

## P R E F A C E

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When a boy thirteen years of age residing on a farm in central Illinois, I one day read in a Chicago paper a discussion concerning the hard times of 1873, in which some reference was made to "the present conflict between capital and labor." I do not remember any other part of the discussion, but these words attracted my attention and became fixed in my memory. At that time I had never seen a work on Political Economy, and it is doubtful if I had ever heard the term *political economy* used. However, I set myself to work upon the question of the seeming conflict between capital and labor referred to in the newspaper discussion. I do not know just how long I pondered over it, without any guidance but my own limited experience, but while still a boy I came to a decision upon the subject and formulated it in these words: "Naturally there is, and logically there can be, no conflict between capital and labor." From this conclusion I have never departed.

Some time after this I began to have access to books upon the subject of Political Economy and read even the

dryest of them with avidity. In the summer of 1883 I read Henry George's *Progress and Poverty*, an original work of great power and clearness, in which was first elaborated the doctrine of taking ground rent for public revenue. In 1892 I became acquainted, through translations and reviews, with the works of the Austrian economists. From them I received the suggestion that primarily value is not a matter of labor cost, but of utility. Their discussions, while purely theoretical and in many ways unsatisfactory and incomplete, led me to develop and apply to economic conditions the theory of value presented in the following pages. The illustrations used in Chapter IV of Part I in the analysis of utility and disutility are taken largely from the writings of the Austrian school.

I began writing this book ten and a half years ago. For a long time I clung to many of the terms and definitions, and to some of the doctrines of standard Political Economy, but was finally forced to abandon nearly all of them and to invent terms and to formulate definitions as well as doctrines distinctively my own. For this I offer no apology. It was not done merely in order to present something new, or something old in a new form, but because new thoughts and principles were necessary and could not be stated adequately with the old terms and in

the old way. Of about one hundred economic terms specifically defined or definitely used in these pages, nearly one-half are original in nomenclature and practically all in definition or application. All of the new terms, however, are such as tend to explain or define themselves.

To those friends who have so cheerfully and loyally assisted me in the preparation of this work, I desire to express my heartfelt thanks and appreciation.

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