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THE PRINCIPLES  
OF  
POLITICAL ECONOMY.



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OF  
POLITICAL ECONOMY

BY

HENRY SIDGWICK,  
AUTHOR OF "THE METHODS OF ETHICS."

'Tis the day of the chattel,  
Web to weave and corn to grind:  
Things are in the saddle,  
And ride mankind,  
EMERSON.

THIRD EDITION

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P11

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## PREFACE TO THE FIRST EDITION.

THE character and scope of this treatise I have endeavoured to explain fully in the introductory chapter ; it remains for me here to acknowledge my debts to the works that have chiefly aided me in composing it. • After J. S. Mill's book, from which I first learned political economy, and on which the present work must be understood to be primarily founded, I believe that I owe most to Jevons's *Theory of Political Economy*, the leading ideas of which have been continually in my thoughts. I am also considerably indebted both to Cairnes's *Leading Principles of Political Economy* and to the *Economics of Industry*, by Mr and Mrs Alfred Marshall, together with some papers by Mr Marshall on the theory of Value diagrammatically treated, which have been privately printed<sup>1</sup>. I have also derived valuable suggestions from Mr Hearn's *Plutology*, and from Mr F. A. Walker's *Wages* ; also from Mr Macleod, as regards the theory of Money, and to some extent in treating of Wealth and Capital—

<sup>1</sup> Mr Marshall also lent me for perusal, several years ago, some MSS on Foreign Trade which have not—so far as I know—been printed.

though I do not agree with most of Mr Macleod's views. I must also express my obligations to the writer of an article on "Industrial Monopolies" in the *Quarterly Review* of October 1871.

Among foreign writers, I have derived most assistance from the works of Professor A. Wagner and the late Professor A. Held; especially from the former's elaborate systematic treatise on the subject. I am also indebted to Cournot's *Principes Mathématiques de la Théorie des Richesses*, and to Schäffle's *Quintessenz des Socialismus* and *Bau und Leben des Socialen Körpers*.

Finally, I must acknowledge gratefully the aid that many friends have kindly given me, by supplying information or suggesting corrections required for various portions of the work while it was in progress among whom I must particularly mention Mr F. W. Maitland, of Lincoln's Inn, and Mr J. N. Keynes, of Pembroke College, Cambridge. To the latter I am especially indebted for his kindness in reading and criticising the proof-sheets of the greater part of the book: which has enabled me to improve it in many respects.

H. SIDGWICK.

March 1883.

## PREFACE TO THE SECOND EDITION.

In revising the book for a second Edition I have carefully considered all the published criticisms of it that I have seen, and also the criticisms that have been kindly sent me in private by several persons—among whom I ought especially to thank Mr F. Y. Edgeworth, Mr Carveth Read, and Mr P. H. Wicksteed. I have usually modified, and sometimes rewritten, the passages criticised: but I have not altered my views on any point of fundamental importance. I have also endeavoured to shorten and simplify several parts of my exposition which appeared to me needlessly prolix or complicated: and have thus been able to make room for a certain amount of new matter without materially adding to the size of the book. Further, I have been aided in my revision by some of the books on Political Economy which have appeared since my first Edition; to some of these I have had occasion to refer by name in notes: of those to which I have not so referred the most important is the *Handbuch der politischen Oekonomie*, edited by G. Schönberg. I must also thank Mr Keynes and Professor Foxwell for useful suggestions which they have made, at my request, on certain sections of the book while it was passing through the press.

H. SIDGWICK.

August 1887.

## PREFACE TO THE THIRD EDITION.

In preparation for a new Edition of this work Professor Sidgwick had made notes of certain modifications that appeared to him to be desirable. These modifications have now been introduced; but they are not numerous or of fundamental importance. The further changes in this Edition consist mainly in the incorporation, principally in Chapters 2 and 3 of the Introduction, of portions of articles contributed by Professor Sidgwick to Mr Palgrave's *Dictionary of Political Economy*. It was the author's wish, expressed when these contributions were originally sent to Mr Palgrave, and repeated to me shortly before his death when he asked me to prepare this Edition for the press, that such use should be made of the articles; and the requisite permission has been readily given by Messrs Macmillan and Co., who are the publishers of the *Dictionary*, as well as by the editor.

I desire to express my indebtedness to Mrs Sidgwick for the aid she has given me in revising the proof-sheets.

J. N. KEYNES.

November 1901.



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