

PART IV — THE DISTRIBUTION OF WEALTH

CHAPTER I — THE MEANING OF DISTRIBUTION

As has already been observed, the distribution of wealth in political economy does not include transportation and exchange. Nor yet is there any logical reason for treating exchange as a separate department in political economy, as is done by those writers who define political economy as the science which teaches of the laws which regulate the production, distribution and exchange of wealth. Transportation and exchange are properly included in production, being a part of the process in which natural objects are, by the exertion of human labor, better fitted to satisfy the desires of man.

Nor yet again is there any logical reason in the division of the field of the science of political economy for establishing other departments treating of the consumption of wealth or of taxation. Taxation is a matter of human law, while the proper subject of science is natural law. Nor does the science of political economy concern itself with consumption. It is finished and done — the purpose for which production began is concluded when it reaches distribution.

The need of a consideration of the distribution of wealth in political economy comes from the cooperative character of the production of wealth in civilization. In the rudest state of humanity, where production is carried on by isolated human units, the product of each unit would in the act of production come into possession of that unit, for there would be no distribution of wealth and no need for considering it. But in that higher state of humanity where

separate units, each moved to action by the motive of satisfying its individual desires, cooperate to production, the question of distribution necessarily arises.

Distribution is in fact a continuation of production — the latter part of the same process of which production is the first part. For the desire which prompts to exertion in production is the desire for satisfaction, and distribution is the process by which what is brought into being by production is carried to the point where it yields satisfaction to desire — which point is the end and aim of production.

In a logical division of the field of political economy, that which relates to the distribution of wealth is the final part. For the beginning of all the actions and movements which political economy is called on to consider is in human desire. And their end and aim is the satisfaction of that desire. When this is reached political economy is finished, and this is reached with the distribution of wealth. With what becomes of wealth after it is distributed political economy has nothing whatever to do. It can take any further account of it only should it be reentered in the field of political economy as capital, and then only as an original and independent entry. What men choose to do with the wealth that is distributed to them may be of concern to them as individuals, or it may be of concern to the society of which they are a part, but it is of no concern to political economy. The branches of knowledge that consider the ultimate disposition of wealth may be instructive or useful. But they are not included in political economy, which does not embrace all knowledge or any knowledge, but has as a separate science a clear and well-defined field of its own.

If, moved by desire for potatoes, I dig, or plant, or weed, or gather them, or as a member of the great cooperative association in which civilization consists, I saw or plane, or fish or hunt, or play the fiddle,

or preach sermons for the satisfaction of other people who in return will give me potatoes or the means of getting potatoes, the whole transaction originating in my desire for potatoes is finished when I get the potatoes, or rather when they are put at my disposal at the place contemplated in my desire. Whether I then choose to boil, bake, roast or fry them, to throw them at dogs or to feed them to hogs, to plant them as seed, or to let them decay; to trade them off for other food or other satisfactions, or to transfer them to someone else as a free gift or under promise that by and by he will give me other potatoes or other satisfactions, is something outside of and beyond the series of transactions which originating in my desire for potatoes was ended and finished in my getting potatoes.

As a term of political economy, distribution is usually said to mean the division of the results of production among the persons or classes of persons who have contributed to production. But this as we shall see is misleading, its real meaning being the division into categories corresponding to the categories or factors of production.

In entering on this branch of our inquiry, it will be particularly needful to keep in mind that the laws which it is the proper purpose of political economy to discover are not human laws, but natural laws. From this it follows that our inquiry into the laws of the distribution of wealth is not an inquiry into the municipal laws or human enactments which either here and now, or in any other time and place, prescribe or have prescribed how wealth shall be divided among men. With them we have no concern, unless it may be for purposes of illustration. What we have to seek are those laws of the distribution of wealth which belong to the natural order — laws which are a part of that system or arrangement which constitutes the social organism or body economic, as distinguished from the body politic or state, the Greater Leviathan that makes its appearance with civilization and develops with its advance. These natural laws

are in all times and places the same, and though they may be crossed by human enactment, can never be annulled or swerved by it.

It is more needful to call this to mind, because in what have passed for systematic treatises on political economy the fact that it is with natural laws, not human laws, that the science of political economy is concerned, has in treating of the distribution of wealth been utterly ignored, and even flatly denied.