

THE
DISTRIBUTION OF PRODUCTS

OR

THE MECHANISM AND THE METAPHYSICS
OF EXCHANGE

THREE ESSAYS

WHAT MAKES THE RATE OF WAGES?

WHAT IS A BANK?

THE RAILWAY, THE FARMER, AND THE PUBLIC

BY

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GENERAL PREFACE.

It may happen that one whose life from very early years has been of necessity mainly devoted to active business and to practical affairs, will be found as well qualified to treat the momentous questions which are the subjects of the following essays as students or practised writers whose pursuits are far removed from the actual work of providing for the material wants of men. But if this do not prove to be the case, yet the business man who puts the results of his observations into a simple form, easy of comprehension, may yet aid those who are more competent than himself in evolving a knowledge of the higher laws upon which the very existence of society depends.

A true commercial and economic history of nations, or even of the English-speaking people, remains to be written. "How did these people get their living?" is the question which every practical man asks when reading about the struggles of dynasties, the narrative of wars and battles, and the records of debates of legislative bodies, which constitute the chief material of history. Even when he reads such history with intelligent comprehension, he cannot fail to observe that no matter how each great struggle has begun, whether incited by religious enthusiasm, by personal ambition, or by the uprising of an oppressed people, in the end it has almost always been the commissariat that has controlled events. Power has fallen not so much to the strongest battalions and to the heaviest guns, as to those who could sustain the battalions longest, and support them with bread and meat as well as with powder and iron.

On the other hand, one who reads even the history of our own country from the commercial standpoint may well believe that

had Adam Smith's "Wealth of Nations" been written fifty years earlier, it might have exercised as profound an effect on the commercial policy of England during the fifty years preceding 1776 as it did in the fifty years subsequent to that date, in which case the colonies of America might have separated from the mother country by peaceful methods, and the War of the Revolution might have been spared.

Only the present can be called a specifically commercial century, and one of its phases has been the abuse of the power of credit. Only in a commercial era could national debts have been incurred in the way they have been during the last fifty years, and now these debts threaten the very existence of the nations which are burthened by them. Since the beginning of the present century, the public debt of Europe has risen from \$2,600,000,000 to over \$22,000,000,000. This debt has been accompanied in many States by the issue of paper substitutes for money, which have depreciated, and either by that method, or in some more summary way, the repudiation of a large part of it may become a necessity before the end of the century.

There are two kinds of national debt. One consists of debts imposed upon the property and products of the people by a dynasty, or by a privileged class of legislators, without the consent of the governed, and generally for the prosecution of wars by which the people were oppressed rather than made free. So long as such a debt exists it works a false distribution of wealth and of product, and it has even been said by one of the greatest living statesmen of England, that her "national debt is the chief cause of her pauperism."

The other kind of national debt is one incurred by the consent of the governed for the purpose of establishing personal liberty and equal rights. Such is our debt. It will all, or nearly all, be paid within one generation from the date when it was incurred, or at least within the present century; and it will have fallen to a democratic nation, founded upon manhood suffrage, to be the first among nations to redeem a substitute for money, put into use as

money under an act of legal tender for the purpose of collecting a forced loan, in the true coined money named in the promise. We shall also be the first to pay our debt without discount or depreciation. When our faith in democracy fails us, let us think of this and again take courage.

But if I can add nothing to the science of history by putting these practical treatises within the reach of students, I may yet offer them to my business friends and associates with the assurance that even if they may serve no other purpose, such studies lighten the necessary drudgery of our daily life, lend a phase of imagination to our work, bring friends and sympathy among men of science and literature, and render life far better worth living than it would be if it could only be measured by the mere dollars which we earn.

To the Directors of the Corporations with which I am now connected and by whom my own daily work is supervised and aided, I dedicate this volume, in testimony of the cordial friendship by which business men may become united, even when differing widely in their views upon great questions of public policy.

EDWARD ATKINSON.

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