

THE
BIBLIOTHECA SACRA.

ARTICLE I.

THE NATURAL THEOLOGY OF SOCIAL SCIENCE.

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No. VI.

CREDIT AND CONSUMPTION.

It is impossible to construct society without the cement of faith, or industrial society without the form of faith known as credit. As long as parties are mutually and perfectly distrustful, fearful of each other, they can only guard themselves one against the other with ceaseless anxiety. Every effort goes to establish a barrier against injury, to cut off access by wall or ditch, or to make ready for the approach of an enemy by arms offensive and defensive. Slavery, which rests on violence, must remain a state of conflict, of patient watching on either hand to inflict or to evade wrong, unless, the deep-seated injury overlooked and forgotten, mutual trust comes to unite the parties, with faithful service on the one side, and kindness on the other.

Thieves who band together are compelled to establish, in place of that broader morality which they have thrown off, a narrower code of honor, which they strenuously enforce among themselves, finding in it a new hold for faith. Barbaric society differs from civilized society in the restricted

circle to which this trust extends, and its limited force even here; in the many fears and superstitions which seemingly spring up on purpose to replace the restrictions of morality. Treachery and the fear of it are most thoroughly destructive to all social ties, the most ruinous of all social vices, and, therefore, all men in the sphere in which they have recognized the obligation to faithfulness, have branded the opposite fault as the most opprobrious of sins, as deserving the severest punishment, the most universal scorn. Even the slave, unless the victim of extreme cruelty, is not suffered to be faithless to his master without peculiar censure. No term conveys more general, more unsparing reproach than that of traitor.

The establishment of faith between individuals, gives the family; between families, the tribe; between tribes, the nation; between nations, the breadth and amenities of modern civilization. In no one respect is the uniform progress of the world more distinct and discernible than in this constant growth of confidence, till the natural and presumed relation of man to man and of nation to nation is now one of amity and trust, one of recognized obligation, which a conviction, rooted in every conscience and as broad as the civilized world, enforces.

The transition to this state from that in which a stranger, *hostis*, and an enemy were one in language and in thought, has been greatly aided by commerce. Commerce demands faith and leads to faith. So strong is this connection that it has given rise to a peculiar word expressive of the phase of confidence called for, to wit, credit.

The first form in which trust appears in trade pertains to the quality of the articles sold. Exchange is greatly embarrassed, and must be often arrested, if no reliance can be placed on the parties to it in regard to the amount and quality of the goods purchased. Though deception in this respect still remains the great bane of traffic, calling for much watchfulness, and often resulting in mortification, loss, and failure, yet, so far has the element of good faith been

developed, that a universal pride and satisfaction are felt in the production of commodities uniformly good; and every enlarged business rests, or may rest, on connections much the majority of which are reliable without especial watchfulness. Though labels are often false, they have for the most part ceased to deceive, and though quantities have fallen below the standard first established, these deficiencies have come to be recognized, and remain more often traces of past dishonesty than of present fraud.

The want of entire trustworthiness as regards the quality of commodities has never received so severe censure as would have attached to it, had it not been possible, in most cases, to guard sufficiently against it by skill and caution. These endowments are so much the staple of mercantile virtue, that any failure through deficiency in them receives proportionally less sympathy. The shrewdness and overreaching of trade assume this form of deception with less sense of guilt and less public censure, because it is felt that, in the mimic war of traffic, there are minor disguises and subterfuges against which the experienced merchant may protect, and ought to protect, himself, and which he in turn employs. Commerce has not yet learned to rest on entirely frank and open methods; and omissions, false appearances, and extravagant claims are the remnants of the downright lying, fraud, and violence which were once the rule. When, however, these tricks of trade are practised on the helpless, or at points at which even the shrewd and experienced have no defence, public censure becomes more decided, and struggles to check the destructive, disorganizing tendency by branding the deceiver as a cheat and rogue.

It is worthy of remark that in proportion as the service, or even the product, increases in value, the surveillance exercised, the fear of deception suffered, tend to decrease. The day-laborer is carefully watched to see that he renders the due amount of labor; the workman of higher skill develops proportionate character, and finds occasion of offence in too scrutinizing an eye; while the professional laborer is con-

scious of little or no supervision. There is a growth of confidence as the occasion and necessity of it increase. It is both a condition and a result of the higher forms of production. If the same risk attached to the purchase of costly as of less costly goods, it would constitute in those articles a much greater discouragement, and render their production so hazardous as hardly to be remunerative.

The more peculiar form in which faith appears in the commercial world, is that of credit. Credit, though indeed sustained by legal process and penalty, is almost always granted as the result of personal confidence, of a belief that the payment will be made according to agreement.

The two forms of credit are, the parting with products to the consumer or to the merchant without immediate payment, and the loaning of money as capital in business. The first form chiefly appears in book account; the second, in notes, or their equivalents. Credit in the purchase of goods is more often a convenience, a thing of ease or even of indolence, than a necessity, than a relation mutually advantageous to buyer and seller. As the amounts and times of credit are less definite, as both are liable to insensible increase, as the parties are frequently slightly acquainted, and the trust reposed springs from no sufficient knowledge, as the motives to prudence and economy in buying are weakened, as the demand for payment usually comes when the commodity bought has been consumed, and the sense of advantage passed away, this form of trust frequently betrays those who repose upon it, and rarely results in solid advantages to either party. It plays into all heedless indulgence, unthrifty ways, sanguine moods, and a willingness to mortgage the future to the present.

The many bad debts consequent on this form of credit embarrass business, make the circuit of capital longer, the rates of profit higher, and the vexation and anxiety of trade incalculably greater. This form of trust, which is least advantageous, is most risky, and has little to recommend it, since the conditions most favorable for its safe existence are

also most favorable to its abolition. Those to whom it can be most securely granted are those least disposed to it; while those who especially seek it are especially liable to injure, and be injured by, it. The poor, in behalf of whom, a plea for limited credit may sometimes be instituted, ought, above all classes, to be trained to meet present liabilities with present resources, and to avail themselves of the discount of cash prices. The poorer the person the larger usually is the price paid by him for goods, and this, principally because the improvident class to which he belongs are wont to seek and to endanger credit, till the risks of loss constitute a very appreciable part of the price charged.

The development of business tends to remove this form of credit, as destructive to that cheapness, ease, certainty, and rapidity which it seeks. In doing this, it does not restrict the trust of man in man, but rather increases it, by lopping off those forms of credit in which faith is most frequently betrayed; and the indolent, the careless, and the roguish play upon the good-will of their fellows. Virtue may grow as much by closing the door to abuses as by opening that for the development of graces. This form of credit does, indeed, imply considerable commercial progress, but tends to be displaced by further growth.

Perhaps the most undesirable form in which this first kind of credit appears is that in which, nevertheless, it most nearly approaches the second. The wholesale merchant supplies the retail merchant with goods, and waits their sale, in whole or in part, for payment. The temptations of abuse are here stronger, and the opportunity to guard against them slighter than in almost any other form that credit is allowed to assume. The value of the goods loaned, the distance to which they are carried, the ignorance of the parties of each other, and the slight, or rather entire want of, oversight of the debtor by the creditor, make this form of trust so hazardous that we are astonished that commercial faith should ever have gone so far, and that it is not more completely overthrown by its own audacity. A true development

of the moral sense would seem more inclined to censure this credit for its temptations than applaud it for its confidence; while a true business instinct would gladly sacrifice the gains of enlargement for those of safety and rapidity. Winning these, we shall quickly secure the first, while the first may be destructive of these.

The second kind of credit, a money-loan, affords to business obvious and grave advantages. It passes capital from those less to those better fitted to use it, from the old to the young, from the inexperienced to the experienced, from those out of business to those in it. It gathers up capital through the instrumentality of saving-banks, from those who held it in small, unproductive quantities, combines it in convenient and efficient sums, and brings it into the active circuits of production. The gains are thus double. Money, otherwise of little use, is made to work for him who loans it, and for him who borrows it. Capital is kept on its utmost stretch of service. Instead of gathering in stagnant hordes, it returns to the current of business, furnishing a new force and yielding a fresh harvest for the service of man. Judicious loans in this form, imply trust and strengthen it. Though not necessarily resting on good-will, they call it forth, become a means of sympathy, and bear with them the amenities of mutual aid and dependence.

Such loans are interesting on whichever side we look at them; in the power they develop and the virtues they stimulate. The borrower is able, through the faith he inspires, the credit he commands, that is, chiefly through personal character, to transform potential, future advantages, into present possessions, to reap the harvest while he is yet sowing the seed, to turn strength and honesty into capital, and yet to retain them to work with this necessary instrument of production. He is thus able to forestall success, and to come immediately into the possession of its chief advantages. A position is given him on which to plant his lever; he finds the ground for it in his trustworthiness, and is thus able quickly and easily to lift the weight, to move the obstacles

on which he acts. That such purely moral forces as skill and integrity should thus double his power, and command capital, the second essential instrument of production, marks the premium that, even in the field of self-interest, attends virtue.

On the other hand, the lender, in the possibility of a safe loan, finds the continuation, the increase of his power, even when circumstances or inclination have arrested his labor. A strong, faithful agent is at his disposal. The toil which he has expended has become, in the form of capital, a living thing, runs by its own strength, increases by its own processes of growth, and, under the watchful eye of the interested holder, still threads all the paths of exchange, and returns faithfully to lodge its yearly wages in the hands of its master. This accumulated power is developed on both sides by faith.

Private loans, resting on individual knowledge and confidence, afford such new opportunities, develop advantages so rapidly, so call out and reward integrity, and express goodwill, that they seem at once an economic and moral force, and while resting on these two supports cannot readily be excessive.

The more strictly business paper of institutions like banks, set apart to discount, having less of a moral basis and receiving only the protection of general rules, is much more liable to excess. It always plays a conspicuous part in any extended system of credit, brings a constant temptation to relax or evade the rigor of the rules instituted for its defense, and, in the very fact of lively and successful business, finds a reason for that enlargement which is almost sure to bring ruin. The especial guards of this form of credit are the shortness of the times for which it is extended, the promptness of the payment required, with the commercial dishonor and ruin which custom has made to accompany failure, and the requisition of two or more names to each note of indebtedness. There are indeed, if faithfully applied, great protections to this form of credit; yet, when it is left to rest on these, with little or no oversight of character, with no moral

basis, it often becomes very insecure. Rules coldly or carelessly applied lose their value. A second loan may pay and enlarge the first, and two names are not necessarily better than one. Discounts which recur more frequently, require, indeed, more care than private loans, and demand peculiar safeguards, but are not thereby saved the necessity of underlying, well-grounded confidence.

The sharpness and coldness of this form of credit are especially seen in the prompt payment required, while the clumsy, partial nature of the protection thus afforded is illustrated by the ruin often incident thereto. Commercial sentiment at this point, is exceedingly stringent, and rather than abate a jot of its demands, or hazard in the least the promptness of business, often precipitates private bankruptcy, or even draws on a great crisis. A stringency of rule and sentiment grows up proportionate to the end in view, and with the rigor and harshness of a purely mechanical force, the protest comes, and is followed by disgrace and ruin. In private loan, the kindliness of the moral element is much more apparent, and in discounts to which this is wanting, men strive to supply its place with the harsh penalties of a conventional system. Yet this law is law, and stringent law, and, on the whole, wise and disciplinary law.

A third form of credit is that of paper currency, not based dollar for dollar on the precious metals. By this excess of paper over coin, there seems about to be realized a creation of commercial power. Products, capital already acquired, are not loaned, but credit is made to become capital, to add to its absolute amount, to place instantly without a substratum in any existing resources, new funds at the disposal of the fortunate issuer, the lucky debtor, who has at length hit upon an alchemy of currency by which one dollar can be made two, three, or a dozen dollars, as the case requires. Looking only at the immediate, obvious results, this satisfaction does not seem altogether ill-grounded. A new capital has arisen, and is working most real and rapid results in the market. It is only when we take a broader and deeper

survey that we find nothing has been created, no absolutely additional power been given into the hand of industry. A multiplication of bills by increasing the numerical aggregate of the currency by so much reduces the worth of its units, and leaves the sum of value the same. That which determines the value of gold is its amount compared with the offices it has to discharge—is the demand for it; and with the substitution and multiplication of paper this demand decreases, with a proportionate loss of value. This general loss of purchasing power in the precious metals may not be at once sensible, but it is none the less real. We may dip a pail of water from a lake, or fill a reservoir therefrom, and observe no fall in the general level, but we have not therefore created this fresh supply. We may take air into an air-chamber or press air from it, and find it in each case full, and no more than full, and, if we overlook the density of the element, fail to perceive that we have affected it. We may add or take from a currency, and fancy that so much has been lost or gained, unless we estimate the effect on the purchasing power of each unit, leaving the aggregate value unaltered. This form of credit, bold and peculiar as it is, has no claim to create any new capital, but only to re-direct and re-divide the old. For my neighbor to issue ten dollars of paper for one of gold held in his possession, is for him to add to his own resources by subtracting an insensible amount from mine and every other man's within the circuit of the currency, or strictly of the civilized world. The plea for this kind of credit must rest, then, on its relations to currency, in which we have discussed it, and not on the ground that it either creates capital or constitutes an ordinary transfer of it. The unmistakable fact that a paper currency is simply a re-adjustment of old values, an insensible plundering of the many with manifest fortune for the few, a stealthy, an imperceptible clipping, as it were, of the metallic circulation, should not certainly, financially or morally, incline us to it.

This kind of credit, least of all, rests on personal confidence, and, most of all, depends on rules for the observance

of which there has never been found adequate security, and whose violation has been as tempting as it has been easy. He who receives the bill of a bank, and, to that extent, becomes its creditor, more frequently knows little or nothing of its soundness, finds the loan forced upon him by the necessities of business, has neither protection against making it, or means of security in it beyond a few general principles or loose rules, whose observance is left very much to the option of interested parties.

It would doubtless have been thought beforehand, in clear view of all its liabilities, that this form of credit would be much more unsafe and disastrous than it has actually proved. Its losses, however, are so small in the separate amounts involved, and are, while constant, so scattered, that they do not make the impression which belongs to them in the aggregate. This, if we could cause it to express at once all discounts, counterfeits, and bills absolutely worthless, would be found very great.

While credit is an indispensable instrument of production, giving facility and strength to its processes, while it finds a basis in our moral constitution, and tends to unite the lower impulses of gain to the higher of good-will, it nevertheless, by gradually growing into a system and extending itself in business from point to point and branch to branch, is open to grave evils, and often ends in a general and wide-spread catastrophe.

Especially those forms of it which we have seen to rest least immediately on personal confidence, and to have only a few general safeguards cast about them, become, in such a system, sources of danger. So completely is this true, that an undue extension of a system of credit will hardly be found without its chief instrument, banks of issue, whose expansive and contractile power gives to trade those nervous and convulsive movements that carry excitement and frenzy over into stupor and paralysis. As long as credits are simple, resting on a single, straightforward transfer of capital, it is not easy to secure that state of mutual and crit-

ical dependence which renders an accident to any fatal to all. It is only when banks, the centres of supply to wide and interlocked circles of business, endanger their own footing by excessive issue, and become, instead of pivots of strength, points of especial vacillation and weakness; when obligations yet unmet, and goods still unsold are made the basis of further loans, that a complicated net-work of dependencies is established, sensitive in every part, and liable to be flawed and hopelessly entangled by the merest gust of disaster falling on any part.

The evils which follow from credit when ripened into an extended system and made the foundation of business deserve careful notice. The first of these is the rise of prices attendant on the growth of credit; or, taking into consideration both its growth and subsequent decline, the fluctuation of prices. Stability of prices, except so far as they are affected by natural and inevitable forces, is the great security and encouragement of industry. All fluctuation without a reason in the necessity of things, merely occasions an unfortunate and unjust transfer of property from hand to hand, often from the more to the less industrious, from the staid, faithful producer to the tricky, wide-awake speculator, from the commercial laborer to the commercial gambler, and is thus attended with discouragement of sober industry. The rise of prices frequently accompanying the development of a new branch of industry, the breaking out of new enterprise, is a mark of prosperity, gives life to business, and thus becomes associated in the minds of men with the prosperous and productive condition which occasions it. The rise of prices following an undue extension of credit, bears the same appearance, but is, in fact, quite diverse in its effects. Credit, by the ease and efficiency of use which it imparts to all the available capital of a community, in its best and desirable forms, tends to business activity, and thus to high prices; when, however, there is added to this a large and general transfer of goods on unsafe, easy credit, and to this, generous issues of currency acting as a factitious capital, a purchas-

ing power with no valid basis anywhere, the conditions of business are made so open and alluring that an excessive, unsubstantial demand springs up in many directions, occasioning a sudden rise of prices, sure to be followed by a correspondingly violent decline. Credit is almost certain to lend its highest facilities to the speculative branches of trade, since it is here that sudden hopes arise, craving but a few months, or even days, for realization. Rarely does one enter upon an extended, substantial, and permanent branch of business without patience, skill, and an ownership of most of the capital requisite to it. It is trade whose circuits are short, whose promises are excessive, and whose steps can often be traversed by a short loan or a month's discount, that holds out deceitful lures to easy credit, and by some sudden turn of the market engulfs the too credulous borrower. He who fastens his hopes of gain on these uncertain fluctuations of price, is like one who crosses a swollen river leaping from block to block of ice. A chasm by a single foot too broad, completely baffles him. The exertion and success of the past go for nothing, if amid the fortuitous and shifting scene about him one gap lies in his path too wide for his leap. The speculator may strain credit to the utmost, and perish with the image of hope but a week or a month ahead.

The effect of extended credit through trade on prices is evident. A rise of prices is pronounced in any community. Credit extends its hand to all who wish to close with the golden opportunity. Speculative purchases follow, and are attended by a rapid acceleration of prices. Success waits on those who have purchased, and allures others to the field, and those in it to further investments. As, however, a portion of the rise has been effected by artificial forces, when these are withdrawn there will be a correspondingly rapid decline of value. There comes a moment when speculative purchases must cease, and speculative sales commence. Then it is found that no real, adequate state of the market occasioned the universal demand, and that sales cannot be

effected at remunerative rates. Then follow alarm, precipitate sales, and heavy losses. In this vacillation there is nothing but disturbance and overthrow for sober, profitable production. The reliability of its calculations, the certainty of its rewards, the firmnesses of the ground gained, are chief conditions of prosperous industry; while sudden and unforeseen changes, the miscarriage of schemes sustained by prudence and patience, are its great discouragements. It enters on each new undertaking, uncertain whether the cost of material will be met by a corresponding value in the completed product.

The high prices, moreover, which constitute the rule under a credit system, expending to the utmost the purchasing power of the community, favor foreign, as contrasted with home, industry. Gold is cheapened by the multiplication of its paper equivalents, and hence flows easily abroad. To say that prices are high, is to say in other words, that the precious metals are low, easily bought by foreign produce, ready to seek a better market abroad. Nor do the high prices of commodities, with the consequent transfer abroad of gold and silver, check a system of credit when once established. Room is only thereby made for the expansive power of paper, and there seems to be a demand for the enlargement of a credit which is becoming more and more unstable. Industry is therefore doubly perplexed by the general prevalence of high prices, and by their vacillation, compelling it to compete unfavorably with foreign industry, and to enter with-unusual risk on the circuit of its productive processes.

Not only are these serious obstacles in the way of industry, their presence is concealed by false appearances. High prices themselves are the delusive indications of prosperity. At some points and by some parties money, in the fluctuation of values, is made rapidly, and large foreign purchases are readily met from surplus coin thrown out of the currency by the expansion of paper circulation. There is nothing, therefore, save to the more thoughtful and experienced, to occasion alarm; indeed, the judgment of danger rests on

unobtrusive indications, and seems to be, in the very face of conspicuous facts, of apparent prosperity, forced on one's very senses. The commercial barometer therefore is watched only by the more observant, and most, with all sails set, are struck by the storm.

And the storm is sure to come, general and sweeping, strewing the shore with many wrecks. The final issue of a financial crisis is the last, the crowning liability of an extended credit system. For a time the expansion of credit may proceed slowly in diverse and independent directions. In its growth the disconnected losses of a few will not be much observed, and will occasion no general disturbance. As, however, the system advances — and advance it will under the hope of easy gains, the allurements of brilliant prizes, and the extension of a reckless, insatiate, speculative spirit — parties will be locked together in broader dependencies, banks will be the centres of large circles of loans, and themselves become involved, each with each, by indirect if not direct dependence. A sensitive and wide-reaching sympathy will thus be established. An excitable and nervous condition will pervade the entire business community. Delicate and universal connections will be alert nerves along which every vibration of commercial feeling can run with easy and increasing rhythm, carrying the whole commercial body forward in the excitement of hope, or causing it to recoil under the shock of fear. With these extended dependencies, this wide-felt and excitable feeling, the commercial world is placed in a condition of most unstable equilibrium, at the mercy of accident, and sure, sooner or later, to be thrown entirely from its balance. In the midst of general and extreme indebtedness, of immature and extravagant schemes of trembling speculation, comes at length a heavy failure. The blow is given, one tottering structure falls against another. The force of concussion runs on to a third, a fourth, through a score, a hundred, a thousand, sweeping into bankruptcy long lines of debtors. Fear, more senseless than hope, sends a throb of frenzy round the circles

of business. Debtors supplicate the banks, creditors press upon debtors to overwhelm them if possible. No alarm is felt by any one that is not communicated instantly, that does not create a new pressure, that is not made to do its utmost of mischief, finding echo and reverberation in the universal fear. A sense of general insecurity, valid, indeed, in itself, but now waking up only to work ruin with a fool's madness, closes the avenues of escape, and plucks down heavy destruction on those whom a little patience and faith might spare. Credit, but a short time since so easy and excessive, becomes utterly and everywhere impossible. The irrationality of one movement vibrates into the irrationality of the opposite. Commercial faith, hitherto as succulent as a sponge, is now instantly squeezed dry, and men stand astonished, hopelessly awaiting the shock of fortune they can neither avert or limit. When the storm has wrought its own pleasure, and expended itself, business changes hands, suffers the depression of reduced prices, gathers together the wrecks of the past, slowly revives, finds a basis for hesitating and limited credit, and, too often untaught by experience, suffers this to grow once more into the same unsound methods, to be followed again, as time softens the memory of events, by kindred disasters.

Nor is this slow growth of prices, at length reaching a crisis, and followed by a rapid decline, disastrous as it is to industry, so much to be lamented in the immediate losses it entails, as in the tone and spirit it gives to production and trade. As credit is not made to rest back solely on personal trust, on established character, the necessity of a reputation for industry, prudence, skill, is less felt. Capital is obtained on easier terms than a personal guarantee of its faithful and successful employment, and therefore the premium on high, productive virtue is withdrawn or greatly reduced. This system not only lays less stress on honesty, — it encourages dishonesty. To loan the property of one to another with no adequate security, is to encourage the debtor in a low estimate of the advantages and conditions of credit, to leave

him open to the temptation of a reckless and careless use of that in which so little either of his own property or even good name is involved ; is, indeed, to place him in the very outset in a dishonest position, obtaining and employing the possessions of another with no adequate pledge, either in the securities given, or in the integrity and skill which he brings to the business.

The constant failures which follow such a system, involving many relatively prudent and industrious parties, greatly lessen the odium of bankruptcy, cause it to be regarded more as a misfortune than a crime, and thus by so much weaken the penalties which public opinion attaches to indolence, to heedlessness, and to dishonesty, and remove the safeguards established in behalf of capital.

With this reduction of the shame and the disaster of failure on the one hand, and with the occasional easy and extravagant gains of a bold and reckless venture on the other, it is not strange that a speculative prevails over an industrial spirit, and labor is left to those who have not the wit to buy and sell, to sit at the table of exchanges, and play at the brokerage of chances. Just so far as wealth is allowed to rest on the fall and rise of prices, production becomes a form of gambling, or rather ceases altogether, while its past products are made the stakes of to-day's venture. There is fortunately a grand, broad stratum of small capitalists and hard workers, to whom this restless and adventuresome spirit finds little access, and who plod on, the sober men, the real producers of the world. With this class credit hardly goes beyond a few direct loans, of which personal confidence forms the chief security. On these, most unfortunately however, the waves of price which have their rise in the commercial and financial centres, break, and while they are here in part arrested, it is not without much inconvenience and loss.

With these facts of credit before us, we see that men are at once interlocked with each other; commercial interests make the dishonesty and unreliability of some perplexing

and disastrous to all, and that, therefore, strictly personal well-being seeks for general integrity as the indispensable condition of extended and prosperous traffic, and, accepts and cherishes that mercantile sentiment which honors the trustworthy and censures the unreliable. Production, involving confidence in so many, and the weighty venture of direct loan in not a few, needs, and must find, a moral basis for credit, and strives to quicken and support the moral sense by such maxims as, Honesty is the best policy. Though commercial integrity is in some instances — under the peculiar motives which operate so strongly to induce it — found separated from other forms of virtue, it is evident that the discipline of business, in this confidence which it must repose in its agents, in this actual and extended credit which it must fearlessly grant to many, is moral. The trust reposed appeals to a feeling of honor, the reputation for integrity calls out pride of character, while the consequent advantages give a lively sense of wisdom, of a safe and sound policy. Thus commerce at once works with forces and feelings closely allied to the pure motives of morality, and chiefly sustained in our constitution by them. Character becomes a most important consideration. The honesty of one wins for him, and the dishonesty of another loses for him, a favored position, a fortunate employment, a needed loan, and the closeness and strength of the lock of commercial relations are proportionate to the sense of security, of integrity.

Credit, having thus its basis in confidence so closely associated with the moral sentiments, tends of course in its growth to call forth the moral nature. The fact of reposing trust develops a watchful interest in others, and the fact of accepting trust makes the strongest appeal to the nobler impulses. The transaction does rest on a moral basis, and therefore calls into action moral forces, and by the satisfaction, the private and public approval they secure, prepares the mind for enlarged activity in kindred directions. The growth of commercial integrity is as natural and inevitable when once inaugurated, as of the virtues of courage, self-reli-

ance, magnanimity. The occasion and motives of a healthy moral sentiment are given in business, though under strong, sudden, subtile temptations, integrity may be often lost, and confidence suffer many a shock.

This progress of sympathetic, moral forces, in connection with commerce, is well illustrated by the present as compared with earlier and with ancient methods of treating debtors. Says Maine, in speaking of the severity of Roman law toward the debtor: "His indebtedness was doubtless regarded as an anomaly, and suspense of payment in general as an artifice and a distortion of strict rules. The person who had duly consummated his part of the transaction must, on the contrary, have stood in peculiar favor; and nothing would seem more natural than to arm him with stringent penalties for enforcing the completion of a proceeding which by strict right ought never to have been extended or deferred."

Nor need we travel but a brief period into the past to find a debtor's prison whose concomitants were little better than those which attended the confinement of the lowest felon. Now bankrupt laws, laws shielding various forms of property from attachment, shift the burden from the debtor to the creditor, and leave the former to renew the experiment of life with no further disadvantage than the loss of time and a restriction of credit. Indeed, so easily are commercial sins forgiven, that the last soon ceases to be felt. Here, then, a totally new state of feeling and of relations, much broader, kinder, and sympathetic, has sprung up in connection with the growth of business.

But let it not be inferred that these commercial forces, while calling into extensive activity the moral nature, and tending, in the conditions they impose, the motives they present, to urge men upward, are yet sufficient to establish and maintain moral growth. Indeed, did not the moral nature stand ready to receive these inducements, to feel their impulse, we should almost as hopefully expect to educate the cunning of the fox into an adroit policy of honesty, as the rapacity and greed of men into the forbearance the

patience, the high honor of commercial character. The growth of confidence has not been secured in exchange by its own forces, by the influences it alone has called forth. The greater lenity which has been extended to the debtor, the substitution, for the coarse, hasty method of brute force and severe punishment, of generosity and sympathy, have not been reached save by the philanthropic exertions of individuals, and the softening power on the community of Christian sentiments. This movement has not arisen within the commercial circle, and been urged by commercial incentives, though these motives have not been without their influence; but has been rather an expression of Christian interest and good-will. The severity of punishment has been mitigated, the tyranny of the creditor been softened, by the influence of men like Howard, who, under the impulse of good-will, have undertaken the thankless task of reform.

Moreover, mere forethought, prudence, the wisdom of experience, cannot present motives strong enough to confront pressing temptations, incorporated in the constitution of men and customs of society. The deceitfulness and dishonesty of Eastern nations cannot be cured by simple commercial experience; for such an experience cannot itself be gained till the cure is measurably effected. The mind may give a languid, obscure assent to the general principles of honesty, but can have no such settled and practical faith in them as to follow them against universal practice, the hope of immediate gains, and the transmitted and habitual tendencies of the mind. To expect deceit and dishonesty to cure themselves by a remedial process of their own, is to suppose the deep experience, the profound and wide-spread convictions which close the movement to be present to inaugurate it, to require the results of reaching the goal as a condition of starting for it.

The fate of credit when divorced from the moral nature is seen in those extended systems which rest it on commercial rules rather than individual confidence, and build it up into an independent and organized business scheme. We

have marked the certain and universal overthrow which follows the unsubstantial and treacherous character of the commercial fabric so constructed, and the sudden ruin in which it is involved. No scheme seems more ingenious and to promise easier and more flattering returns than that of a paper currency; yet, lacking a basis, a sound metallic footing, it betrays the community into incalculable losses, entails upon it chronic ailments, and leaves it, in every trial of strength, weak and timid. Nothing can better illustrate the demand for complete and thorough integrity, for an immediate, adequate, and sound support for every promise to the full measure and form thereof. A bank bill is not an engagement to pay at a single specified time, but at any and every time; not to one party, but to any party, and the security of this promise is not, cannot be, personal trust, but an ability put by the circumstances of the engagement beyond a peradventure. Every step in the growth of bills beyond specie, therefore, endangers the promise, and tends to its ultimate overthrow. In the strict equalizing of the power with the pledges that rest on it, we have a noble instance of commercial soundness and moral integrity; and, in the excess of the one over the other, a notable illustration of the abortive growth of spurious credit when cut from the trunk of stern virtue.

What, therefore, commercial law struggles to do, yet fails to accomplish, what it disciplines, vexes, punishes men for not doing, moral law, working with a more profound and independent force, is able to reach. The higher motive comes in to employ and sustain the lower, to give a breadth, precision, and beauty to commercial action, of which taken alone it is incapable; yet, which once established, it recognizes as essential to its full development, and is prepared to sustain with the force of motives never before so strongly felt. As strictly chemical forces never seem so potent, so able to work such unusual and perfect transformations as when under the influence and handling of the vital power, so the laws of exchange never accomplish so completely their

own results, never reveal so fully their beneficent action, as when brought under the superior government of the moral impulse. It is this which pleurably and completely reaches what the others painfully and inadequately aspire to. Thus again we find a lower plane of forces, which the most selfish cannot fail to feel, and feel through their very selfishness, preparing discipline, punishment, and incentives for those who are not yet ready to accept the restraints of virtue, or be blessed by its motives. Yet we also find this incipient order able to complete itself only as at length it is brought to minister to a higher life, falls under a more efficient and pervasive force, descending upon it, developing the strength that is in it, and gathering its minor and subsidiary tendencies into the sweep of a more inclusive and potent plan. That is partial, this complete. There is a struggle; here, its only hopeful, divine issue. Herein, then, runs the creative thought.

Political economy does not properly include consumption. It is the science of the production, distribution, and exchange of values, not of their consumption. Values are values because they directly or indirectly appeal to human desires, and the many and complex movements by which these are realized, and at length lodged in the hand of the consumer, complete the field of economic inquiry. A detached, separate system of laws controls the rise and transfer of wealth. It is these which form the science. The production, division, and transfer of values, practically inseparable, require distinct consideration. Though the three processes go on under the form of one, they nevertheless, in their nature and relations are diverse, each possessed of its own principles. Exchange constitutes rather the accidental form than the peculiar character of distribution and production, and it is advantageous, therefore, to consider these apart from the more general laws regulating the transfer of values. While exchange penetrates every economic process, and becomes the

prevailing form of movement, in one class of cases it is nevertheless incidental to other ends, and in another it is itself the end. We cannot, therefore, treat the whole science as one of exchange, as if traffic were the full and perfect type of every economic transaction.

Consumption, on the other hand, as a form of social action, lies without the pale of economic forces. It may, indeed, by the form it assumes react strongly upon these. So will the laws, customs, and religion prevalent among those engaged at any place and time in production; yet this fact does not make government or theology a branch of political economy. All that this science properly does is to aid man in securing the means of gratification by unfolding the laws which govern values, thus enabling him to gain these with the least exertion and greatest certainty.

When values are once lodged in the hand of the consumer, the observation of political economy ceases to be especially directed to them, and their right consumption becomes a question of social and moral interest. We may ask many questions concerning wealth which it is no part of the office of economic science to answer; as, for instance: How much wealth is it desirable to have? In what occupation can it be most easily obtained? Is this investment of it desirable? To this class belongs consumption, or the inquiry: How ought wealth to be expended? The definite office of political economy is to enunciate the principles which govern the distinct processes of acquiring, dividing, and transferring values, without at all touching those questions, either of expediency or duty, which are so intimately associated therewith, and are ever urging themselves upon the individual. We need to know the laws of mechanics if we are to set up machinery, though that science cannot tell us whether a mill should be built in this or that locality, or is desirable at all. The object of a knowledge of the science of values is to give ease, security, and certainty in their handling, not to decide how much the individual should have of them, in what employment he should gain them, nor what he should do with

them. Such knowledge merely enables us to make safe and wise, in the general principles on which it proceeds, the action, be it more or less, expended in securing wealth.

There is, indeed, one form of consumption wrongly so called, which is directly connected with production, and that is the use of material already valuable in the creation of further value. Thus leather is made into shoes, and timber into furniture, buildings, shops. There is here the form not the fact of consumption. In true consumption the commodity or service finally disappears in the gratification of a desire, and this act lies beyond, not within, the field of political economy.

Of this intermediate consumption, which is production rather, the expenses of government present the most interesting example. The public safety and justice which these are intended to secure are among the most essential conditions of exchange. The scaffolding by which a building is erected, the ways on which a ship is launched, are no more necessary and included parts of the outlay, than are the expenses of legislative, judicial, and executive action of the cost of production, of the national wealth, whose acquisition they aid and whose possession they guard.

By far the largest branch of this form of consumption is the expenditure of war. However wasteful war may seem to be, it is yet a wise and prudent and productive expenditure when it is necessary to social order, to just institutions, and national character. Too much cannot be laid out on the foundations, since the superstructure is an impossibility without them. If the half of national wealth is swept away by necessary war, the remaining half more than doubles its value, and from the additional security, liberty, and integrity of character gained, the productive forces may receive such a stimulus as quickly to replace all pecuniary losses. When moral qualities are really at issue, when wide-reaching truths and fundamental rights must be defended or surrendered, it is foolish to count the cost in dollars and cents, since these, in the right social state, can be quickly replaced, while with-

out those nothing can flourish. The life is more than meat, not only as greater, but as having in it inexhaustible powers of production. We cannot, then, suffer the fountains of economic, as of all other forms of strength, to be choked up, on the vain plea that it costs too much to guard and keep them open. Needful war is the most needful of all needful things, the most economic of all economic forces, the most moral of all moral actions. The sublimity of heroic faith, of expenditure risking all for all, laying down life for life, the lower for the higher, is to put the present with all its fascinating show of good, its physical wealth and temporal well-being, in peril and pause for the future, is to close up with quivering muscle every chasm across the path of the race in its march to a spiritual goal. This is to order virtue as God orders it, who holds the race in a long, hard discipline, suffering physical forces to tread and crush it as in a wine-press, that holiness may at last be seen; who rules the world on the distinct, pre-eminent principle that the life is more than meat, and the body than raiment.

But when and how often this necessity of war exists, and whence it arises, remain most grave questions, and rightly answered go far to show that most of the sacrifices of war have been made in obedience to the worst impulses, heroism swallowed up in brute ferocity, the holy tendencies put to most wicked work, bringing their immolations to the altar of Molock. Of the wars which have been waged, few, even in modern times, have been on either side in pure maintenance of principle, have been at once justifiable in their spirit and form,—the last appeal, when patience and exhortation had failed against unreasonable injustice and determined wrong. In these very few cases the wickedness of war is but the more marked on the part of those who have been able, in the face of Christian sentiment, to make the great and dire appeal solely for selfish, unjust purposes. Generally, however, right has been more or less divided between the parties, and the principles involved have entered as often by implication and secondary dependence, as they

have been the openly avowed, the clearly and consistently maintained, ground of either party.

The truths put at issue in war have suffered the peril of Paul, ready to be pulled in pieces between the contending factions his words had aroused. The principles thus established have more often been blindly eliminated in the heat of personal passion, than distinctly, broadly, and wittingly vindicated. The interests of men have frequently compelled them to make and maintain statements of right more far-reaching than they themselves would be willing to accept and enforce as against themselves. Self-love couches the eye, and enables it to see truth not discernible by the indifferent, much less by those in opposition. Thus we, in the revolution of '76, enunciated principles against whose inferences and applications we have ever since struggled. A combination of interests forced us to a progress we should not have made on purely moral grounds.

Even in those few cases in which war is the last resort, the acknowledged necessity of one party, it is well to remember what makes it so. That necessity does not arise outside of the opinions and choices of men. A cruel war is forced upon weak or reluctant parties so frequently, because no broad-spread, deep-seated sentiment condemns war, and arraigns those who seek this appeal. It is a majority vote, as it were, that maintains this method of arbitration, as it is that justifies and supports any form of tyranny. What is it that holds an army to duty and drives it into the face of danger? It is either the clear, decided choice of the majority, or a false belief in such a choice, maintained by mutual ignorance and fear. It is with the soldiers, not with the leaders, that strength lies. It is they that must punish disobedience and mutiny. It is they that handcuff and execute their fellows for a violation of orders. Leaders, therefore, can only enforce obedience and hurl their men into the jaws of death by controlling, or seeming to control, their choices. Let opinions be rife among the soldiers, and the expression

of them free, and authority cannot go much beyond the bias of feeling, the judgment prevalent with them.

As the army is maintained by the estimate which the soldier has of his duties, so is war maintained by the public opinion, or want of it, in the masses who are spurred on to suffer its dangers and endure its losses. Individual passion and ambition could not kindle the wide-spread and destructive conflagration of war did not the humbler ranks of men serve as fuel to the fire, as trains ready laid by which to ignite and explode a nation or a continent. The very moment that men, the masses and the majorities, will have an opinion, will know one with another what that opinion is, and be ready to guide their action by it, that moment authority passes into their hands, and they cease to be the living instruments of war, and to endure the sufferings from which no advantage can accrue to themselves or to humanity. Rulers and leaders walk on the heads of citizens and soldiers because the masses lie congealed and inert, as it were, in ignorance and mutual fear. Low passions, class prejudices, and national enmities serve as media along which to transmit the fury and rage of war, and enable skilful leaders to combine and hold together great armies, and, in the pursuit of personal and limited ends, to batter, waste, and splinter them, as if they were nothing more than a faithful sword given for this very end to their right hand. If, perchance, a little thought starts here and there, a little reluctance is felt at this or that point, it is quelled at once by the reverberating march of thousands, no one of whom knows but that the fellow who stands by his side would become his executioner should he strive for an instant to break loose from the ponderous, irresponsible, unreasoning body of which he is but a single atom. The maul may be battered and shattered by the blows which it gives, but that is it for which the tool was made, reasons the workman. Let the light of intelligence, the heat of moral purpose, thaw out these masses, open up and set in free motion these frozen streams, and leaders sink at once as units into the flood of humanity.

When the soldier asks what purpose the dangers and sufferings of war subserve for him, when his fellow propounds the same inquiry, and they together answer, no good purpose, but much loss every way, war approaches an end. The necessity on which it now rests begins to disappear, since that necessity springs only from the passions of men acted on by false and confused opinions.

Most legitimate and needful, then, is the constant appeal to public sentiment against war in behalf of peace, since error and inertness here are its occasion and condition. Violence and ruffianism are to be banished between nations in precisely the same way as between individuals. Personal rencounters, street quarrels, and duels are held in check by a sentiment which makes patience, or a calm appeal to reason or to law, the universally accepted criterion of manhood, and brands every other procedure as low, debasing, and barbarous. Let society from a given point slip one step toward barbarism, and personal altercation and revenge freely enter; let it rise one step toward true enlightenment, and these disappear and are replaced by judicial processes. The same is equally true between nations, though we have not yet reached the point of verification.

If, then, the necessity of war is not absolute, but one of our own creating; if it arises from the ignorance and passions of men; if it is no visionary or remote idea of social perfection to suppose a community of civilized nations so alive to their own interests, so impressed with a sense of justice, of individual safety, and national prosperity as to provide for and demand the judicial settlement of national as of private differences,—then, assuredly, do we do well to begrudge the vast expenditures of the war-system, the great burden imposed by it on the working classes. If this branch of governmental expenditure could be greatly lessened or entirely removed, there would at once be lifted such a load from the galled, jaded shoulders of the poor, there would at once be opened for them such a new margin of opportunity, as to give them the buoyancy of fresh hopes, the elasticity of successful enterprise.

The poor are, as a class, more affected by war than any other, not only because the waste of life falls chiefly on them, but because the taxation incident to its enormous expenditures is sure to seek them out, often in a very disproportionate degree, always with peculiar hardship. So much of taxation is indirect, resting on consumption, that the poorer classes feel, even beyond their measure, the public burden. So, too, the loss of capital incident to war finally rests most severely on the poor, since it is to the employment which the productive use of this would afford them that they look for aid. This form of loss would be much more severely felt did not war at the same time reduce by its slaughter the number of workmen. The poor are always in a critical position; a very slight gain or loss determines with them the question of progress or retrogression, of comfort or of suffering. If, therefore, the losses of war fall on them only in due proportion, they suffer relatively much more sharply from them than those who can maintain their social ground and rank from resources comparatively abundant. The changeable prices, also, and opportunities for rapid gains incident to war, result almost universally in the gains of a few, and the depression of the many. In the severe struggle through which this country has recently passed, though the large bounties have afforded some relief, high prices have pressed generally and heavily on the working classes.

These considerations are the more grave in the present state of improvement in military and naval warfare. War is now resolved into a race of financial, rather than physical, strength. New inventions superseding old weapons, rendering useless fortifications and armaments, impose enormous and purely experimental expenditures on those who wish to rival their neighbors in arms. Nor do these new outlays, great and burdensome as they are, solve the problem, or permanently alter its conditions. The advances of one nation are met, sooner or later, by corresponding advances on the part of others, and armaments of thrice the cost in construction and maintenance bristle on either hand against each

other. The outlays of one people impose kindred outlays throughout the civilized world, and this with the barren result of leaving each in the same relative position as before, with a greatly increased cost in maintaining it. It would seem that such a futile, and therefore such a heartless and brainless, race must come to an end. And it will come to an end the moment that men generally perceive its real character, and refuse to maintain it. The recent revolution in naval warfare, rendering comparatively useless half the enormous labor hitherto expended on fortifications and armaments, would seem to be well fitted to disenchant men of the strange fascination and sense of necessity which attach to the war-system, a system which gives neither the security nor justice which are its ostensible objects, and lays an ever-growing burden on the people in its futile efforts to redeem irredeemable promises. Let nations fall to once more, rebuild their forts, re-make their navies, re-arm their armies, it shall not be final. Nothing is final but justice and peace, accepted for themselves, and allowed with quiet counsel and fruitful hands to bless those who maintain them.

In one view how ridiculous, in another how sad, the attitude of a Christian world seeking prosperity and peace by hedging out war, by sinking ditches it cannot overleap, building walls it cannot penetrate, mounting ordnance it cannot resist, forgetful that the devil of passion on this side, is as cunning in device, as bold in execution as the devil on that, and that each finds in each the provocation and food of new inventions. If this chimerical bubble of armed safety could be exploded, and the resources expended in seeking it be turned to useful production, what a sudden, astonishing, and beneficent revolution would take place in society, and what a marvellous increase would there be of the means of good at its disposal! This is by no means a money question merely, since it is chiefly the reaction on national character, and the gains to national well-being that are sought.

The next form of consumption of which we shall speak, is not, like that of war, alleged to be in the line and interests

of productions, but is true consumption. As it is claimed that the luxuries of the rich especially aid the poor and quicken industry, the relation of these to social and industrial interests, and the moral discipline instituted through them, deserve notice. On the grounds of political economy alone we cannot criticise the most luxurious forms of expenditure. Wealth is sought only for the gratification of desires which it affords, and to judge between desires is not the office of economic but of moral science. Whatever the desire may be which prompts productive labor, the principles and laws of that labor are the same. There is no economic, any more than there is any civil, principle restricting personal liberty in the expenditure of wealth, provided the rights of others are respected.

While political economy yields its guidance to efforts which are prompted by frivolous, selfish, and excessive desire, the influence on society of lavish and luxurious outlay is very different from that often ascribed to it. Such expenditure is not for the general interest, as thought by many. The majority of luxuries, aside from those which minister directly to the appetite, lend their chief gratification through vanity and pride,—using these words in no opprobrious sense, but as including the satisfaction which arises from the admiration of our fellow men, and the sense of possession. Luxuries are altogether relative; they are indulgences decidedly beyond those common in the community to which we belong. The necessities of one place or time may be the luxuries of another. They express, quicken, and gratify the love of superiority, and afford a broader circle and higher grade of enjoyments than fall to the masses. Now it is not in the least denied that intellectual and esthetic taste, a love of ease and superior comforts, may not come in to guide and influence luxurious expenditure, but that the dominant feeling in what is distinctively and peculiarly luxurious in the race of refinement and fashion, is that of vanity, the attention and admiration elicited by things got up so nicely, so expensively, so superbly.

Most luxurious outlays would have no significance outside of society, would be an absurdity, were not many to see and admire them. Coaches, laces, India shawls, as much call for curious, gaping, wondering eyes, and busy, gossiping tongues, as philosophy for intellect, or statuary for taste. Such expenditure, resting on the love of display, impels those who join in it through the fickle, frivolous, selfish circles of fashion, and leaves the heart worn, waste, and cynical as the fruit of indulgence. The interests of humanity have least of all to expect from those who squander their resources on personal gratification, and are soured by the very good they seek.

Those also thus unscrupulous, thus forgetful of others in their expenditures, are equally heedless and grasping in their acquisition of wealth. The poor have little leniency, little softening of the hard conditions of the market to expect from him who, with his eyes set on future indulgence, and his impatient desires spurring him forward, only accepts business as a means of money-making, an intervening drudgery to be endured because not to be avoided. From eager, heedless luxury springs rapacity. The connection is natural, almost inevitable. Wanton and excessive expenditure requires, to maintain it, hasty and unscrupulous acquisition, and the selfishness which allows the first will as readily admit the second. It is usually found, therefore, that those who have exorbitant ideas of the quality and claims of their own pleasure, have little thought even for the necessities of others, and that the prodigality of private outlays drinks up public benefactions. We intensify personal feeling through any form of indulgence at the peril of rendering it unconscientious, exacting, cruel.

The effect of luxury on the poor is as unfortunate as on the rich. The ignorant and improvident are, in God's economy, the wards of the intelligent and thrifty. If these take the fruits of industry and forethought, and devote them to their own enjoyments, the former are left to shift for themselves, to endure to the full the retribution of sin, to bear

unpitied and unsided the burden which their physical and moral misfortunes and sins lay upon them. We have seen what an essential element of production is capital. Without large amounts of this, labor is shorn of its strength, is comparatively worthless. Capital is the indispensable yoke-fellow of labor. It represents the contribution of moral and intellectual qualities to production: the ingenious machines, the costly natural agents walled in with wood and stone, bitted with iron and brass for the service of men, the manifold edifices and instruments of manufacture and commerce. We might as well divorce mind from matter, thought from muscle, as capital from labor, since the one is but the manifold, multiplied resources of ingenuity and patience, giving power and wisdom to the tough hand of the other. To weaken the laborer, therefore, at this point; to withdraw hastily, constantly, wastefully, capital for private consumption, is to arrest productive progress, to hold back society from economic, and thus moral growth, to rob workmen of the advantage about to be realized from the multiplication of capital, its increased competition, its lower rates, and the consequent advance of wages.

Luxurious consumption does, indeed, involve — as in rich fabrics, prodigal entertainments, and costly villas — the employment of labor, and hence a transitory advantage; but he is very short-sighted who supposes this to be an adequate compensation for withdrawing the sums expended from the active processes of production, wherein they were able to act as a permanent force, cheapening the commodities of constant, universal consumption, giving to the laborer a brisk, profitable, growing market for his services, and enabling him to expend his growing wages with increasing advantage. Luxury is forestalling, on the part of a few, the common good, a grasping in advance social gains which more patience and generosity would allow to accrue ultimately for all, is unhitching from the chariot of social progress its wheel-horses, that they may prance away their strength in private parade, is leaving labor where it is, to toil on under the

same old, hard conditions, finding its pleasure and its holidays in gazing remotely from street and roof-top on those who in purple and fine linen pass by in civic procession, in wedding cortège, in funereal solemnity. It is this haste, this grasping at instant, isolated, superior indulgences, which mark the selfishness of luxury, and make its cold desertion of the needy so disastrous, its divorce of capital from dependent labor, fruitless and thriftless without it, so unfortunate.

Luxury has usually been found in close proximity with pinching, tormenting poverty. The luxury of past ages, of Babylon, Persia, Rome, was nurtured by the most abject condition of the masses, more frequently than otherwise by the slavery of the producers. In our own country, where a more Christian, a more generous sentiment tempers and restrains private indulgence, we yet find in our large cities the most luxurious outlays in immediate connection with the most extreme want and degradation. These surf-capped waves, bursting with their own fulness, never rise without opening just at hand troughs that swallow up the wrecks they make. A fact akin to this is the circumstance that many of the products which are especially the objects of excessive expenditure come from the most famished hand of poverty, from labor the most ill-paid of any. Of this class are French laces, India shawls, and diamonds, perchance the fruit of Brazilian slavery. Here, as elsewhere, the one extreme begets the other, and the head of society tosses a plume, only that its feet may clump in pattens or go naked.

Luxury, then, is chargeable as against the poor with withdrawing and consuming capital, the most needful adjunct of labor; with ceasing to improve and cheapen articles of general consumption; with directing attention to products rare and relatively worthless; with taking in many cases its richest commodities from the poorly-paid or unpaid hand of poverty; with accepting and widening the gulf between classes, feeding its own satisfaction by a sense of superiority to its fellows; and, above all, with withdrawing that guidance and sympathy especially due from the strong to the weak.

Of the various forms of luxury, religious luxury — the luxury of churches and worship — is the most intolerable, since it is most immediately and manifestly at war with the true Christ-like character of that impulse which it claims to gratify. It is not the splendor of churches that we complain of, but that this splendor exists and is even paraded as an acceptable sacrifice, while the greater portion of the world is without churches, or even a gospel; that we are bid to retreat from the Christian scheme of self-denial to the Jewish one of pomp and ritual, from a spiritual to a material good.

But it may be thought that in restricting private expenditure, in insisting that capital should, as far as possible, remain in production, we destroy the motives from which alone the labor and self-denial of production are endured. It is only apparently that we do this. We seek to substitute one set of motives for another, one reward for another, and that a full, noble reward, for a small, base one. This we shall see in contemplating the form of consumption consistent with social well-being. There are some indulgences, by their own nature always and everywhere inconsistent with physical and moral health. These can never in the growth of society come into the class of accepted pleasures. But every product which gratifies a just desire, which has in it an intrinsic good, cultivates the taste, softens the manners, gives art, elegance, excellence, we may believe, shall ultimately be removed from the class of luxuries to that of the amenities, the decencies of life. A product is luxurious sometimes, from what it is in itself, from the excessive, ill-bestowed labor which it has cost, and often, from the fact that it is far in advance of what the industrious and intelligent masses can reach. Against this last class, in which the labor is neither perniciously, frivolously, nor disproportionately bestowed, but one objection lies, that they are premature; that a hasty reaching after them by a few retard the many, retard society in its approach to their enjoyment, that such an anticipation is not the dictate of benevolence and sympathy. Herein, then, in our relations to society, we find the

law of reasonable expenditure, the variable line which to-day separates conveniences, elegancies, from luxuries.

A fuller inheritance of the gifts of the world, a more rich and abounding service exacted from its natural agents, a multiplication of the conveniences, enjoyments, and tasteful pleasures of life, are to be sought after as victories of mind over matter, as adjuncts to that social, intellectual and spiritual life, which is the highest product of manhood. It is, however, the march of the masses of men, of the rank and file of the great army of humanity, that is to be watched over and longed for; that goodly houses and cunning fabrics may be prepared for them; that leisure and literature, art and worship, may wait on them; that Christ's poor may have a kingdom opened to them. The expenditures of the few which forget this general progress, and tend to make it impossible, are morally and religiously censurable; those which contemplate it and bow immediate individual good to it, are just, generous, and wholesome. Now the highest, most encouraging stimulus is imparted to the masses by those who are nearest to them, yet somewhat in advance. That which is within the hope of the industrious and intelligent quickens them; that which is beyond their reach discourages and represses them. That exercise of taste, that moderate but well-timed expenditure on grounds, on social and intellectual enjoyments, which open the way, direct the eye, and encourage the activity of the intelligent and prosperous masses in the rear, are most desirable, and convert the wealthier classes into true leaders; not barbaric leaders for whom all live and slave, but Christian leaders, who bring superior powers to superior service, — the forerunners of the many.

The vast possession of an English lord, dropped into the midst of a depressed population, hanging on the mere verge of existence, can only bring a sense of hopeless discouragement, if not of bitter wrong. Such fairy magnificence, such prodigal provision for the pleasure of a few, seem more like an impossible dream than a sober fact, to the weary, hungry

eye of the poor. They have cost the owner no labor, and are as much beyond the ken of simple industry as the feasts and palaces of a magician; they separate the higher from the lower by an impassable gulf, and compel these to feel that they are but the rubble, unshapen stones, that fill the ditch, that feel the pressure of the whole superstructure without themselves once coming to the light. The rich thus become the carnivora who feed upon the poor, sucking into the bloated body of luxury, drop by drop, the life-blood of the feeble, famished ones who neither know the nature of the wrong they suffer nor its remedy.

On the other hand, improvements that lie so close on moderate means as to be within reach of the enterprising, which owe their excellence to superior skill and taste quite as much as to superior expenditure, which are free from all selfish ostentation, and create no barrier to intercourse and sympathy, which have reference at once to private and public well-being, which are not less in gratification of a benevolent heart than a cultivated mind, and, free from the charge of luxury, leave to the wealthy the great part of their resources to be used for the general good. Capital, rescued from the service of vanity and handed over to that of benevolence, may, in part, be retained in business, cheapening products of general consumption, granting easier terms to labor, shortening the hours of toil, stimulating hope, and smoothing the path to prosperity for that incipient intelligence and enterprise, which, like a tender bud of spring, may be easily destroyed, or easily developed into a strong and beautiful life.

“We need examples of people who, leaving heaven to decide whether they are to rise in the world, decide for themselves that they will be happy in it, and have resolved to seek, not greater wealth, but simple pleasure; not higher fortune, but deeper felicity; making the first of possessions, self-possession, and honoring themselves in the harmless pride and calm pursuits of peace.”

Another portion of capital, withdrawn from business, may

render a still higher service in quickening thought, providing the means of education, strengthening the social and religious sensibilities, and thus evoking those germs of manhood without which true prosperity is impossible to the laborer, abiding skill and energy to the producer. What nobler and more enjoyable field of action is open to the large capitalist as the result of superior wealth, than that offered by those whose hopes and opportunities are so directly entrusted to him. How sad the picture which a manufacturing village presents, when the owner, pushing production in a selfish, grasping spirit, enlarging to the utmost the hours of labor, and reducing to the utmost its reward, spends in personal indulgence, on family luxury, wealth which removes him from all sympathy with the indigent, and leaves them to the natural untidiness and unthrift, discouragement and dissoluteness, of poverty. How bright the opposite picture, when the talent and enterprise of the head seem to have become the gift, the inheritance of all, and the common prosperity to be wrought out with the indomitable energy and power of great capital; when the abundant gains of cheerful labor return at once to the general good, enriched with a sense of mutual strength and personal sympathy. Production thus ceases to be a disguised warfare of exaction and remissness, of justice contending with fraud, now on this side, now on that, dealing indiscriminate blows like a street constable, and becomes the parent of physical and intellectual life, of social strength. A generous regard of one class by another, a regard not patriarchal, but one which respects the rights and powers of all, which cultivates independent manhood, which aims at equal, co-extensive growth, is the product of the Christian spirit the world now waits for.

Let it not be said that consumption so directed ceases to be a motive to production. This is to affirm that the pleasures of benevolence are small and weak when compared with those of ostentatious selfishness; that it is better to be the object of the envious admiration of the poor, than of their cordial and grateful affection; that the cold, formal elean-

ces of life are more enjoyable than rich moral feelings, broad philanthropic sympathies ; in short, that labor can never be undertaken in the same cheerful way for others and one's self, as for one's self against others ; that selfishness is and must be the great incentive of production.

Here, again, in consumption, we come once more, and more plainly than ever, in view of a higher and a lower law, each adequate to its own government and form of order, but the one infinitely transcending the other. Let men expend their wealth as they choose, let consumption, eluding the law of benevolence, submit only to that of personal pleasure, and we still have a powerful force evoking activity, dividing classes, establishing dependencies, working out an order under which society can be maintained, character disciplined, and the conditions of the moral and social problem brought distinctly before the mind. Indeed, self-love does a work that love cannot do, since the one finds play in hearts destitute of the other, and imparts impulse to them. Yet this condition of proximate order shows its immature and partial character by the restless and unstable form it assumes. There is no continuous, firm progress as under a general life-giving law, but revolution, convulsion, overthrow, as of unbalanced and conflicting forces, seeking to evolve a permanent tendency, to reach a settled relation, a happier balance. Power and wealth will always, in the incipient states of society, fall into the hands of a few, the fortunate, the skilful, the cunning ones. If they are to be appropriated as personal possessions, advantages for private consumption, the progress of the masses will thereby be barred, and a broad substratum of workers, of those essentially servants, be established in the human hive. It now becomes more than a figure to call the wealthy few the upper-crust. There is a seething, blind, molten, volcanic mass beneath, that may for a time bear them, and may at any moment, and ultimately will, open and swallow them up. The latest instance in which the upper class have sunk into and under the lower, the foundation of an insecure social order giving

way, is afforded by the South. Such revolutions, perfect or partial, under the law of selfish consumption, must come. In the action and reaction between luxury and want, each is carried to the extreme. The indulgence and display of this season provoke the greater displays of the next; and these, in the accumulation of means, require a more eager, searching eye, a more heavy, hard, exacting hand. If the state of society is so low as to admit violence, the plunder of provinces, and the labor of slaves, then luxury accumulates readily and rapidly the means of prodigality, and as at Rome, hastens the consummation.

If the stricter commercial law must be followed, wealth as wealth still gains an increasing control of the market, a broader and broader sweep of opportunity, a growing power through the fluctuation of prices to grasp the gains, and leave the losses to the many, and, in each social movement, to rise a little higher to the relative and frequently the absolute depression of others. A compact class is thus established, selfish by instinct, trained to exaction by dignified, sagacious, consistent, self-justifying practice; and ready, with recognized and well-defended power, to protect their social amenities and peculiar civil privileges. A social antagonism and political jealousies are thus established, which, if the framework of society is, as in England, largely constructed of the worm-eaten timbers of the past, must bring the sullen dissent and open collision of reform; or if, as in the United States, social order has been developed from broad and fundamental principles, will again and again call these principles in their minor application in question, and throw them, from time to time, into the strife of politics, and even of civil war, to be vindicated anew.

There is no moderation in luxury, in aristocratic wealth; there is no final quiet and contentment in prolific poverty under mere mercantile and civil restrictions. The crowded and hopeless poor cannot but at some time, under a sudden flash of light or opportunity, reason angrily, unsoundly perchance, yet determinedly, against a framework of law, of

society, which leaves them in the hands of the few, which congeals into rock all the fortuitous divisions, advantages, and disadvantages of the past, which turns society, itself flexible and vital, through the force of custom and precedent, into the stubborn strata which hold them dead and stiff as fossilized fish. If half of Scotland is owned by six, and half of England by a hundred and five men, they will not understand how the monstrous wrong of the past becomes the indefeasible, holy right of the present; how society can turn into such astonishing monopolies the benignant distribution of nature, and maintain its work to be as just and valid as those deeper, more interior claims of man and society thereby displaced and suppressed. The selfishness that is underneath will never accept the logic of the selfishness that is uppermost, and the strife will wax and wane between them, now with arms, now with words, now on the political field, and now on the field of battle. A permanent, settled, equilibrium on these conditions is as impossible as in the atmosphere; the calm and the storm are equally brief adjustments of ever-returning conflicts between unbalanced elements.

The religious force of love, on the other hand, coming with an independent power, throwing considerations into the scales of action, that determine on which side they shall settle, profits by all the previous training of self-love, makes its bitter experience, its short-sighted, blind, and malignant action a ground of admonition, an experiment in morals, closing the road to instant and reckless gratification, and, imparting breadth and compass to interest, shows it to run parallel with the line of right action. The soul is thus lifted into a new realm without losing the influence of the old, bears with it lower forces, separates them from those forms of unguided, unrestrained action which are now antagonistic to true spiritual life, now co-operative with it.

The subserviency and parallelism of self-love to love are never felt while the eye ranges over actions on a low plane, for two reasons. The survey is too limited, and immediate pleasures are too much exaggerated by proximity. The

more remote gains, to a self-inclined heart, the uninterpreted and unappreciated gains of generosity, cannot be held at their just value, while the instant, longed-for, and, in the contrast, intense pleasures of indulgence cannot but receive from the inexperienced mind an extravagant valuation. Nor does long observation without a corresponding growth of the moral nature correct this estimate. While there does spring up and deepen a sense of disappointment in self-indulgence, there arises no counter hope in benevolence; the mind is perverted rather than instructed, the heart embittered rather than redirected. The appetites and passions are made more intense and exacting, and though less pleasure is the reward of indulgence, more pain is evaded by it; the impelling forces have indeed passed from the front to the rear, from persuasion to coercion; but are neither less, nor less blind, nor less exacting. The experience of sin is got by departing from virtue, and can never, therefore, as a pure, naked experience, cause at length the balance of impulses to turn toward truth. The mind loses sight of the blessedness of obedience even more rapidly than it comes to know the misery of disobedience.

A second equally important fact, disguising from the inexperienced, selfish eye, the parallelism of self-love and love, is, that this parallelism does not exist except by virtue of the existence of a moral nature. Without moral affections to be gratified by present self-denial in behalf of others, without conscience to command and sustain benevolence, it cannot be shown that self-love does require the line of action pointed out by duty. It is the unusual reward and satisfaction of doing right that puts this form of action above every other in the pleasure conferred, and these will not be secured or understood till we accept and do duty for its own sake. If, therefore, we station ourselves on the low level of interest, to the oversight of our moral nature, we can there never discern that parallelism which becomes so obvious and satisfactory in the pure, upper air of a spiritual position. It is not till we feel the force of the higher law that we find that

selfishness can be eliminated from self-love, and that this may be united with love as twin stars revolving around one moral centre, and sending their joint influence into the realms of action, among the planets whose orbits they order.

ARTICLE II.

THE PHILOSOPHY OF NESCIENCE; OR, HAMILTON AND MANSEL ON RELIGIOUS THOUGHT.

BY PROF. J. R. HERRICK, D.D., BANGOR THEOLOGICAL SEMINARY.

MANSEL'S Bampton Lecture on "The Limits of Religious Thought" was published some ten years ago. It was the application of Hamilton's Philosophy of the Conditioned to Religious Thinking. Such application was not made to any great extent by the master himself. This was done most vigorously by the ablest disciple, doubtless, of the renowned philosopher. The work is carefully prepared, and logically it is very able. It should also be said that in it valuable suggestions are made in respect to objections to some of the doctrines of religion. But that which gives to the work its special and permanent interest, as well as a temporary notoriety, is the main assumption of Mansel in regard to the possibilities of thought as wholly conditioned and relative.

He first affirms that the difficulties to be encountered are the same in theology as in philosophy, no greater in the one sphere than in the other. This position may be accepted, and, taken by itself, needs not to be controverted.

This granted, the philosophi-theologian lays down his grand postulate, which is to be applied, he argues, both in philosophy and theology, and which is substantially this: Our thinking cannot possibly reach beyond the relative and conditioned. In neither sphere can we think the infinite. We cannot *know* truth relating to the infinite, and yet we must believe it—therefore, Hamilton and Mansel would say, we are bound