

**JOURNAL OF SOCIAL SCIENCE
CONTAINING THE
TRANSACTIONS OF THE
AMERICAN ASSOCIATION.
NUMBER VIII; MAY, 1876**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649620043

Journal of Social Science Containing the Transactions of the American Association. Number VIII; May, 1876 by Various

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506
A5127

1635-23585

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JOURNAL
OF
SOCIAL SCIENCE.

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MAY, 1876.

LIBRARY
DELANO, JAMES WARD, HUBBOP
44 W. 13TH ST.

PUBLISHED FOR THE
AMERICAN SOCIAL SCIENCE ASSOCIATION,

By A. WILLIAMS & CO.,

233 WASHINGTON ST., BOSTON.

ALSO FOR SALE BY

G. P. PUTNAM'S SONS, NEW YORK. ROBERT CLARKE & CO., CINCINNATI.
PORIER & COATES, PHILADELPHIA.

1876.

EDITED BY

F. B. SANBORN,

Secretary of the American Social Science Association.

5 Pemberton Square, Boston.

121602

W. Hall
908 H. UNIVERSITY
VT. 121602

FRANKLIN PRESS:
RAND, AVERY, AND COMPANY,
117 FRANKLIN STREET,
BOSTON.

INFLUENCE OF THE PRODUCTION AND DISTRIBUTION
OF WEALTH ON SOCIAL DEVELOPMENT.

BY DAVID A. WELLS.

BEING THE ANNUAL ADDRESS OF THE PRESIDENT OF THE ASSOCIATION.
READ AT DETROIT, MAY 11, 1875.

LADIES AND GENTLEMEN,—In welcoming you to this first meeting in the States of the North-west, of the AMERICAN ASSOCIATION for the PROMOTION OF SOCIAL SCIENCE, with the address which ancient custom and a recognition of the fitness of things seems to require should be made by the presiding officer on such occasions, I propose to ask your attention to a line of thought touching the agencies which perhaps more than any other, are contributing to the moulding and development of society; namely, the production or accumulation, and the distribution, of that which we call wealth, or capital: meaning thereby abundance of all those things which contribute to our well-being, comfort, and happiness.

And, in so doing, the first point I would ask you to consider is, that, out of all of his present accumulations of wealth, man has never created any thing. What Nature gives, he appropriates; and in this appropriation, or collection of natural spontaneous products consists the original method of earning a living,—the method still mainly depended on by all uncivilized and barbarous people. The first advance upon this method is to make provision for the future by carrying over supplies from seasons of abundance to seasons of scarcity, or in learning the necessity and benefits of accumulation. But, in all this, man does nothing more than the animals, who, following what we term the promptings of instinct, gather and lay up stores in the summer for consumption in the winter; and he lifts himself above the animals only when, and proportionally as, he learns that he can tempt Nature to give more abundantly, by bringing various kinds of matter and various forces together, or into such relations as will enable them to act upon each other under the most favorable circumstances. And it is in the attainment and application of this knowledge of how to tempt Nature to give,—or, as we term it, "*to produce*," using to express our meaning most correctly a word which signifies "*to lead forth*," and not "*to create*,"—that the distinction is to be found between

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the civilized and uncivilized methods of earning a living; man in the one case being mainly a collector, and in the other a "*drawer-out*," or producer. And herein, furthermore, is to be found the characteristic, or, as Chevalier the French economist expresses it, "the mystery and marvel, of our modern civilization; namely, that, through the attainment and exercise of increased knowledge and experience, we have so far come to know the properties of matter and the forces of Nature, as to enable us to compel the two to work in unison for our benefit with continually increasing effectiveness; and so afford to us from generation to generation a continually increasing product of abundance with a continually diminishing necessity for the exercise of physical labor." And, as some evidence of the degree of success thus far attained to in this direction, we have the simple statement, — yet of all things the one most marvellous in our experience, — that at the present time, in Great Britain alone, the force annually evolved through the combustion of coal, and applied to the performance of mechanical work, is directly equivalent to the muscular power of at least one hundred millions of men; or, to state the case differently, the result attained to is the same as if the laboring population of Great Britain had been increased twelve-fold, without necessitating any material increase in production for the support and sustenance of this additional number.

Another illustration to the same effect, but one more recent and less familiar, is afforded by the construction and operation of the Suez Canal. Thus, a few years ago, a swift voyage from England to Calcutta, *viâ* the Cape of Good Hope, was from a hundred and ten to a hundred and twenty days. Now steamers by way of the canal make the same voyage in about thirty days. Here, then, is a diminution of seventy-five per cent on the enormous stocks of goods continually required to be held unused, involving continued risk of depreciation, loss of interest, and cost of insurance, to meet the requirements of mere transit. Add to which the fact, that the improvements in marine engines enable these vessels to work with about one-tenth less coal, and therefore carry proportionally more cargo, than they could seven or eight years ago; and that the construction of the telegraph between England and India enables dealers and consumers also to regulate their supplies without carrying excessive stocks of commodities, keeps prices steady, and discourages speculation, — and we have in this single department of trade and commerce a saving and release of capital and labor for other purposes and employments, that amounts to a revolution.

What is yet to be accomplished in the way of increasing the proportion of product to manual labor, time alone can show; but there is no evidence at present to indicate that we are approaching any limitation to further progress in this direction. A writer in "The London Econo-

mist" in 1873, evidently most conversant with his subject, claimed that the industry of the population of Great Britain at that time, taken man for man, was nearly twice as productive as it was in 1850; and I do not think that any one can review the industrial experience of the United States as a whole since 1860, but must feel satisfied that our average gain in the power of production during that time, and in spite of the war, has not been less than from fifteen to twenty per cent. And, if this statement should seem to any to be exaggerated, it is well to call to mind, that it is mainly within the last fifteen years that the very great improvements in machinery adapted to agriculture have been brought into general use; that whereas a few years ago, men on the great fields of the West cut grain with sickles and with cradles, toiling from early morn to dewy eve in the hottest period of the year, the same work may be done now almost as a matter of recreation; the director of a mechanical reaper entering the field behind a pair of horses, with gloves on his hands, and an umbrella over his head, and in this style finishing the work in a fraction of the time which many men would formerly have required, and in a manner much more satisfactory. I would also recall to you, that, in the manufacture of boots and shoes, three men now, with the aid of machinery, can produce as much in a given time as six men unaided could have done in 1860; that we have forty thousand more miles of railroad now than we then had to assist us in the work of exchange and distribution; that we can send our telegrams now for less than one-half what it actually cost to do the work in 1866; and finally, taking the Pennsylvania Central Railroad as a type, that we can send our freight by railroad at an average of 1.48 of a cent per ton per mile, as compared with a charge of 2.41 on the same road for the same service in 1864.

And, as a curious incident of this continuous progress, it may be here also noted, that the abandonment of large quantities of costly machinery in most branches of staple manufactures, and its replacement by new, is periodically rendered a matter of absolute economical necessity, in order to produce more perfectly and cheaply, and at the same time avoid the destruction of a much greater amount of capital by industrial rivalry; thus strikingly illustrating an economic principle to which attention was, I think, first called by my friend Mr. Atkinson of Boston, — that the absolute destruction of what has once been wealth often marks a greater step in the progress of civilization than any great increase in material accumulation; the breaking-up and destruction of the old machinery, and its replacement by new, in the cases referred to, being the sole conditions under which a diminution of the cost of production could be effected, and the abundance of product be made greater.

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We are often accustomed to speak of, and perhaps look forward to, a period which we call "millennial," which is to be characterized in particular by an absence of want of all those things which minister to our material comfort and happiness. But when that period arrives, if it ever does, one of two things must take place: either man must so far change his nature as to be able to exist in comfort without a supply of all those objects which are comprised under the general terms, *food, clothing, shelter, and luxuries*; or else the forces of nature must be so much further subordinated and brought under our control, as to do *all* our work for us, instead of, as now, doing but a part; and thus become in all respects our all-sufficient ministers and servants.

But, when that time comes, then all material wealth, as we ordinarily use the term, must disappear; for that only is wealth which has exchangeable value, and that only has exchangeable value which is desired. But we can neither value nor desire that which, like the air, is at all times given to all, in excess of any possible use or necessity.

But, fanciful as may be this speculation, it is nevertheless a most interesting and suggestive circumstance, that all of our true material progress constantly points in this same direction: inasmuch as the great result of every new invention or discovery in economic processes is to eliminate or discharge value; making those things cheap which were before dear, and bringing within the reach and use of all what before were for the exclusive use and enjoyment of the few. Thus, in 1170, Thomas ^A Becket was accounted extravagant because he had his parlor strewed every day with clean rushes; and, four hundred years later, cloth was so scarce that Shakspeare makes Falstaff's shirts cost him four shillings per ell. But few are so poor nowadays as not to be able to afford some sort of a carpet for their parlor; and, making allowance for the purchasing power of money at the different epochs, Falstaff's four shillings would now give him near *forty* times the same quantity.

Again: Sir Henry Bracton, who was Lord Chief Justice of England in the time of Henry III., wrote in the way of legal illustration, that if a man living in Oxford engage to pay money the same day in Loudon, a distance of fifty-four miles, he shall be discharged from his contract, by reason of his undertaking to do a physical impossibility. But to-day, what Bracton regarded as impossible, can be readily accomplished in from sixty to eighty minutes.

That this wonderful and continued increase in the gross product of every department of human industry and enterprise has been also attended with a general rise in the standard of comfort, leisure, and enjoyment, available everywhere to the masses, is sufficiently proved by not only the most superficial of observation, but also by a great variety

of statistics, which, although not as yet in any degree formulated or referred to an average, are nevertheless exceedingly interesting.

Thus, for example, the British commercial reports indicate that the ability of the populations of Russia and of Germany to consume cotton has at least doubled since 1851; that in Sweden the increase has been fourfold; and in Paraguay, fivefold. And not merely has the consumption of cotton cloth increased in near and remote regions, but the ratio of absorption among the working classes of Europe, of articles which a generation ago were luxuries to them, has also been most rapid and remarkable; the ratio of increase having been most marked in the average *per capita* consumption of meats, tea, sugar, coffee, cocoa, wines, and spirits.

But, gratifying as these evidences of increasing abundance certainly are, the cry of the poor, at least to the superficial observer, seems not less loud, and the difficulties of earning a living, or of getting ahead in the world, seem not less patent than they have always been; while the discontent with the inequalities of social condition are certainly more strikingly manifested than at any former period. To understand fully the origin of this social paradox, is to presuppose a full understanding of the whole domain of social science, or of the laws and phenomena involved in all societary relations; a degree and comprehensiveness of knowledge which it is safe to affirm has been attained to by no man. But there is, at the same time, a record of experience indicating the duties incumbent on society in respect to some of these matters, which cannot too often be pressed upon public attention.

In the first stage of society, property can hardly be said to exist at all, or it exists in common. In the second stage, individual rights appear; but property is to a great extent held and transferred by force, and the generally accepted principle governing its distribution is, *that might confers right*. As society has progressed, however, the reign of violence and lawlessness has gradually diminished, until now the acquisition and retention of property has come to depend on superiority of intellect, quickness of perception, skill in adaptation, — the cunning and the quick being arrayed against the ignorant and the slow, — while the principle which has come to be the generally accepted basis of all commercial, industrial, and financial transactions, is succinctly expressed by the coarse and selfish proverb, "*Every man for himself, and the Devil take the hindermost.*" And if we consider these terms as symbolical, and for the word "*Devil*" substitute absence of abundance, — want, misery, and privation; and for the word "*hindermost*," the masses, who constitute the bulk of every densely populated community, — then it must be admitted, that the Devil thus far has been eminently successful. But the governing and controlling influences of society — meaning thereby