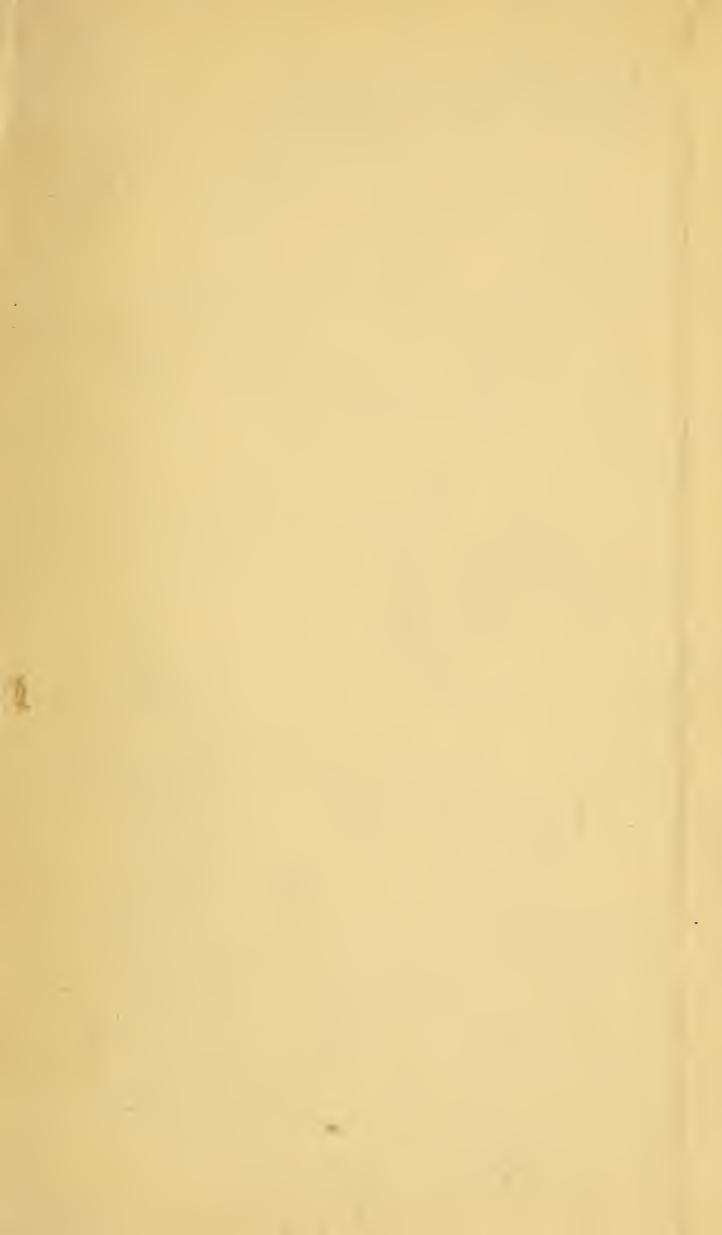
The salaries of County and Town Officers, are their *fees* of office.

MAY 3 1934









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