

THE DISTRIBUTION OF WEALTH

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The Distribution of Wealth by Thomas Nixon Carver

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THOMAS NIXON CARVER

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BY

THOMAS NIXON CARVER

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HARVARD UNIVERSITY

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PREFACE

TEN years ago, when the author began the teaching of political economy, the economic world was still engaged in a lively discussion of certain problems in distribution. This discussion had been precipitated a few years earlier by the writings of such men as Francis A. Walker and J. B. Clark in America, W. S. Jevons and Alfred Marshall in England, and a group of Austrian economists, notable among whom were F. von Wieser and E. von Böhm-Bawerk. The author had already, during his course of university study, taken an interest in this discussion, having contributed two articles to the *Quarterly Journal of Economics*, one in October, 1893, on "The Place of Abstinence in the Theory of Interest," and the other in July, 1894, on "The Theory of Wages adjusted to Recent Theories of Value." The interest thus developed has not declined, but increased during the subsequent ten years of active teaching, first in Oberlin College and afterward in Harvard University, and the present volume is the outcome.

The author hopes that the reader who takes up this volume may do so with the understanding that

economics is a science rather than a branch of polite literature, and with the expectation of putting as much mental effort into the reading of it as he would into the reading of a treatise on physics, chemistry, or biology. The collateral reading at the close of each chapter is not intended to be exhaustive, but is selected with a view to the needs of the author's own classes. Only so many references have been selected as a class could reasonably be required to read, together with the text, in a half-course, meeting three hours a week during a half-year.

So much has been written in the field of distribution that it would be impossible for any writer in this field to claim originality for all his ideas, and equally impossible for him to give full credit in every instance to all those to whom he is indebted. The present writer is led to believe, however, that there is enough of originality, both in his ideas and his manner of presentation, especially in the chapters on Diminishing Returns and Interest, to warrant the publication of the book.

No one is entitled to be heard on the subject of distribution who does not owe much to such works as Marshall's "Principles of Economics," Böhm-Bawerk's "Positive Theory of Capital," Taussig's "Wages and Capital," and Clark's "Distribution of Wealth." The author hereby acknowledges his in-

debtedness to these writers. He has also received many suggestions from the series of articles which have appeared in the various economic journals by such writers as F. Y. Edgeworth, Simon N. Patten, S. M. Macvane, Richard T. Ely, Irving Fisher, H. C. Emery, J. H. Hollander, C. A. Tuttle, F. B. Hawley, W. G. L. Taylor, and F. A. Fetter. He is also under obligations to his colleague, Professor C. J. Bullock, for his valuable suggestions and friendly criticism, and to Mrs. Laura Grant Folin for assistance in revising the manuscript and reading the proof. But the author owes most of all to his wife, whose many helpful suggestions, kindly criticism, and unflinching sympathy have not only made the preparation of this book possible, but were the inspiration of the years of study and preparation which preceded it.

T. N. C.

CAMBRIDGE, MASS.,
September, 1904.