

**CAPITAL AND POPULATION:  
A STUDY OF THE ECONOMIC  
EFFECTS OF THEIR  
RELATIONS TO EACH OTHER**

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Capital and population: a study of the economic effects of their relations to each other by  
Frederick B. Hawley

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**FREDERICK B. HAWLEY**

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*A STUDY*  
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BY  
FREDERICK B. HAWLEY.

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## P R E F A C E .

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My position as an economist, as exemplified in this treatise, is a peculiar one. While classing myself, I believe justly, as a strict disciple of what is usually called the English or orthodox school, I have arrived at results, in many instances, diametrically opposed to theirs; especially on the subjects of free trade and taxation. On the other hand, my reasoning presupposes the falsity of most of the arguments heretofore advanced in support of the very conclusions I uphold. As I antagonize the results of one side and the methods of the other, I can look for friends in neither camp. Nevertheless, as the principle I have enunciated really effects the reconciliation of two lines of thought, apparently hopelessly divergent, I may, perhaps, expect to be sustained by those of both sides who prefer construction to destruction.

It would be false modesty in me to seem unaware that the economic law I have attempted to establish equals in its influence upon economic conclusions any hitherto ascertained. Granted its truth, it throws new

  
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and decisive light on nearly all the unsolved problems of the science. That it is true, I venture to be the more confident of, because I find it conceded by both Mill and Ricardo, although they failed to apply it, or at all recognize its importance. What I have here attempted is to reason on their lines beyond the limit where they stopped, with the result of greatly modifying and sometimes subverting their conclusions. This I have done without in any case impugning their premises, or controverting their reasoning, further than to show that, while otherwise valid, it was incomplete. My anxiety to place myself in accord with, rather than in antagonism to, these great thinkers has been so great as to lead me to injure the literary form of my work by making it substantially a critique upon Mill's "Principles" instead of an independent and consecutive argument. This has necessitated long quotations, already so familiar to students as to lack interest for them. The importance of showing that my ideas are really but the further development of those of the orthodox school must be my excuse for this; and I shall be pardoned if it has enabled me, as I believe it has, to more readily place the law I enunciate, and in some degree elucidate, in its proper relation to the established truths of the science.

FREDERICK B. HAWLEY.

NEW YORK, *February, 1882.*



## CONTENTS.

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CHAPTER	PAGE
I.—CAPITAL . . . . .	5
II.—INCREASE OF CAPITAL . . . . .	13
III.—THE TENDENCY OF CAPITAL TO OUTSTRIP POPULATION	51
IV.—FIXED CAPITAL . . . . .	64
V.—PANICS . . . . .	77
VI.—CREDIT . . . . .	97
VII.—WAGES AND PROFITS . . . . .	113
VIII.—CAPITAL AND LABOR . . . . .	130
IX.—CO-OPERATION . . . . .	139
X.—FREE TRADE AND PROTECTION . . . . .	144
XI.—THE EQUATION OF INTERNATIONAL DEMAND . . . . .	175
XII.—DISTRIBUTION OF WEALTH IN A PROTECTED NATION	204
XIII.—RENT . . . . .	210
XIV.—COMMERCE . . . . .	214
XV.—ULTIMATE EFFECTS OF FREE TRADE AND PROTECTION	224
XVI.—TAXATION . . . . .	235
XVII.—SOME OTHER EFFECTS OF THE LAW . . . . .	251
XVIII.—CONCLUSION . . . . .	262



UNIV OF  
CALIFORNIA

# CAPITAL AND POPULATION.

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## CHAPTER I.

### CAPITAL.

JOHN STUART MILL, in his "Principles of Political Economy," in defining capital, says :

"The distinction, then, between capital and not-capital, does not lie in the kind of commodities, but in the mind of the capitalist—in his will to employ them for one purpose rather than another; and all property, however ill adapted in itself for the use of laborers, is a part of capital, so soon as it, or the value to be received from it, is set apart for productive reinvestment. The sum of all the values so destined by their respective possessors, composes the capital of the country. *Whether all those values are in a shape directly applicable to productive uses, makes no difference. Their shape, whatever it may be, is a temporary accident; but, once destined for production, they do not fail to find a way of transforming themselves into things capable of being applied to it.*"—(Mill, Book I, chapter iv, section 1.)

In Ricardo's works, chapter v, "On Wages," page 51, I find the following definition :

"Capital is that part of the wealth of a country which *is employed in production, and consists of food, clothing, raw materials, machinery, etc., necessary to give effect to labor.*"