

CYCLOPÆDIA  
OF  
POLITICAL SCIENCE,  
POLITICAL ECONOMY,  
AND OF THE  
POLITICAL HISTORY OF THE UNITED STATES,

BY THE BEST AMERICAN AND EUROPEAN WRITERS.

EDITED BY  
JOHN J. LALOR.

VOL. I.  
ABDICATION—DUTY.

NEW YORK:  
MAYNARD, MERRILL, & CO.  
1899.

between the sovereign and his subjects; but that the prince may exercise a corrupting influence is none the less admissible. The servility of subjects certainly is not calculated to inspire the sovereign with much moderation in the use of his authority, but it is evident that absolute power generally precedes servility.—But if the monarch is powerful for evil, because men choose their models from among those in high stations, he is able also to do good, and put an end to corruption, at least in a certain measure. To the general corruption of morals he should oppose the purity of his own life, and should know how to prevent speculation by good laws, and by a policy as just and liberal at home, as it is honest and dignified abroad.—If corruption of morals, especially among those who are invested with power, may be met with under both the simple forms of government, might it not be possible to find a combination which would unite the essential principles of each of them in such a manner that one would serve as a check upon the other, and thus prevent any deterioration? Able minds have considered it possible, and to this end have extolled constitutional government. There is reason to believe that this form of government delays, if it does not put an end to, corruption of morals, and abolishes or lessens acts of speculation.—Everybody knows, for instance, that the ministers of Charles II. and those of queen Anne made no scruple of selling the secrets of their sovereigns to Louis XIV.! It is known that projected attacks were betrayed by the minister of war, and failed by reason of his treason! A little later minister Walpole became a corrupter, but even then men hardly dared to accept a foreign bribe. Walpole tried his influence upon the members of parliament. These facts very soon became of rare occurrence.—Publicity greatly aids morality in free governments. Corruption could not long withstand the attacks made upon it in parliament, in the press, and in pamphlets. Publicity is the best means of inspiring self-respect, which is the surest safeguard against the strongest temptations.—We have yet to refer to the question raised in some treatises on the law of nations (Martens, Klüber), whether or not it is permissible to corrupt the ministers, ambassadors, generals or subjects of an enemy. It has even been asked whether it is allowed to use corruption among friendly nations. But as we condemn corruption when practiced in the camp of an enemy, we need not say what we think of the attempt to inflict this injury upon an ally. We know, that notwithstanding all we can say, more than one will, in practice, continue to use money as an auxiliary; but, no matter how vain our endeavors, we can not but contend against abuse. Corruption is always and in all cases a crime in him who corrupts as well as in him who is corrupted. MAURICE BLOCK.

**CORTES** is the name given in Spain and Portugal to the parliament, which is composed of

two chambers. The history of the cortes is very interesting. This assembly, or rather these assemblies, for there was one in Castile, one in Aragon and one in Navarre, exercised great power and effectually limited the power of the king, as long as the feudal system flourished. For its remarkable details we must refer our readers to the history of Spain. But upon the dissolution of the feudal system and the establishment of standing armies, the cortes lost their power, though not without a struggle. They have regained it only after many centuries of obscurity and humiliation. Their actual organization is based upon the principles in force in all modern constitutional states. M. B.

**COSMOPOLITANISM** is a sentiment which embraces the whole human race. The cosmopolitan is a *citizen of the universe*, therefore he finds the popular patriotism which confines all its love to the country of one's birth too narrow. There is nothing better than cosmopolitanism when it is an extension of patriotism, when it is genuine philanthropy; but what shall we say of the man who wishes to substitute for patriotism a sentiment so vague that it lacks body and becomes a misty unreality? Does he not mistake the shadow for the substance? To estimate with accuracy how these two sentiments differ in intensity, we have but to remember how many millions of men have died for their country, and how few have sacrificed themselves for the good of mankind at large. M. B.

**COST OF COLLECTION OF TAXES.** By this expression is meant the expenses necessitated by the collection of the taxes, the salaries of agents and the support of the branch of the administration intrusted with the duty of collecting them. It represents the difference between the sum paid into the treasury and that paid by the taxpayers. The lessening of this difference must be the result of a good system of collection. It depends, therefore, upon a good mode of assessment of the taxes; on a systematic, wise and perfect administration. It is, in many respects, the expression of the order and justice with which the finances are managed.—We quote the following from J. B. Say (*Cours*, part viii., chap. 6): "I read in a memoir of Hennet, first commissioner of the finances, that, in 1813, France, which then consisted of 130 departments, in order to obtain 170,000,000 francs from the lands and domains subject to taxation, had to assess the tax payers 240,000,000, that is, 70,000,000, or 41 per cent. for the cost of collection." "In England, before Sully's time, the cost of collection amounted to 500 per cent.; to-day [Say wrote in 1829] it is hardly 5 per cent. of the entire receipts."—According to this, the cost of collecting taxes has been wonderfully lessened in France since 1813; for, in 1854, it was hardly more than 5 per cent. in 86 departments. The figures given for the epoch previous to Sully, seem very much ex-

aggerated, if we compare them with Froumentau's curious book (*le Secret de finances*, 1580, book i., p. 142), which gives the total receipts for 31 years, ending Dec. 31, 1580, at 1,433,000,000 livres, of which only 927,000,000 were paid into the royal treasury: the difference is 526,000,000, or 57 per cent., the cost of collection.—Necker, in his *Administration des finances* (1785, chap. iii.), estimated the total cost of the collection on receipts to the amount of 557,500,000 francs, or 585,000,000, including the "corvees," and the costs of distraint and seizure, constituting the entire tax of France, at only 58,000,000, or 11½ per cent. A calculation of Eugene Daire, based on the results of the budget of 1842 (*Annuaire de l'économie politique de 1844*, p. 84), puts the cost of collection at 132,000,000 upon a gross receipt of 1,130,000,000, or 13½ per cent. of the sum actually paid into the treasury for public purposes. According to this the administration of the finances of France in 1834 did not differ from the administration before the revolution, if Necker's statement be correct.—We would remark that, in general, the cost of collection of the tax imposed upon the manufacture and sale of a product is greater than the cost of collection of the taxes called indirect, which are levied upon objects of general consumption; and the cost of collecting these latter is greater than that of collecting direct taxes upon land, personal property, doors and windows, income, etc. JOSEPH GARNIER.

**COST OF PRODUCTION.** Every economic theory has a value independent of its truth. It has a place in the history of philosophy, in addition to the claims it may possess for the light it throws on phenomena and their laws. No economist could now deny that writers on political economy have for the most part overestimated the adequacy of their method and the certainty of their conclusions. Yet some of the doctrines that have the least claim to unconditional acceptance contain elements of practical truth, and are replete with instruction in relation to the course of philosophical thought, and the causes which have governed the development of economic science in particular. Of these few better deserve attention than the theory of cost of production, which fills so large a space in the systems of Ricardo and J. S. Mill. The main principle of that theory is that the products of equal exertion and sacrifices, or of equal labor and capital, under free competition, are ordinarily, or on the average, of equal unchangeable value. Ricardo further held that capital is but the accumulated product of labor, and that cost of production resolves itself into quantity and quality of labor; a doctrine in which he has been followed in substance by J. S. Mill and other eminent writers. Four questions, then, arise for consideration: Is cost of production resolvable simply into labor? In other words, are no other important agents besides human labor employed in production, and properly included in its cost? Is the value

of things produced under free competition determined by their cost of production? If not, what is the real relation between cost of production, in the true meaning of the phrase, and exchangeable value? And what was the origin of the theory that the natural, and on the average the actual, value of things is determined by the cost of producing them?—The doctrine that all industrial products, including capital itself, are the produce of labor, has furnished the German "social-democrat" with his chief argument for the claim of the working class to all the wealth produced in the country. The elaborate sophistry of Karl Marx and Lassalle rests on the assumption that labor is the sole productive agent, and that the laborers are therefore entitled in equity to the whole annual produce, but that, under the modern structure of society, they are defrauded by capitalists of a great part of it as profit. It must be confessed that the language of J. S. Mill gives countenance to this proposition. The two elements, he says in his "Principles of Political Economy," on which, and on which alone, the gains of the capitalist depend, are, first, the productive power of labor, and secondly, the proportion of the produce obtained by the laborers themselves. The cause of profit, he states again, is that labor produces more than is required for its support, and the general profit of the country is always what the productive power of labor makes it: if the laborers collectively produce 20 per cent. more than their wages, profits will be 20 per cent., whatever prices may be. Yet it does not appear that Mr. Mill, in analyzing profit into remuneration of superintendence, interest and insurance—a faulty analysis, it may be observed, in respect of insurance, which forms part of the cost of production, not of profit—regarded the direction or management of industrial enterprise simply as a species of labor, in the economic sense of the word; and in one of his essays he has pointed out that its remuneration is governed by different laws. The German social-democrat at any rate ignores this element, although it is often the chief factor employed in a business. Mind, not muscle or manual labor, is the principal agent in modern economy. The water power of Niagara will one day be utilized for industrial and commercial purposes, not by the hands of myriads of laborers, but by the thought of a single brain. The steam engine is now the prime instrument of production, and its inventor, Watt, often complained that the main difficulty of constructing it arose from the ineptitude of the workmen. Would it not be ungrateful, too, on the part of mankind, to say that they owe no part of their wealth to the productive powers of the lower animals? Has the horse contributed nothing to it by his strength, activity and patience? Do cows and sheep produce nothing for men? Adam Smith has in one passage expressly included the work of animals under the head of labor; and when he speaks of "the annual labor" of every country as the source of its wealth, he