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Francis Wayland  
Political Economy  
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By Rev. Wm Richards –

## Concerning Political Economy

### Clarification

God has granted the means for all mankind to be wealthy. He gave the land upon which food may grow. He gave the trees by which to make houses, and which are necessary for many works. He gave all growing things in order to fulfill the wishes of the people. He granted them hands and the strength to work upon and improve the land, and all things by which to be wealthy. But when people live in ignorance, they are impoverished. Those things which God granted do not become assets for man. His home is a cave or a crude shelter, an unstable dwelling and a filthy abode. His clothes are leaves or animal skins, and some are of tree bark. He hunts wild animals for food and seeks the wild plants of the forest; he does not do like the ant, and prepare food in abundance.

Thus people dwell in poverty when they are ignorant. They do not know where to acquire

wealth. They see the wealth from other places and they are amazed by the abundant wealth of other lands. They do not recognize that God has scattered through all lands the means for great wealth.

2. So *political economy* is important. There are many aspects of that word. Soil, where man cultivates food, is capital.<sup>1</sup> The ocean, where one may fish, is capital. The market is capital. Canoe carving is capital. House building is capital. All things that would enrich many people is called capital. The management of capital so as to be wealthy was called political economy by the ancient advisors.

3. During our existence in this world, there are many things we want in order to make our existence pleasant. All things that satisfy man's wishes or ease his existence are wealth. Vegetable staples are things of value for they are means of survival. So meat and fish are of value, as is medicine. But not only means of survival are considered wealth. All things that are wanted, if necessary for existence, are considered to be wealth. Light is wanted in the night, so oil is wealth. Shade is wanted in the daytime, so shelter is wealth. Silk clothing is desired, so the silk worm is wealth.

Things that simply exist are not wealth. Land that is uncultivated or uninhabited is not wealth. Silver left in the mountains is not wealth. Fish swimming in the sea do not constitute wealth. Sandalwood hidden in places inaccessible to man is not wealth. Once acquired in a person's hand, those things become wealth; there is no value when it is just existing. If not acquired in hand, a person's desires are not fulfilled; he is not satisfied. Once acquired, then his wishes are fulfilled; he is satisfied; he is wealthy.

If a man has much money, it is said that he is rich. His hunger will not be sated by it, nor his body warmed, but it is a source that enables him to buy and acquire whatever is wanted. Therefore a man is rich if he has much money.

Money is a standard by which to measure quality and the extent of wealth.

If something is greatly desired because of its great quality, there is much money in that asset. That thing is much desired because of its quality, and being greatly desired, much money can be gained when it is sold. Some goods may not have great quality, but have great cash value in them. Other goods may have great quality, but not have much cash value. Iron is a good thing, and its quality is greater than that of gold.

Yet there is great cash value in gold, for it can be sold for great gain.

*Trade goods.* Some assets are trade goods, and other assets are not found in trade. If quality is measured, some non-trade goods are far better than some trade goods. Air is far better than clothing, for man can live without clothes, but not if he has no air. The light of the sun is a non-tradeable asset. But light is a very good thing. If its goodness were to be measured, it would surpass that of ships and canoes. That is because man can live without ships or canoes, but cannot survive if he does not have light.

If we consider trade value and non-trade value, here is how they differ.

1. Non-trade assets are inexhaustible resources because of abundance. Trade assets can be consumed because of scarcity. Air is endless, as is light, because of their abundance. Clothes are soon used up, as are ships and canoes, because of the limited amounts.

2. From God alone come the non-trade assets, with man's hand not related to those assets, and God is the source of the goodness of such assets. With trade goods, man's hand is pertinent to such goods, and some of the goods' value is from the human hand.

All trade goods are made or managed and controlled by people.

The human hand did not make the light or the air. The two are not traded. Clothing, ships, and canoes are made by human hands and are traded. Rain, which God has granted, is a non-trade asset. But once the human hand is applied, it becomes an item of trade. If a person goes and draws it into a vessel, then that water becomes his own asset, for his strength was expended on it, and it has become a tradable asset.

The water of the ocean is not traded, for God granted an abundance of it. But if one gets sea water and brings it ashore so as to make salt, then the human hand has been involved and it becomes that person's, for his use, and that sea water has become a trade good.

In the things God has made, no human asset was expended, and man did not assist in the making, so God's wealth will not be gained by trade. That of man is traded. All of the things that God has granted in abundance, humans should just go get and use. Those things humans have made, developed or controlled, no other should just take without payment. One who just takes is a thief, a robber or a usurper.

If one goes to discover land and finds some, with no one inhabiting it, previously unknown, then that becomes the property of the one who first saw it, for his efforts were spent in searching for land.

And if one were just sailing and found land without seeking it, land that was previously unknown, and that person landed ashore with the intention of taking that land for himself, then that land belongs to him. And if that person sails off to report "I have found land," and people hear and sail there, intending to live on that land, they should pay that person who first sighted the land and reported it to them. That is because they benefit from him. The action he performed was a minor one, but it is like the water. When it had not been drawn, it was God's. Once drawn, it became the person's, for he labored.

In antiquity, in times we never saw, man sailed here to Hawai'i to dwell, and the land became his. He administered the land and worked to manage it. Since that time, the land has been governed by the chiefs and people of Hawai'i, and it was maintained. The land belonged to those who cared for it and administered it, and to their heirs, for they invested themselves in the care. That is what makes the wrong so apparent, when chiefs of another land, come for this land to take it for themselves. Land is a minor commodity. If there is one barrel of nails, there is much cash value in that barrel. If it a barrel of dirt, it is not worth consideration. Even if ten barrels, it would not be considered. A fathom of something, would be slightly considered. If there were a great deal more, it would be considered as wealth.

But some goods which God has granted in small amounts

contain great cash value, and should be traded extensively with little effort from man. If a person goes to the shore where he usually goes and he finds a whale that has come ashore, there is great cash value to be had with that whale, and it should be extensively traded for God does not frequently bring such things ashore. It is a rarity. If brought ashore everyday the whale would become worthless. All things that God grants in abundance, with no effort from man, cannot be traded.

If man invests great effort to manufacture something then that thing becomes an important article of trade. If man's effort is minimal, it is a minor article of trade; it relates to the extent of man's effort and his intelligence as well. For if an intelligent man works one day and an inept man works one day, the product of the intelligent one is greater when their productions are sold. Intelligence is valuable. If there are persons of similar intelligence and strength, and one works to make a paring knife, finishing in two days, while the other works to make a saw and his is finished in one day, then there is greater value in the paring knife, for there is much effort there, and two saws are equal to a single paring knife. Therefore, here is the appropriate measure to tally the cash value in a certain product. If man's labor to gain that product is great, then it contains much cash value. If a person's effort in that product is minimal, then



there is little cash value in it. The effort a person has made along with what he has given in order to acquire a product is called an *expense*.

In extensive trade over many years, this is the trade that is widely seen with appropriate trade in all goods, that the gains should equal expenses. But in minor trading that might not apply.

Here are things that will clarify.

1. If a man goes fishing one day and catches much fish, the canoe is quickly filled. That person cannot greatly reduce the sale value. His expense was minimal and his gain was great. But that is fitting, for God does not frequently grant fish like that, and on another day, he may make great effort without catching fish. If God gave abundant fish everyday, the trade value would diminish.

2. At this time, getting firewood and carrying it back from the mountains is an important business, so there is much cash value in the wood. If some smart person found a cart that brought much wood quickly, the effort would be minimal and there would be much wood. He would not, however, be able to diminish the trade value since his gain was through discovery, but if all men did that, then the trade value would diminish.

3. Here is another point. If all men plant much taro and one person's grows well while another's does not, the trade value will remain the same for

taro, not decreasing for the one with much taro or increasing for the one with very little. But, if all of their taro grows well, then the trade value will diminish because of abundance. And if the taro should suffer drought and they all produce small crops of taro, then there is scarcity and the trade value will be greater. If there is famine, people are hungry, there is great demand for taro and because of the great demand for taro, one can pay dearly. When there is much taro, people are sated; their demand for more taro is not great so they will not pay more and trade value diminishes.

For this aspect of trade, the amount of trade goods is consistent as is people's intention to sell, if trade is good. If many people in Honolulu want to buy cloth there will be no lack of cloth for it will be brought. The same is true for mamaki tapa, hay, and all things. If many people want to buy those things they will be brought. If many want to buy a certain thing and there is little of it in the market then that item becomes a major commodity because of the number of people who want to buy and because of people's great demand for that item. When great trade value is heard about, that important commodity is abundantly brought in. Hay is a clear example.

If there are many horses, and little hay, then horses will be hungry and every person will be concerned for his horse. Out of concern for the horse, he can increase the purchase price of hay and might give a quarter for a single bale so that his horse survives. When people hear that

hay is a high-priced commodity, being one quarter per bale, everyone will go to get hay and the market will be quickly filled. Once horse owners see that there is much hay and the horses are fed, but the hay is not gone, then the trade value will decrease again, with a bale selling for an eighth or a tenth of a dollar. Such is the nature of trade. If there are abundant goods for sale and few who want them, then the cash value in those goods is small. If there is little of a certain article for sale and many who want it, then the cash value of that article is great.

Here is another aspect of trade. Things of short duration, which ripen or spoil quickly, do not have consistent trade value; it quickly declines and rises again, declines and rises again. Those things which do not rot or spoil have somewhat more consistent trade value. If sweet potatoes or pumpkins remain at the market after all the ships have sailed off, then the trade value of those things will quickly and dramatically decrease. If it were corn or beans, there would be no great decrease, because such things can be kept until properly used up.

Here is another aspect of trade. If a certain article takes a long time to make or to grow, and cannot be quickly obtained, then the trade value will be low at times and much greater at other times.

In America, it takes a long time to grow wheat. So if the time of scarcity comes about, people cannot replant and quickly obtain

it. Because of that, the trade value diminishes at times and is higher at other times. Some years it is ten dollars a barrel and in other years it is only five dollars per barrel. Iron is accessible, as are tools, adzes, knives, lumber, chairs and every kind of manufactured good. So the trade value in those things is stable. If it goes down a little, it diminishes, and if it rises a bit, it does so, but it will not diminish or rise greatly like wheat does.

These are the clear points in what was stated above.

1. *Expense*. That is the effort made in order to obtain a certain asset. The extent of effort clarifies the cash value in that asset. In wholesale trade every year, it will be found in trade as long as the value granted matches the expense. But in retail trading, the trade can be variable, and the variability is as follows.

2. If the market is filled with that article and only part of the people want it, trade is at a loss.

3. If there is little of that good in the marketplace and many want it, then trade is far better.

4. If a certain article is in great demand, then there is great cash value in the article.

5. If there is little demand for the article, then the article has little cash value. Expense and purchase price are different. The

expense is what a person has spent in obtaining a certain article. The purchase price is what the person receives for the sold article.

*About increasing wealth.* The nature of increasing wealth is clear. It is making something that is not greatly desired into something that is wanted, turning something of little demand into something of high demand. That is increasing wealth.

Sand at the shore is not sought after. But if one gets the sand, melts it down and makes glass, it is desired. One who does that has increased wealth.

Trees simply standing on the mountain are not greatly desired. If a person goes and gets that tree, cuts it down, carves it into a canoe and hauls it to the sea, that tree is greatly desired. A person who does that increases wealth.

There are many things that are not sought after or for which there is little demand if left as is, but when the human hand is applied and improves it, then there is great demand for it.

All those who increase wealth use certain materials. Some use only what God has granted: seawater from the ocean for salt, sand for glass or stone lying about for building houses. Others who increase wealth get materials that someone has made and pay that person. The carpenter gets lumber someone has milled. The whalers get a ship that

another has made. The weaver gets cotton that someone else has planted and uses that cotton to make cloth. Or he may take the cloth woven by another and make vests, trousers, or any kind of clothing and from there comes his wealth. The things first acquired by the person as a basis for the work is called a *resource*. If the person works on that resource and gains additional wealth from his work, that additional wealth is called income. A canoe, a net, cordage and hooks are the resources of the fisherman. If he goes to sea and does his work, the fish he catches are the income.

Here are the resources of the blacksmith. The bellows, the iron bar, the coal, the hammer, the file and the snips. When he works at his trade, the money he receives is his income.

Here is the resource of the trader: that which he has in hand when trade begins.

If he has one thousand dollars, goes to the foreigner to buy cloth and gets it, then resells that cloth and gets two thousand dollars, then his income is one thousand dollars. When he began, he had one thousand dollars. That was his resource. From that he acquired additional wealth. If he has two thousand dollars, then subtract the initial thousand from the money received and one thousand dollars remains. That remaining thousand is his income.

*Regarding trade.* It is important for people, when they work, for each person to work at something they want to do. One may like farming and he will work there. Another might favor fishing and would work there. Another likes canoe carving and he would work at that. Another may like carpentry and work there. One may favor blacksmithing and work there. This human endeavor, each at their own work, is the basis of trade. If one person were to do all those things, he would be supplied without trade. At this time, there is no supply without trade. If the farmer wants fish, he goes to the fisherman and buys. If he wants a canoe, he goes to the canoe carver. Taro is what he can give.

Should the fisherman wish to trade, fish is his resource. He goes to the farmer and gets taro. He goes to the canoe carver and gets a canoe. He goes to the carpenter and gets a barrel. He goes to the blacksmith to get the iron goods he wants. In trading for these things, fish is what he spends. Because of the great extent of trading, some folks are dedicated to that work, in trade. That is their job.

*Division of wealth.* If many people join together, they can quickly increase wealth, but it is not as quick when people work individually. If five people decide to increase wealth, here is something quick: they join up, and each of them gives his own effort. If it is with clothes that

the work is done, then this is how they should engage. One plants cotton, one removes the seeds and combs the cotton, one does the fiber making, one weaves and one dyes it. Working that way is quick. It would be slow if they all planted, and all twined thread and they all did the weaving.

If people work together, and acquire wealth, then it will be necessary to give that income to each person who engaged in the work. That granting is called *division of wealth*.

The pay for one worker is different from that of another worker. Thus proper division is important. This is something sought by the economists. If all proper jobs are governed, and the benefit is equal for the farmer, the fisherman, the paddler, the groom, the canoe carver and all workers, then the economists there are skilled. But if one strives greatly for little gain and another strives minimally and receives much, while yet another does no work but still receives some gain, then the division of wealth is not proper, and the economists there are inept, for they have acted carelessly.

*Consumption.* If wealth is sought and gained in hand, then people take that and fulfill their wishes. If it is food, they eat and that wealth is gone. If it is a drink, they drink it and that asset is consumed. If clothing, they wear it, and that asset is used up. If the blacksmith seeks



iron and gets it, he makes what he wants and that asset is consumed. Assets consumed that way are called *consumables*, and that spending of assets is called *consumption of wealth*.

Certain consumables are different from others. Food that is eaten is an asset completely spent, and the same is true with clothes that have been worn or canoes that have been used and broken up. The same is also true with some other goods. But some consumables are not completely spent or wasted. The iron that the blacksmith bought, he may have made into a digging tool. He expended that initial asset he had bought, but it became a new asset, a digging tool. The same with the carpenter, who acquired lumber and used up that resource, but it became a new asset, perhaps a barrel, a table or a house. Wealth expended in that way is called *productive consumption*. Wealth that is completely used up, like taro, fish or firewood, is called *unproductive consumption*.

Political economy is divided into four sections.

1. The first section is the increase of wealth. That section clarifies the connection between resources and work as a means to expand income.

2. The second section is trade. There it is clarified how we acquire what others have made.

3. The third section is about division of wealth. That section clarifies the proper payment for each

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worker, which then clarifies the proper division of all income.

4. The fourth section is about expenditures. Consumed expenditures and proper expenditures are clarified there, along with wasted assets.

In this text those four things are explained.

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## BOOK ONE

### Increasing Wealth

When man was created, there was no wealth here on earth, only those things which God had made. That was the land, the growing things, the things in the soil and the animals. There was man as well, with his hands, his strength and his thoughts. People's lives are different now than they were then. At that time the nature of growing things and of the things existing upon the earth was not known, and there was no understanding of how man could be wealthy through those things. People of that time were not intelligent about work, and their knowledge was only partial.

At this time, some people are educated and they seek knowledge, so many things are known now about what benefits the lands and the things that are beneficial to knowledgeable people. People today are skilled in doing things that were previously unknown.

Here is what makes the lands wealthy now,

human hands have been applied to those things God made, and those things have been adapted to man's wishes.

From there come all things considered to be wealth. Where the hand of man is vigorously applied to those things which God has made, and man is industrious, that generates great wealth. But it must be applied intelligently, whereupon production of wealth is timely.

Because some folks do not know, the intelligent ones have written down their thoughts. In their words, three important things are included in production of wealth.

The capital<sup>2</sup> is the first thing.

Industry is the second.

The proper application of the effort upon the capital is the third.

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## CHAPTER ONE

### Regarding Capital

1. The first thing involved in capital includes the tools of the workers. There is the digging stick of the farmer, the adze of the carver, the saw and plane of the carpenter, the ship of the sailors, the wheel of the spinners, or the lead of the printer. If these tools are not acquired, there is no basis to make man wealthy. Therefore, all those things are included

in the capital, as are all such tools.

2. The second thing included in capital is food and all things needed for the existence of the people while they are working. If one intends to farm, he will first want the food that keeps his body healthy while his new crop grows. He will have wanted a house in which to dwell, and clothing as well. Those things that he already had are included in his capital.

The same is true for the carpenter or carver, and with all workers. Food and all the things they already had that were necessary for their existence while engaged in working are all included in their capital.

3. A third thing included in capital are those things one has gotten as a basis for production. If one is a farmer, then the land, the taro tops for planting, all the seeds, mulch, and the breeding stock. If one is a cloth maker, cotton would be his basis; if a blacksmith, his would be iron; if one were a healer, herbs would be his. If one were a trader, money would be his basis, something for him to acquire what he plans to sell.

4. The fourth thing referred to as capital are all things made and secured upon the

land, like a taro terrace, a pond, a fruit tree or such.

5. The fifth of those things called capital is every kind of thing in hand that enables the work a person plans to do. Whether it be cash or some other asset, so be it. Cash enables all industry. Money scattered down upon people is like oil rubbed on a wheel so as to make it spin quickly and smoothly.

The capital of land is entirely the capital of all those who reside on that land. That of the chiefs is not separate from that of the people. It is combined. That is because if the people are wealthy, the chiefs are wealthy as well. There is no land known where the chiefs are rich and the people are not wealthy.

The capital of one land is different from the capital of another. In land with great capital, there is great cash value.<sup>3</sup> In lands with little capital, there is little cash value.

At this time, if all the real silver in the United States of America was tallied, along with the gold and the paper currency, it would equal two hundred thirteen million dollars.

The silver and gold . . .	73,000,000
The paper currency . . .	<u>140,000,000</u>
	213,000,000

All the silver and gold in Britain

equals one hundred and sixteen million dollars. And the sum of paper currency is one hundred thirty million dollars. When the paper currency, silver and gold are combined, it equals two hundred thirty-six million dollars.

All the cash value of France, silver, gold and paper currency, equals three hundred twenty-six million dollars. If all that money were all in real silver and was loaded onto ships, it would fill thirty-two ships.

That is only the money capital in those lands, with other forms of capital not counted. If all the cash value in all of the capital in Britain was tallied, it is stated that it would equal twelve thousand one hundred and forty-seven million dollars. If all of those assets were traded for its equal value in silver and that silver was placed on ships, it would fill one thousand two hundred great ships.\* But all those assets could not be traded for silver. There would not be enough silver to pay it. But all of that wealth was made by the hand of man, with the assistance of God.

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\*Lands of great wealth were rare in ancient times. The wealth of the lands is far greater today. But David, the king of Judea, was very rich. There was no other king like him. He gave 400,000,000 dollars to Solomon for the temple. If all the wealth of all the lands on earth today were combined, it might be less than that, for that king had more money. He was the most pious of all the rulers. God supported him and benefitted him.

In all lands, great wealth is consumed every year. If the capital is properly handled, all of that wealth is not wasted. It becomes new capital. Thus the capital of one year differs from that of another. Capital fluctuates when man's industry is great. There cannot be increased wealth without variation in capital. The change is as follows. One kind of capital is used up and another gained as its replacement; when expended again, it is replaced with another asset. Such expenditure is not bad, but is actually appropriate, if it is properly replaced.

1. The first things expended are food and all the necessities for one while doing the work. If a person is a farmer, he eats taro while working and it is consumed. He wears clothes and they are used up. He consumes meat and it is consumed. His blankets are an expenditure; the taxes on his person and the tax tribute from the land are all consumed. These expenses are worthwhile, however, for from there he gains his strength that allows him to work, and through his labors, acquire more taro. Those first forms of capital are consumed. They are replaced, however, by more taro. Therefore it is appropriate, and that capital is not a loss.

2. The second of the forms of capital expended during the course



of a man's laboring at work is the resource that is expended. If a farmer, the tubers or seeds that he plants are expended. It could be wheat, corn, beans, sugar cane or taro tops. All that he plants is expended, and that capital is consumed. It is not, however, a loss, for in its stead are new crops from those seeds or tubers. So that expenditure is worthwhile.

If one is a tradesman, his materials are expended in the course of his work. If a cloth maker, his capital, cotton, is consumed; if a maker of paper strainers, his materials, rags, are consumed. If a milliner, his materials, beaver skin, is consumed. If one is a printer, his materials, paper and ink, are consumed. All of these forms of capital are used up. It is proper though, for they are not wasted, but have become other assets, and the loss is replaced. The cotton became cloth, the rags became strainers, the beaver skin became a hat and the paper and ink became a book. Therefore, the capital expended was worthwhile.

3. The third form of capital expended in the course of a man's industry includes the tools, but they are not completely expended, and this expense is not great. Some quality of the carpenter's saw is expended, or that of the planer, the shaping adze or the awl. The fisherman's net may get torn, a hook broken or a canoe damaged. If one was an innkeeper, some

capital may be expended through part of the house being damaged, a window broken, the paint worn off, a fence broken, a knife damaged or a screen torn. If one was a printer, lead could be ruined, some iron part of the press broken or some portion of the office damaged. Thus it is for all tradesmen, that forms of capital are expended in their business. Those expended assets are not, however, a loss, but the cost of them is worthwhile. That is because in the course of industry, materials are obtained to replace that which is expended.

Those are what make expenditure clear; the newly acquired assets will vary. If there is money, it can be spent on trade so as to fulfill man's wishes. One asset is gained, and it is expended for another asset. The fluxuation in materials is obvious, and will vary from year to year. One who is wise in thinking ahead and understands these expenses is able to increase wealth.

There is no wrong in spending and obtaining anew. Here is an example of useless spending: forms of capital that are spent at a loss, with nothing to replace them. If one person makes great effort and thinks both hard and wisely, his spending will be less, his gains more, and if he operates in that way every month and every year, that man will eventually be very rich.

If a person intends to increase wealth, he should increase his capital. One cannot increase assets if the capital always remains the same. If a man has land where he can farm, has a digging stick, seeds or tubers to plant and also has what he needs during the time he is farming, that is his capital, and if his capital is minimal, he can strive and gain minimally. If the land is increased, along with the necessities, he can strive and gain more. So if a farmer had some spare money this year, he should seek additional land, and if his money is spent there, the expense is worthwhile, because his gain will increase when he increases his capital, namely land.

The same goes for the trader. If he wishes to expand wealth, he should increase his capital; that is foremost. Here is how the inept ones do, when they buy, they get some separate asset; then they spend that asset on something to decorate the body, or on food or drink. One who does that cannot increase his wealth. The right thing to do is to combine the money obtained with the initial capital and it becomes new capital, which is how the capital increases each year. Something very wrong and leading to quick loss is the reduction of capital.

Tools are a form of capital for the carpenter. If he sells his saw or

plane so as to obtain his taro and his meat, and maybe his drink, if he trades like that, then the carpenter is wasting, and will soon go hungry. His tools are gone, how will he obtain more taro? His capital is spent, so his hands are cut off.

He would be like a farmer who ate his taro while it was young, not fully developed. A person who eats his taro like that will soon go hungry. This should clarify it. The farmer has several plots of sweet potato, twelve plots. If the crop is mature, the man and his wife will be full. If they eat the potato of one plot one month and of another plot the next month and so on, they will be full all year. But if they eat the potato while it is young, two plots will be consumed in a single month, and all twelve plots will be gone in six months; then for six more months they will have to endure hunger. If they were patient in the first month of the year, the one plot would be mature, and when that was consumed, another plot would be fully grown, and all of the food would be mature at the proper time, leaving them full for the entire year.

Crops that are growing are capital. If consumed while they are young, that capital is wasted. Capital, that which brings new wealth, should not be consumed. The capital should be restricted, not to be reduced. Increase is what is proper. But one cannot increase one's capital if he is wasteful. Some people can seek wealth and obtain it, but cannot

maintain it. Such is the manner of sailors. They sail off and are benefitted at sea, some getting one hundred dollars a year, and others getting two hundred a year. But they do not become wealthy folk. They come ashore, spend their wealth and are poor again, so they sail the sea once more. Therefore, something clearly important is:

*Wealth maintenance.* The reason some people like wealth is as something to squander. If that is so, poverty is better. Giving it away is one kind of waste, and is a source of many wrongs. Proper giving is to the poor, to one in distress or to one who works. But this would be actual wages. Giving to an acquaintance, a close friend or simply to one who asks is something that does not enrich the land, and is a source of many wrongs. It can make people lazy about working; it is what consumes the resources.<sup>4</sup>

This applies as well. If some rural man acquires some wealth, perhaps twenty dollars, he goes to buy fine clothes. It might be a tailcoat, a jacket or a high-collared shirt. Thus he squanders the wealth. If he buys proper clothes for his life, it is beneficial. And if he takes his money and buys resources to bring new wealth, that would be fitting. It is shameful for a bumpkin to wear fine clothes, good silks and such beautiful things, and it is a waste of wealth.

In wealthy lands, people are smart about maintaining the wealth they have obtained in hand. If they see something good, they do not buy it for its goodness. The reason to buy it is if they truly need it, whereupon they buy it to fill that need. That is the nature of all who are knowledgeable about increasing wealth. They look for where they can recoup a gain, and purchase there. They do not buy anything that is uncertain. Many can seek wealth and actually gain it in their hands, but cannot maintain it, so it is lost again, and wasted. That is the main thing among those who are thoughtless or inept.

By this message it is clear what expands or wastes wealth. One who maintains his income, expends it on assets that renew wealth, and does so each year will eventually have great wealth. One who eats, drinks, or wears all of his income will not have his wealth increase. And one who takes his resources, which he could use to obtain more, and eats, drinks, wears or consumes some part of those resources, will soon be at a loss. He will eventually die of hunger.

A message that relates to one person relates to all peoples and nations and rulers. If the resources of people are minimal, the resources of the chiefs are minimal, since the wealth of the chiefs comes from the people. It is the people who labor to obtain food for the chiefs. The people are doing their work.

From the people comes the currency of the body, the currency of the capital and the food of the garden. It is ongoing in all lands that taxes are properly placed upon people's wealth. If one person has great wealth, then his taxation is great, and if the another's wealth is minimal, so is his taxation. In Boston, there are as many people as are here in Hawai'i. But because of the abundant wealth in Boston, there is much taxation money. There is more money from people's offerings there than the offerings here in Hawai'i. A single wealthy person there may give as much money in offerings as that of all the money given as offerings here in Hawai'i. If the people in this land were rich, the government would have abundant money, for much would be gained through taxation. That is one difference between rich lands and those lands that are not wealthy.

The chiefs of lands without wealth have more lowly station than those in lands of great wealth. This is a difference between enlightened and ignorant lands. In ignorant lands it is thought that if the citizens are wealthy the land will not be peaceful. The people will not fear the chiefs. In enlightened lands it is thought that if the citizens are rich, it will make the land peaceful; it makes people consider the law.

This will clarify it. The man without wealth is all right whether the land is peaceful<sup>5</sup> or not, as he has nothing to lose. Peace or lack of peace is the same. The person

of wealth knows that if the land is not peaceful, his wealth is not safe. Therefore he gives great consideration to the laws of the land. Should a time arise when the government is distressed, that rich man will give great thought and want to work with the chiefs to help, so as to protect his wealth and to make the land safe. He will quickly offer up part of his wealth, and if battle ensues, he would fight forcefully and not flee because of his great interest in his wealth.

With this note, it is clear that all laws that enfeeble people's industry impoverish the land and are not good for the government. That is because the extent of industry frames the extent of wealth.

Something clear in this message is that if government money is squandered, the government will become weak. This is because certain strength comes through wealth. Something certain in all governments is that if the government's money is not maintained and that money is spent on things of no value or on waste, then that government is soon to fall. And if the king and his ministers are wise in maintaining the government's funds, that government is secure, stable, and will pass on to the proper heirs.

*Productive capital and unproductive capital.* Land is capital, but if the land is just left aside, with no people, uncultivated, then it is unproductive capital. No additional wealth will be gained from that uncultivated land.



The same is true of money. It is capital. But if money is just left in a box, no wealth will be gained from that money. That money has become unproductive capital, like land left uncultivated. If there were ten dollars and a person took that money and bought a sugar grinder or hired a sugar worker, he might gain twenty dollars from that original ten. But it was just left aside, so did not expand. A house is the same, a form of capital. But if no one resides there, it is unproductive capital. If someone wishes to reside there, and pay the owner, then that house becomes productive capital. Money is received by way of the house. The same is true with an ox, a mule, or a horse. They are capital, if utilized. But if not put to use, they are unproductive assets, actually wasted assets. So with tools, if a man does not work, or clothes, if not worn, and all such assets that are left aside. If an asset is left aside, it is an unproductive capital.

Unproductive capital continually diminishes in value. If a land, it will go to weed. If a house, the timbers and lumber will rot and the house will be in ruin. If it is a trade good that is unwanted, that asset will be spoiled if left aside for long. It will be consumed by bugs, borers or rot. Therefore, resources that are left aside will be a waste. That is quite clear with ships that have been pulled ashore, ships left at anchor,

and ships that do not sail. The capital should not be left unused. If it is land, that land should be cultivated. And if the owner of that land cannot farm all the land, he should contract with people so that all of his land is farmed. If he cannot hire workers, then he should sell his land. That capital should not be left idle.

The same is true for a house. If the owner does not wish to reside there, he should rent it to another, so the habitation of the house goes to that one and he pays the house owner. If that is done, that house becomes a productive capital. So it is with all capital. An ox, horse or mule should not be left unutilized, and a cow should not go un milked. If they are put to use, or milked, then they become productive capital. And if they are not utilized then they become unproductive capital, actually wasted assets.

If a double-masted ship is sailed for one month, and that ship is contracted, three hundred dollars would be appropriate for the sailing of that ship. If that is so, then three hundred dollars is the expense if that ship remains at anchor and does not sail for one month. Seventy dollars is the loss if it stands for one week, and thirteen dollars is lost if it stand idle for one day. The proper thing is to extensively utilize every form of capital.

*Regarding circulating capital.* A resource that becomes a means to obtain new wealth is called circulating capital. The wares of a merchant, those things made by laborers, and the trade crops of the farmers are forms of circulating capital. This is because, if that asset is not moved it is not an asset. If the assets of the merchants are not sold they have nothing to bring them wealth. The same is true for the cloth of the cloth maker, for if not sold, there is no value in the production. All these things sold in order to obtain more are circulating capital.

Non-circulating capital is fixed capital. Land, an uncirculating form of capital, is fixed capital. If one seeks wealth in land, the land is not expended, like the crops he would sell, for crops are a circulating capital while land is fixed capital. The same is true for any structures upon the land, the carts, and plows, and all the tools of the farmer. Those things are fixed capital, because in seeking wealth, they are not expended. That would be true for the warehouses and shops of the traders. In seeking wealth, those are not expended. They are fixed capital. Thus are the spinning wheels of the cloth makers, the saws of the carpenters, and all equipment. It is fixed capital. In seeking wealth those are not expended. If expended, there is no basis for renewed wealth. So the differences between circulating and fixed capital are clear.

In one kind of work, there may be extensive fixed capital and minimal circulating capital. In another kind of work, there might be little fixed capital and much circulating capital. The fixed capital of the carpenter is the chisel, the adze, the saw and all of his tools which are the extent of his fixed capital. The fixed capital of the tailor includes the scissor, needle, thimble and iron. All of his other assets are circulating capital. In that way the capital of the traders is all circulating capital. The shops are their fixed capital. Cash, cloth, and every kind of ware, are all circulating capital.

In some fields of work, most of the capital is fixed. Most of the capital of farmers is fixed. Land is not circulated. That is what the farmer uses. The buildings, wheels, carts, and all the industry of a cloth maker are fixed capital. Iron tracks, and excavated canals are fixed capital. The same is true of all the major things that enrich the government.

In enlightened lands, if men intend to do something that should not be undertaken with minimal resources, then the individuals join together as follows. If they intend to seek wealth through a whaling vessel, they purchase the ship and all the things needed for that ship to sail. The purchase of that ship may be \$30,000. Then one person gives a thousand dollars, as does the next, and another person gives two

thousand dollars, and yet another, five thousand. Thus they give until the thirty thousand is reached. Once the ship sails and is filled with oil, then, they divide it, but not in equal shares; they divide it up for each of them in accordance with the money he gave. If one person had one thousands dollars in the ship, then he will receive one-thirtieth of the profit. If he had given three thousand dollars, then he would have one-tenth of the profit.

The same is true for cloth maker, glass makers, iron track builders, canal diggers, and workers in all great projects. Those tasks cannot be done properly by a single person because of the extent of capital.

Here is the nature of circulating capital. It could be food, drink, something to wear, or something that fulfills the desires of a person. That is not the nature of fixed capital. Fixed capital is something by which to acquire new wealth. That is the case with land, equipment, iron tracks, excavated canals, ships, and all types of fixed capital. Circulating capital, will mostly be consumed at the end of the year. Assets consumed by people every year are circulating capital, while not much fixed capital is consumed. A house might be gone, or a ship lost, and some tools of the workers may be used up. But few of those assets are consumed.

It is customary for people to turn circulating capital into fixed capital. Because of the extent of circulating capital consumed each year, if it is not replaced, people would soon expire. New annual crops from the land, those things that grew anew, along with the year's production of things by man, those are what replace the things that been expended. If done correctly, some capital will remain after replacement of that which was consumed, and there is greater wealth this year than last year.

Here is the nature of the action in ignorant lands when they become enlightened. First they increase the circulating capital. Once those assets are obtained, they convert some of those assets into fixed capital. If the farmer sees that his crops are great and are not all consumed, he contracts to give some of the crop in order to acquire fixed capital or if not through that method, may abandon extensive planting of taro in order to plant things by which fixed capital may be gained, seeking a fine house or fencing for the land, and might buy some oxen for himself and seek an ox cart or a storehouse. Thus he might seek fixed capital so the wealth increases. If able to buy additional land, he buys it. One may decide, because of the extent of his circulating capital, to build a cloth factory, and another may decide on a hat-making factory, while someone else may choose a shoe-making factory and yet another, a printing shop. Once everything is prepared, then

all the works proceed quickly. Work on the land is fast, because the ox, horse and mule will be working. Cloth is quickly made, since water and steam are at work. It is the same in all major tasks. Fire, wind, running water, steam or animals support the person. So their work is quick, while work in ignorant lands is not so. Because of this speedy pace and because people strive and are not lazy in working, enlightened countries are filled with goods, cloth, knives, adzes, guns and all sorts of trade goods, and because of the abundance, those goods are taken to other lands to sell, to those lands that do not know how to do such things. In the process of trade, this is what the ignorant give to the enlightened: the raw materials, untouched by human hands. That is the nature of ongoing trade between enlightened lands and those that are ignorant. The goods brought to trade are made by man's hand, and what the people give are the things God has granted, with minimal application of man's hand. Cloth is what they have, something made by hand. Raw food is what this place offers, something God has made. The chisel, knife, adze, saw, pot or file is what they have, things made by hand. This place has sandalwood, something which God has made. Plates, glasses, mirrors, rope, pins and combs are what they offer, well-crafted by the hand of man. Firewood,<sup>6</sup> skins, pearls, cowry shells or conch shells are what this place has, things which God has made.

Britain is smarter at making certain things than are those of America. So here is the nature of trade between those lands. Things made by man are Britain's expenditure and that which God has made is America's. What Britain takes to America to trade includes certain kinds of cloth, plates, knives, saws, files, compasses, spyglasses and other such things. They are manufactured things. What America takes to Britain to trade is house timbers, lumber, lead, wheat, rice, furs and other such things, all being what God has made, without much application of man's hand.

Such is the nature of trade in all lands. If it is a land with manufacturing skill, then manufactured goods are what they sell. If it is a land of ignorance, that which God has made is what they sell. The goods sold are profitable. Because of the assistance from water, fire, wind, steam or animals, the people of America can quickly make axes and nails. Because of the speed, there is not much cash value contained. If they receive three dollars for the axe, that is worthwhile to them, for not much labor was expended. Axes are worthwhile for people here, for if the only cutting tools were of stone, one could not find much firewood and sell it. Because axes are available, one can go get firewood and much



wealth has been gained there. So the axe is worthwhile for that person.

The same is true of cloth. Because of the assistance from water, steam and other things, the manufacture of cloth is fast in America. So the cash value in it is not great. If they get a half-dollar per fathom, that is worthwhile to them and wealth is gained. It is worthwhile for the people here as well, for native tapa cloth tears easily, is not long-lasting, and it is expensive for one to wear nothing but tapa. So buying cloth is worthwhile. Reasonable for them, and reasonable for the people here.

*Regarding money.* Some money is capital and other money is income. Some money is circulating capital and some is fixed capital. Elsewhere in this text, the nature of money is clarified, but a mention should be made here.

Money is a minimal form of capital in all countries. We can all observe and clearly see the truth of this. One person can be quite rich, but may have no money in hand. He may have much land, a large and fine house, or many oxen, horses or clothes, but not have money in hand. That is the case with some rich men. Another person may have a small amount of money, and rare are those with much money. And if that is the case with individuals, it is the same with entire populations

and nations, that money is a minimal form of capital.

The best thing about money is as something that enables business and trade. It makes it easy to do trade without effort and also to do it correctly. If there is no money, one who intends to trade is burdened by the uncertainty of price, and the inability to take things long distances. In lands without money there is little trade.

Money does not increase through use or by exchange; it decreases, losing a little value like the equipment of the manufacturer. Money is actually fixed capital, and that small gap from the constant diminishing will be filled through circulating capital.

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## CHAPTER TWO

### Regarding Industry

In the first sections, the nature and fluctuation in capital was clarified. In this section, some things about industry will be explained.

1. Here is the first clarification: *A person's right to wealth.*
2. Here is the second: *A person's intention in applying industry.*

3. Here is the third: *The different forms of people's industry.*
4. Here is the fourth: *Things that increase income through industry.*

#### SECTION I.

##### Regarding Man's Right To Wealth.

Here is the first explanation, namely man's right to wealth. Certain rights clearly pertain to every person. Some are from God, and others from himself. Here are some of the rights equally granted by God to all men and chiefs of all lands: life, the limbs of the body, to live without being restrained or obstructed, light, air, drinking water, the production of his hands and that which his thoughts have organized. If a thousand people come ashore on some land in the ocean from the four corners of the earth, then the relevance of these rights to each of them is obvious. One cannot tell another, ["]you cannot drink the water, you must work for me, or that thing you made is mine.["] These things are hallowed. Each person's is his own, and he who denies it denies something obvious; he has denied God's word.

If we saw a hundred doves gathering up rice, and they all gather from wherever they want and make great effort at it, much rice would be gathered. And if we look again,

and one bird had flown over and ate his fill of that food and wasted that heap of rice, while the other ninety-nine only watched, and did not eat with the one bird, so only had roots and spoiled food, what would we think of those birds? And if we looked again and saw one of those ninety-nine birds who was very hungry and because of his hunger, flew over to eat with that bird who ate first, and on all the other birds seeing him, they all flew over to fight with that hungry bird, if that was the case, would we not be shocked and run over to help that hungry bird? That setting is often seen among people. Not many lands operate that way now, but there are some in Asia, in Africa and in other places too. The wrong of this is clear to us all.

What Jesus said is truly correct, "A worker should receive his food." What Paul said is also true, "If one does not work, he should not eat." In accordance with the extent of a person's proper industry and the good he offers to others, so should he receive his. This is God's unwavering intention. Those who oppose this will of God are thieves, robbers and takers. If those of other lands continuously come to take this land for themselves and take the wealth of this place for themselves, we can all see that it is seizure, for this land properly belongs to the people of this place, for the people here have applied the labor and gained the wealth, so the wealth here does not in any way belong to those of other lands.

If the people of Hawai‘i are industrious and gain wealth, those of Maui should not come and take it without payment. That wealth of Hawai‘i does not belong to the people of Maui. If it is right for Maui's people to just take, then it is proper for Britain to just take these islands.

The same is true for towns. If the people of Lahaina strive and attain wealth, those of Wailuku should not come to take that wealth away without payment, in accordance with the opinion of the people who own the wealth.

So it is with individuals. If one person strives and obtains his wealth, no one on earth should come to get it and say, ["]That wealth is mine. ["] It is not his. If some other person is right to come and take it away, then Britain's people are right to come and take this archipelago for themselves.

It is a waste to seek wealth if this human right is not clearly understood. If one thinks his wealth is not safe, then he cannot seek it, and will not apply himself to the effort. So one should seek first and clarify the wealth that is appropriate for each person, whereupon one can properly strive in seeking wealth. One should first clarify that of the land holder and that of the laborer, what is appropriate for the chiefs, and what is appropriate for the people. That is the first step in political economy, so that what each party has is separate, and one's is not tangled with another's, so people are not angry at one another.

By this statement, the wrong of William the Conqueror is apparent, regarding his turning twenty great lands into woodlands for wild animals to roam, for it is clearly wrong to toss one food as a means to buy a lot of other food. Clearly it is wrong to give away much of the people's food for worthless animals. For God's intention regarding food is apparent: food that is good for man should be for man. It is also clearly wrong when people go get molasses and flour and all the things that God has granted as food, and to burn those things or turn them into something that does not sustain man.

The wrong of the Turks was clear when they restricted the Black Sea, not allowing ships from other lands to sail there. Britain's wrong was apparent when they forbade those of other lands to fish in the banks off of Newfoundland, for God granted those things in abundance and man's hand did not pertain to such things; man did not drive the fish there. The same goes for the seas of Britain. All the things God granted in abundance, if there is no application of man's hand, should be proper for everyone to go and take.

How can the lands and people be safe, so that one does not harm another, or one obstruct another? That is the duty of chiefs, so God provided the chiefly office, and theirs is an important occupation.

If one is industrious in farming, he should be paid in accordance with the extent of his work. The same goes for the fisherman, the carver, and each working person. The same is true for chiefs. They should be compensated according to the extent of their effort in their occupation.

If they take good care of the land and establish good laws, applying them to each wrongdoer to properly protect every person who does no wrong, so that his things are not taken, he is not obstructed nor oppressed, if that is the nature of the chiefs' protection of the people, then they should be compensated, just like a laborer, or like a guard who has been hired. If I should say to a person, "Stay here and guard my field and my wealth, and if animals come in, shoo them out, and if thieves come, hold them," then that person should say to me, "I will not freely guard your field, but if you pay me, then I will stand guard." To which I agree, "yes, I will certainly pay you." If that is the case, my expense is worthwhile, for I am safe, as is my field and my wealth.

The effort of the guard is worthwhile, for he has received his, namely the due payment that I previously stated to him. But if he sleeps and does not keep watch, then I should not pay him, or if he takes my things, he is a thief and a taker. The people, however, did not speak in advance with the chiefs of this land. Their position was bequeathed for them. But the nature of their position is like that of

the guard who was contracted. If they properly guard over everything of the land, and the people and their wealth are safe, then their expense of appropriate taxation is worthwhile, as is the effort of the chiefs in taking care of the land. Their toil, and the safety gained by the people, those alone make up the assets that enrich them, for it is not the land, which belongs to the nation and is connected to all men, not only to the chiefly persons. But the chiefs should not be compensated for the weariness of their bodies, nor should payment be for the works of their hands. They bear a different burden. The administration of the government is a great task. Therefore, the compensation of the chief should not be compared with that of the native. The chief's should be far greater, in accordance with the extent of his burden and the goodness acquired by the people through his actions.

The French minister of the interior states, "Care for the land is to be scorned if all the people's wealth is not protected. If the chiefs can simply take the wealth of the people, of their own will, or if another can do so and the chiefs do not administer punishment, or if the chiefs are feeble in protecting the people's wealth, then their rule is an embarrassment. If wealth is not protected, it cannot be called wealth. It is not true wealth.

"Because any individual under a chief is quite weak, he will not be safe in a foreign land, only in those lands where the laws are supported by administrative chiefs and where there is no restriction of



records. In Britain, only the administrative chiefs determine tribute or taxation." That is something the citizenry cannot criticise. And because Britain taxed America, without listening or discussing it with them, that was the reason for the war that led to America's independence as a separate nation. In the United States of America, in Britain, France, Sweden, Norway, Holland, Belgium, Spain and in all well-protected countries, the administrative chiefs hold the decision power regarding taxation and tribute.

God did not position the people as workers for the chiefs, or as something to make the chiefs wealthy. God granted the occupation of chief as something to benefit the people and as something necessary for the land.

If the safety of the land and of wealth is apparent, then man should seek wealth. And if a man decides to seek wealth, he should do so according to what is clarified in

## SECTION II.

### The Intention Of Man Regarding His Industry.

In the first chapter, this was explained; if those things God made are not altered, man will not be enriched. Those things cannot be altered without the industry of man. God does not alter his own things. Once the hand of man is applied, it is altered. That is why men strive to

work, so that things he chooses are altered.

There are three ways where one can alter the things God has made. The first is to change something into a new form, inside to out. The second is to change the external features, but with no change inside. The third is to take it to a different place, and just that. If man applies himself, he does so with the intention toward one of these three ways.

1. Man can change something that he wants to change. If a farmer goes and arranges his planting area, fetches the taro slips and sweet potato vines, and plants them, he will get different things, namely sweet potatoes and kalo. The water, wind and richness of the soil have been altered and have become food for people.

If a soap maker fetches oil and ash and turns those into soap, he has altered those things. If we observe the soap, there is no oil or ash. It is different, from inside to outside.

The same is true of those who dye cloth black. They go to get red plants and perhaps red bark, mixing the juices of those plants with green salts and it turns black. It has been changed. It is not green nor red, but is black. Many things are done like these things. Not only the appearance is changed, for the physical form is different, having been altered.

2. Here is the second manner of changing things, namely the altering of only the features, with the physical form remaining the same. If a man goes to find a tree in the mountains, cuts it down and carves it to make that tree into a house pillar, or beam, or slat, its form remains the same, still wood, but the appearance is different. If the carpenter milled the tree into boards and planed the boards to make a box, the form, wood, remains the same and is unchanged, but the appearance is different.

The same is true of the iron the blacksmith shapes. Before it is hammered, it is iron. And if the blacksmith works it and it becomes an axe or a knife or a nail, its form is still the same, iron, and has not been changed, but its appearance is different.

That also goes for the tailor. He cuts the cloth and sews it so the bolt of cloth becomes trousers, a vest or a jacket; the features have changed, while the form remains the same, namely cloth, not transformed. So it is with shoes, hats, clothing and many such things. Many people are always absorbed in just this kind of work.

3. The third transformation of wealth is simply taking it to another place. Some goods are completely different because of the transport. A great tree standing high on a mountain in America is not great wealth, and each person must cut their own. It is only something to be burned. But if that tree is brought here to Hawai'i, it is different, and is an item of great value, perhaps five hundred dollars being in that one tree.

The same is true of this land. Firewood standing in the mountains is not a thing of value. Each person must go get it. But when that firewood is brought down here to the shore, it is different, and has become something of value. Thus are all trade goods. They are altered by taking them to a different place. Iron in Sweden is a minor item of trade, but taken to America, it is different and is an important trade item. Wheat in the highlands is seven dollars a barrel, and when brought to shore, it is changed and is ten dollars; if brought here, it is even more different and is fourteen dollars.

In wealthy lands, that is an important kind of work, to change goods through processing. Many people are employed in that field alone. In the enlightened lands, those who change goods are set apart. The ones who change them by transforming the goods are different from the ones who change them by giving them new features, and the ones who change goods by transporting goods are different as well. The people of these islands have done all three of these endeavors, but those who do one kind or another are not separate. Here a single person performs all three tasks. The person plants the crop, manages the water, weeds the field, and that person gets the taro. That is the first of those actions of changing. Once done, he pounds the taro soft, adds water and mixes it. That is the second of the actions of change, for it is different, but its form is the same, being taro. When finished, the person takes that taro from Waihe'e perhaps or from Ukumehame or Wailuku, as a trade item. That asset is changed.

While at Waihe'e, it did not sell for money. Reaching Lahaina, it sells for money. That is the third way of changing the asset. One person carried out all of these actions.

In enlightened lands, the workers in those activities are divided into three main groups, as follows: farmers, workers and merchants; in the overall work, each performs only his own. Some jobs, though, do overlap with others.

1. The one who farms goes elsewhere to get seed for planting and brings it back, and in that action becomes a transporter. Similarly, when the crop is mature, he takes the taro into the storehouse or to the market. It may be him who sells it. There, he becomes a trader. But he is not greatly employed in those things. Farming is his main occupation.

That is true of the manufacturer as well, who fetches iron or lumber, or timbers, or cotton and such, as needed for the jobs, buys it and brings it to his place, then once the manufacturing is done, he will sell it. That manufacturer was slightly involved in trade and handling, but not much, and working in his profession was his main task. If farming is the main task of a person, we call him a farmer. If smithing iron is the majority of his work, we call him a blacksmith. If most of his work is in trade, he is called a merchant. So it is with all people, they are referred to by their main field of work.

2. Those three occupations are necessary fields of work, and generate wealth. If there was only the farmer, people would be distressed. The products of the manufacturer are greatly desired, like houses, canoes, ships, clothing, books, hats, saddles, shoes, axes, knives, mirrors, guns, powder, compasses, silver or gold, and if all persons were farming, none of these other things could be obtained.

And if there were many manufacturers and none were merchants, we would not benefit. What benefits us is when those things manufactured are brought for us to purchase. We do not need all the fine things that are extant in New York. But if those things are brought to be sold here, then they are useful, and we obtain ours.

So traders are obviously something the land needs, and it is proper to control trade, like all occupations. No land can be wealthy if there is little trade. If we purchase something, we pay all those related to that item. If we buy a barrel of flour, we actually pay the ones who planted it, those who milled it, those who made the barrel and those who brought it here to sell. Payment is made to each of them in accordance with the extent of his work.

If it is flour, the one who planted it gets the bulk of the payment. If it were calico cloth, the

maker gets most of the payment. If it were lumber, the one who brought it to sell would get most of the payment and then each according to his effort.

3. Not only the buying customers benefit, but so do the sellers. It is a wasted effort to plant cotton if there are not cloth makers. It is a waste to make clothes if there are no buyers. So the shared benefit for all of them is obvious. We, as clothes wearers, benefit. The sellers are fortunate, for they obtain their share. The maker received his, as did the one who planted the cotton. So it is with all who plant, all who manufacture, and all who trade. The merchant is benefitted by the manufacturer and the farmer. The manufacturer is benefitted by the farmer and the trader as well. The farmer is also fortunate because of the manufacturer and the merchant. If one of them is unfortunate, they are all affected, and if one of them is fortunate, they all benefit.

4. This is an important aspect of assets. If a particular good is very heavy, then transporting it is what makes it valuable. Stone is very heavy. In the places God left them, they are not valuable. If transported afar, however, they become something of value. Transport is what makes stone valuable, and timber, firewood, coal,

and all large, heavy things. Trade for such items is far better when those things are transported long distances. So it is with all heavy things.

Small things, like knives, handkerchiefs, shoes, and any lightweight things, do not increase in value through transport to elsewhere. The making is the main aspect of its value, and the manufacturer gets most of the payment.

Because people live scattered all around the world, each place is different. Some places are cold, some hot, some are rainy, others dry, and food grows in one place, while there are different foods here. Crops are different in cold places and in hot places. Sugar cane and cotton only occur in warm lands. Wheat and wool only occur in cold lands. Yet the desires of people is the same everywhere. Everyone wants sugar cane and cloth, flour and finery. The iron might be in one land, the pewter in another land, and perhaps in yet another land would be the copper, silver and gold. But all people want all these things. How can they be obtained? They cannot, unless some people are engaged in transport and in trade.

Let us consider the story of the calico cloth that the traders have brought to this land.



Far in the interior of the United States is where the cotton for that cloth is planted and grown, and it is harvested by the people there, who are then paid. Others bring it to the shore, on a steamship or perhaps a train or even a carriage, and those who transported it to the shore are compensated. Other people take the cotton to Britain and they are paid. Once the cotton reaches the British shores, others transport it to Manchester, where the cloth is made; those folks are paid. Once the cloth is made, certain others take it again to the shore, and those people are paid. When the cloth reaches the shore, new people are the ones to take the cloth to the United States, and they are also paid. When the cloth reaches there, new people buy and bring it here to Hawai'i, and they are paid. All of those people were paid, and they were enriched by that compensation.

Some lands are wealthy just from transporting goods. There was not extensive wealth in Holland before, and they became transporters for other lands, whereupon they were wealthy. The same is true of Venice.

The ease of transport over water might be why people first inhabited the shores of the sea, the river banks or lake shores. That is customary in all lands; when populations were smaller, they only lived seaward or at the water's edge. When the time came that men could become enlightened, they made good roads, obtained horses, oxen and carts, which could carry cargo, then

people wanted to live inland, and anywhere that crops would flourish.

Also, as men sought wisdom, they found many things that facilitated changing assets by processing them and giving them new features. But man's wisdom was wasted in seeking easy ways to change the things God granted into new forms. They found some, but not many.

In farming, the work of the ignorant people is very like that of enlightened folk. Clear the weeds, plant the crop, manage the water and the animals, and then it is done. That is how the ignorant ones do it and the success of the enlightened is not much better. In manufacturing, however, the enlightened do far better. The same is true for transporting goods; the enlightened are quicker.

Something that man cannot seek wisdom about is the transformation of goods into new forms. This is because it is not the work of man alone, but of God as well. Transport is done only by man, and he can seek knowledge there. So, too, in manufacturing, which is done by man alone, so he can seek wisdom there. But man is not who grows crops, it is God, so man cannot gain much wisdom there.

It may have been God's firm intention that most

men would always be farmers, for that is a fitting occupation for man, a pleasant task and one that does not bring on illness. Those who live on the land and farm it are strong folk, and do not suffer great illness or death. They are strong and have many children, who are not a sickly lot. That is the benefit of those engaged in farming.

### SECTION III

#### Regarding the Different Kinds of Human Industry

If a person is dedicated to a job, he is referred to in this book as an *animate agent*. The main effort is to strive. If the person truly strives, his body will be strong at the task and he will be thoughtful. If he works without thinking, it is not striving.

If the person is a striver, he strives to alter something. That is because altering things is the only way to increase wealth.

In the second section it was explained that there are three ways one can alter an asset, namely changing it to a new form, just giving it new features, or transporting it elsewhere.

But when a person works to change something, he does not do so without understanding the nature of the thing he will do. If

he acts with no understanding, his efforts are wasted, and he would do better to not act at all, or he will be like a crazy person, one who consumes wealth instead of increasing it.

It is clear that a person cannot alter something with his intentions alone, but if he acts according to the law of the world, then he can. If a person decides to light a fire, he should follow the laws of fire. If he goes to get stone, it will not burn. If he goes to get iron, it will not burn. If there is no breeze, it will not burn. But if he goes to get things according to the laws of fire, then it will burn.

If a man intends to wet his land with water, he cannot do so by his intention alone. He must follow the laws of water. He cannot make it flow over hills, or make it flow over compost or cinder. But if that person follows the laws of water, then he can bring water to his land.

And if a person intends to plant wheat, he must follow the laws of that grain. If he does not, he will get no wheat. In those things, it is clear that knowledge of the laws of the world is important for everything. If one does not know those things, he cannot transform anything.

And if we know all the laws relevant to the things of the earth, but we do not know the nature of

the action, we are unable to transform anything. We know the laws of fire, and of steam, but we cannot make a train or a steamship. We know the laws of light, but cannot make a spyglass.

And if we do know the nature of that activity, then one thing remains, being the hand's familiarity with the work. We know smithing, but our hands are not accustomed to that work, so we cannot do it right. We know the occupation of the carpenter, but our hands are not used to that work, so we should not do it. After a long time of doing it, we are accustomed, and then it is proper.

In these things just stated, there are obviously three important qualities in striving. Striving *to find the laws of things on earth*. There is striving *to seek the nature of the work*. There is striving in *doing the actual task*.

1. *Striving to seek the laws of things on earth.*<sup>7</sup> In enlightened lands, many strive at this endeavor. Newton was one who was dedicated to this, and found the laws of falling things, gravity, and the world's people are fortunate because of him.<sup>8</sup> Franklin was another who strived at this, and he found the laws of electricity.<sup>9</sup> Humphrey Davis strived at these things and found the laws of things that transform. Previously, through the efforts of certain people, they found the laws of the compass.

2. Here is the second type of striving. *Striving to seek the nature of the activity*<sup>10</sup>. We are not greatly benefitted by knowing the laws of the world if we do not strive again to know the relationship of those laws to the work. Flavio d'Amalfi, Kenita and Semeatona found the nature of making a compass.<sup>11</sup> The turning of the iron needle's tip toward the north was already known, but the compass was not known, and they strived in the search. The same is true for kites that a person can mount. The laws of air were already known, but a person could not get on. It was Farenesa Lana who and along with Kale and Robereta, they found the way a person could climb on top.<sup>12</sup>

The laws of light were already known, as was the nature of a triangle, but the height of the sun and the moon could not be properly measured, then Hadley strived in that search and he found the quadrant, with which one could properly measure the things in the heavens, so the seafarers were benefitted by him.<sup>13</sup>

The laws of steam were well known, its force and pressure, but the steamship was not known. Robert Fulton strived and found the manner of making one, and he directed the manufacturers, who then made the steamship.<sup>14</sup>

Such is the work of teachers. The laws of God are known, but there is no great benefit

for man in those laws, so a priest or minister<sup>15</sup> must indicate the nature of the action, and then one is saved.

We all know wrong, when the country is wrong, and we also know safety, when the country is safe. We cannot, however, set it to rights, and it takes a political leader to indicate the nature of what is to be done and then it is truly right.

We all certainly know illness, when we are sick, and we also know medicine. We cannot, however, properly do treatment, so a healer indicates the nature of the treatment, then it is possible.

3. This is the third kind of striving, *striving at actually doing the work*.

Those people noted above are *working people*. They transform wealth, and that is where most people everywhere strive. They are the farmers, the fishermen, the sailors and all the manufacturers.

These three endeavors need to be done by a single person sometimes. If the three tasks are not necessary, then two are. Two of these were with Franklin when he sought out the laws of electricity, for he found the laws of electricity and also found the nature of making and of warding off electricity. Newton had two activities when he sought the nature of light. He found the laws of light, and

he also found the nature of making the telescope. The two of them did not work at the things they sought out. Different manufacturers did that. One man sought and found the nature of the work and then he did the work following his search. That is how it was for Rikadi Arekarita.<sup>16</sup> He was a manufacturer who looked for and found the nature of the great wheel for spinning thread, and made it. The world is benefitted by him. If all of the manufacturers were enlightened folk who knew the laws of the things in the world, then they would have found many new things. That is something that benefits the lands, namely the wisdom of those active agents.

The Negroes in Africa are skilled in making small things, are strong in doing certain things, and they are fast runners; they do not, however, know the laws of the natural world; they are not skilled in seeking the nature of making new things. Therefore, they are not well supplied with good things. They trade with Europe for clothes, weapons and all kinds of goods. They are not well supplied with food, and die sometimes during famine. That is the problem of those who do not know the laws of the things in the world.

At this time, the laws of the natural world are widely known, but the ancients did not know much. The knowledge of Europe is greater than the rest of the world. The United States of America has recently become knowledgeable. There is far more prosperity and comfort in the life of a person from the rural countryside



in Europe than in the life of a king in some great land of Africa or on the islands in the Pacific Ocean.

The person of the countryside in Europe has a good house and that house is stocked with the necessities. There are windows, where the light can come in, and the beds are fine. He has clothes, and does not wear animal skins or plant bark. He is supplied with vegetables and meat, and does not hunger. He has a great deal of equipment to enable his work. That is not the case with a king in Africa or in the ignorant lands.

The country person in Europe has a mirror. Let us consider the reason that such a thing would have been acquired.

First, knowledge of the laws of sand were known, that it melts in fire and solidifies as a allowing light to go through once it has been melted. Once those things are known, it is important to know the manner of the making. If there is only sand and fire, the sand will not melt. So one must first know the fuel that will melt it, the manner of stirring it, the kind of oven and the manner of making a container for the sand. But the unskilled folk cannot make a glass factory; only once they are quite skilled, then they can. That is because a tiny building is not appropriate, and there should not be pillars standing on the inside.

Not just those things. The resource with which it begins is also important, for much value is expended in preparation. So a rich person should seek

carpenters to make the structure; seek blacksmiths to form the iron works, those who make fireproof bricks and those who make ovens.

One should also seek those who know the managing of the fire, the smelting of the glass, its flow, the marking of it and the cutting. When all these have been found, truly striving at the endeavor is the important thing that remains. One should strive continually without rest, day and night. Then glass is obtained. Through this striving, that nasty, worthless sand has changed into something fine, desired everywhere. Through enlightenment and knowledge of the natural laws of the world, and through knowledge about the nature of manufacture comes that fine product.

People are able to transform dirty and rotting scraps of cloth into fine white paper, it becomes their officer to send from one end of the earth to the other to fetch goods and to tell the news. That is where the heart's compassion is made known, or the pain within. That is where knowledge and enlightenment spread, along with that which brings prosperity. That is the mouth through which one speaks with a loved one in other lands. That is where nations form alliances, and where intentions of war are made known. That is what keeps antiquity from being forgotten, and why wealth is secure and is does not get lost or disappear, and it is also what holds this thought now being presented. A rag is a nasty thing, but this comes about through industry, following enlightenment and

knowledge. Is it not clear that, "knowledge is power." From there comes all things through which we benefit. Through knowledge is how man surpasses animals.

Those who do not have knowledge about the tasks should not think they cannot obtain it, for it can be gotten. In A.D. 1700, they did not make cloth in Britain, or only a small bit. They went to get fine cloth in Belgium, and it was the Germans who made calico and the white cloth of that land, which now makes cloth for the whole world.

In 1705, there was one million, one hundred seventy thousand eight hundred and eighty pounds of cotton processed in Britain. And in 1817, One hundred thirty-one million, nine hundred fifty-one thousand pounds were processed. When the year 1900 is reached, what would keep the people of these islands from being as smart as those of Britain now? The chiefs and people who went before and began the necessary tasks are a blessing. The grandchildren will love them, and they will be greatly appreciated, just as we now appreciate Peter the Great of Russia. Their names will be more greatly renowned than those of Ceasar and Bonaparte.

#### Protecting Those Who Strive in the Quest for New Things

1. Knowledge is intangible, as is enlightenment. The hand cannot hold it, nor can it be

bequeathed to a child from the parent. Therefore, for those who strive in seeking the laws of nature and the manner of making new things, and who find what they seek, that asset is of a different nature, unlike assets in hand. It is an asset that cannot be stolen and is inexhaustible when given or sold.

2. The majority of those who seek the laws of nature and the manner of making new things are intelligent, thoughtful and meticulous, and some of them are great and tireless strivers. But once they tell of their knowledge, the unskilled can spread it about.; they cannot restrict their discovery. Every person should know of that thing that was sought.

3. Knowledge and wisdom are perpetual assets, and assets that are easily spread. That is unlike tangible assets. If one knows of something, he can tell it to whomever he wants, and that person who hears may tell ten others, or a hundred, and those may tell others, and thus it becomes widespread. Through print, dissemination of knowledge and wisdom can be quite fast. These things are of actual value, but are assets that differ from other assets. Therefore, these assets are not mentioned much in discussion of political economy.

All political economists know that knowledge is a valuable asset. They understand

that the land cannot be wealthy if the people are ignorant. Political economists know that the land needs people who disseminate knowledge. Thus laws are often made to protect the assets of those people.

In enlightened lands, if one writes a book, he can inform the leader of that place and that book will be forbidden for others to print. It belongs to the one who made the book and to him alone.

The same is true of things that are researched. The one who first accomplishes it holds the wealth of that action, like the steel pen. The one who first made it is the only one to do so. No other person should make steel pens without payment to the one who first did so. It is his asset. His payment is for his search. That is something that makes people strive to seek out new things.

Due to the unusual nature of this asset, knowledge, the trade in it is different, and it is not traded like actual goods. It cannot be assembled in one place and loaded on a ship to be taken to another land for sale. If it were cotton or wheat, then it could be transported to another land to obtain goods from there. The value of knowledge is not in trade, but in application to action. If there are many knowledgeable people in a land and no other way for them to enrich that land, there is the application of their knowledge to activity. If the land were filled with knowledgeable people and yet knowledge is not applied to activity, they would die, from poverty and

hunger. A land is not wealthy through knowledge alone.

Knowledge is like steam-powered wheels turning. It is of no value if those wheels are not connected to something else. If connected up with a ship, and the ship sails, it is of value. If connected to a baggage cart or a carriage, as something to draw those vehicles, then the steam wheel is of value. The same is true if applied to the garment-making industry, to the lumber milling trade or to ironworks.

With these statements made, the need to connect the strivers is clear, as support for one another. The one with knowledge should assist activity, supporting ones who strive at the activity. The one who is knowledgeable in natural law should also assist the one who seeks the nature of doing things.

If that is the case, the land benefits, to make lands that operate in that way wealthy.

#### Section IV

##### Regarding Things That Increase Income Through Industry.

If resources are consistent, as are the number of workers and the effort at production, then the income will be the same. But if one dies, income lessens. Or if one falls ill, income will be smaller.

If I have land, and I hire workers and they work two hours each day. I

will receive a certain income there. If they work four hours each day, then the income will double. And if they work eight hours, the income will double again. The increase in income is in accordance with the work executed. We see that every day. Those who are ill, aged, lazy will not have increased income, for they cannot strive.

Also, man is weak. If he strives morning to night and does so every day, his strength will eventually be gone and he will become weak. If a man's industry greater, his income will be greater through effort. If the industry of one person is like that of ten others, then his income through industry will be like that of ten people. Therefore, these things are clear.

1. If we can expand the work to ten times the amount of work, then the income will be tenfold. If one man can do the work of ten, then he will receive the pay of ten men.

If ten loads of cargo are at Wailuku and one person gets a horse and cart and brings those loads that ten men would have carried here to Lahaia, then he should receive the pay of ten men. If all persons operated like that, then income would increase tenfold for every person.

And if a person researches and obtains a milling waterwheel, and that wheel does the work of one hundred men, then the increase of assets will be equal to that of a hundred individual millers. If great deal of manufacturing is skillfully done in that way, that land will be wealthy indeed.

2. Also, many things are necessary for man's existence which a man cannot provide on his own. We want houses, prepared food and clothing. We cannot fell trees with our teeth, like Beavers. We cannot prepare foods through the ministrations of our hands. The hands cannot maneuver and simply make clothing. We can quickly obtain, however, that which makes these things possible. Trees are easily felled with iron, food is soon cooked with fire and bolts of cloth are quickly finished on a wheel. That makes clear the true goodness of those helpful things of the earth.

If a person has those helpful things,, he can generate wealth that cannot be made by the hands alone.

3. And moreso, if a man continually works at a single job, that work is swifter, for only those unfamiliar are slow. If he does one job today, another job tomorrow and yet another the next day, his work will not be speedy. So if there are ten men, and they intend to make ten new products, they should work individually. They should not all work on one



task, and when completed, all work on the second job. If it were so, it would be very bad. The work would be long, and the product made would be bad. Proper division of the work would be the third aspect that makes wealth abundant.

Maintaining these things is what will increase the wealth of the land. 1. Striving at enterprise. 2. Seeking the things of the world that assist. 3. Proper division of the labor, so that all are skilled, each in his own field of work. Maintaining these principles is what makes a poor people into one that is wealthy. It is also what will perpetuate the provident existence of people.

Here is the nature of existence for ignorant people. The work with just the hands, feet and teeth, and no other tools. So they seek raw food, the fruit of trees, the roots of plants or other things that grow wild, and they hunt animals, and thus they survive, but not like humans, rather like animals. In living that way, the population does not grow. Children die of hunger, as do some of the adults. People doing that do not survive in cold places. They live in the interior lands of Africa, or in Australia, or on islands in the Pacific Ocean.

And if man has the bow and arrow to kill animals, then he has acquired some

useful item of the world. And if he acquires the digging stick, he is wealthier. He can go after animals and can also do some farming. These people are superior to those who just rely on their hands.

Raising sheep is a new endeavor of people, and on acquiring animal husbandry, they can farm extensively. In that endeavor there are many helpful things of the world. There is soil, mulch, plows, oxen, carts and horses. All these things become useful for man. So man's existence is different when supported in that way, and different when not supported.

But man is not fully supplied simply by obtaining those useful things. So he seeks again so as to be supplied. And in that renewed search, the jobs are divided. Then man is supplied with all things needed, and the land is soon wealthy, with the people living high above all those peoples who do not operate in that fashion.

In enlightened lands, many things that are useful to man can be found. But not all necessities are obtained. The wind, the water and steam give much assistance for mankind. Many things may still remain, not yet obtained at this time. Far more things are known now than were known about previously. And our grandchildren may be far beyond us, just as we are currently far beyond our grandparents.

One should not assume that God's generosity is finished. If man's quest is proper, he will reveal new resources each year.

In this narrative, the poverty of some lands is clear, where no men know the laws of nature, or if no men seek the things needed for endeavors. What would man's life be like if we lost knowledge of the compass and the stars, which are needed for navigation? How would the people of this generation fare if men no longer knew the various industries, like ship building, cloth making, smithing and every other kind of industry? So an important thing in political economy is to seek ways to make people want what they need, it is also important to protect those with knowledge and those who work.

### Portion I

#### Regarding The Support From Things Of The World

Many things will increase income through industry. In this first portion of the section, those things of the natural world that have supported man's efforts to seek wealth will be explained.

If we have in this world something that is extant, and which makes an endeavor possible or might increase gains, that thing is support from the natural world for man. Here are some examples.

Light and the warmth of the sun are things that exist in this world. If not for those things, plants would not grow. That is the world's assistance.

Fire is something of the earth that supports man. If there were no fire, food would be uncooked, one could not work iron and there would be no items of silver, gold or copper; there would be no sugar or thing baked, and there would be no steam to drive ships or carriages; man would not survive in cold lands.

Magnetic force is a natural thing that supports man. If not for it, ships could not sail beyond sight of land, so no land could gain the goods or knowledge of another land. Neither could one travel long distances in the forest or desolate regions. Because magnetic force was grasped, mankind is able to traverse unknown regions inland and far out to sea.

The strength and knowledge of animals is another thing of the world that supports mankind. The strength and tameness of oxen, the speed and gentility of the horse, the strength and patience of the camel, the stubbornness and caution of the donkey are all necessary for many endeavors; they all support mankind.

The wind, waterfalls, steam and tidal rise are all things of the earth that assist mankind.

Things of the earth that assist are different from those things that are manufactured. Supports that are made are called tools.

The saw is a tool, and it helps man to cut and to split wood. The plane is a tool, and it helps man to improve the boards. The digging stick is a tool, and it helps man to till the soil.

The spyglass is a tool. That is because it helps man to look at things far off.

The iron stove is a tool, for it helps man to prepare food and to warm the house during cold times.

The compass is a tool. Magnetic force is a thing of the world. It was man who sought it out, and made the compass as an assistance in his search for places unknown to him.

The water wheel is a tool. Water is of the world, but the wheel was man's, and it assists the wishes of man.

Those helpful things of the world are not traded, for they come from God. They were simply granted to mankind. Tools, though, are of man, for he made them. Some things of the world do not, however,

readily assist until man prepares the tools. Water is of no help until man makes a water wheel, whereupon it assists. Magnetism does not assist until man makes a compass, then it helps. Wind does not help until man makes a sail, or a wheel, and then it assists.

There are, however, many things of the earth that provide support with no effort by man. Light simply helps, as does air and the warmth of the sun, or rain, where it rains. Then with some things of the earth, if man works a little, they help. It is a minor task to make a canoe sail, and the wind assists in sailing. Making a compass is a minor task, and then magnetism assists, and even after many years the magnetism will not end. A million, perhaps a million goods have been brought through the direction of a single compass. Other tools are important in the operation, and are soon ruined. Such is the case with steam wheels that make a ship or carriage run.

On converting things of the earth into a new form, the important thing is strength. Without that, no task is possible. The farmer is unable, as is the fisherman, tools have no capacity and transformation can not be done. But the strength need not be from man alone. Many things have greater strength than that of man. If something is a great task and there are many people, then it is quick, for there is great strength. If there are few people,

but they have strength from elsewhere, then that small group is like a large group, if that large group has no external strength. So wise folk have sought out strong forces of every kind as ways to assist man. Some of the strong things do not help man. The shooting star has force in its run, but does not help man, for there is no rope or such to connect to it as a means to make that possible. So it is critical to seek things where the force may provide assistance. That is the message that remains in this portion of the section.

Those things that assist man are divided into two main types.

1. Here is the nature of the first things, namely that they are strong.
2. The nature of the second type of helping things is that they are tools joined together and connected to the force, as necessary.

1. *Force*. There are two kinds of force. One kind of force is *animate*, and the other force is *inanimate*.

2. *The animate ones*. That would be animals that pull or draw, animals that carry and animals for riding. The ox, the horse, the donkey, the camel, the elephant and in some lands, the dog as well, these are things that help man through strength.

When men live in ignorance, the animals do not help them.

Animals simply exist, eating and sleeping, eating food and sleeping, but doing no work. When men become enlightened, one of the first actions is to provide work for the animals. The strength of a horse, an ox or a donkey is far greater than that of a man. And it is not much of a task to feed them. It takes far more effort to feed people. Their feed just grows and does not have to be cultivated. They actually gather it. It need not be cooked or baked. They wear no clothing, and in this land they need not be housed. So little effort is expended in raising work animals.

If a man is smart, he can raise ten oxen, or just four. Then that one person with his oxen can do the work of ten men. If all persons did that, the workers here in Hawai'i would be tenfold. If so, the jobs completed would be tenfold, and the income would be tenfold as well.

At this time, it pains the heart to consider the great diminishing of the people of these islands. Previously there were many people, food was plentiful, there was plenty of tapa, many nets and great tax income, with great wealth for the chiefs because with many people, great tasks were possible. At this time, they are diminished. But if animals were used, there would be far more force now that there was at that time when people were plentiful. What would be the reason for not utilizing them?



All the other forces are slower, like water, wind, steam and such. The animal's strength is right at hand. Some of the burdensome works now are going for wood, stone or other heavy things and hauling them far distances. If those burdens are lifted, nearly all of man's toil is done. So it is important to use animals. One should make use of horses, donkeys and oxen. If all of those animals were put to work, man would benefit, the land would soon be wealthy and the chiefs would be wealthy too.

In farming, the other forces cannot do the work, only animals can. The wind cannot, water cannot and steam cannot. There are very few tools related to animals to enable their work. The oxen have a yoke and a chain, and carts as well. In the case of horses, donkeys and camels, very few tools are related to them to enable their work.

2. *Inanimate forces.* The inanimate forces that strongly support mankind include *Powder*, the *Wind*, *Steam* and *Waterfalls*. These things are all put to use and they do a great deal of work.

1. Jobs done by *Powder* include warfare, killing animals and birds, and breaking up rocks. *Powder* is quite valuable for breaking up rocks. If a man works

one day, makes a small hole and puts powder in it, that powder quickly does what twenty men could not do. So powder is important for making roads in rocky spots, for digging out river beds and in making steel tracks. If there was no powder, those jobs might not be possible. Powder is the important thing in digging for silver, gold, copper, pewter, iron and all things found in stone.

Powder is the most powerful of all in hunting animals or birds, or those things that cause trouble for man. If a man has powder, he has no fear of wild animals, or any kind of wild dogs.

Yet all those things are minor, while war among people is critical. If one side in battle has powder and the opposing side does not, then the one without powder will quickly be defeated by the side that has it. Therefore powder is a greatly desired force by all who engage in war. And if war is necessary, then it is certainly needed. That is because powder can rout an enemy with minimal death. In previous times, when men fought with spears, knives and clubs, many died, but few die now with powder. In those times, on engagement of battle, one side was quite close to the other, and one man fought with another, and that is how all of the people

engaged. Now, because people are further apart, and one is not up close to another, fewer people die.

This is another great virtue of powder. Because of being separated, one is not angered at another as occurs in times when one is close up to another and the eyes are visible. So the heart of man does not become like that of a tiger, wishing to tear one to bits; nor does it become like stone for lack of compassion. That may be why there is little slaughter when one side is routed. Previously, there was much slaughter. At this time there is none.

2. This is the second inanimate force used by man, *Wind*. On the ocean is where wind is used the most. Even the ignorant knew how to make a servant of the wind. It is likely that no land was unaware of it. Sails were made to move canoes in all lands. Wind allows small and large canoes to sail, along with trading ships, fishing boats and man-of-war ships. Because of man's intelligence, if the wind blows from behind, that is fine, and if from one side, that is good, and if from the other side, that is good too. If the wind blows from in front, it is possible to tack into the wind. Should the wind be strong, the sail is diminished, and if it is minimal, the sail can be enlarged, which is how man, through his intelligence, makes the wind serve him.

Because the wind was so useful on the ocean, other forces were not greatly sought out to drive the

ships. They were sought, however, for they were needed on rivers, on lakes, and on calm seas. Other things were not greatly needed at sea, aside from the wind.

The wind could also perform some tasks on shore. It has been seen here how it pumps water, and wind grinds wheat in some lands and does other tasks. But the wind is not greatly needed, since its force is inconsistent and variable. Sometimes it is from the east, and at other times blows from the west. That is one reason the wind is not desired as something to perform work.

One good thing about the wind is the few tools that must be applied to make tasks possible. The wind does not get stiff or lazy like animals do, nor does it get hungry, and nothing of value is expended to feed it or care for it.

3. The third inanimate force is the *Waterfall*. The value of this force is that it is consistent, little is expended in the work, and it has great force. It is the one most used on shore of all the inanimate forces. From ancient times, water was put to use. Not, however, in very ancient times. Water milled boards, smithed iron, ground grain, milled sugar, made paper, planed wood, spun the whetstones, washed cotton, twined thread, wove

cloth, water made guns, ground powder, and ground clay for dishes, water also polished stones and did many kinds of tasks. Man must manage, and water provides most of the force.

These are some difficulties about using water. It dries up at times or there may be minimal water at certain times. Sometimes there may be too much water, a rushing torrent, damaging the land, breaking up the building and washing away the waterwheels. That is important when constructing buildings and wheels in the stream. If the water is contained and made to flow elsewhere, it is a great task. But waterfalls are assets, as are forcefully flowing waters. It strongly supports man's work.

4. A fourth inanimate force greatly used by man is *Steam*. Its force is far greater than that of wind or water. Steam has only been generated in recent years. It was not known previously. Thirty years have passed since the initial use of steam. Now it is widespread. An American man is who first crafted a fine steamship, and since that time, the lands have been greatly enriched by that.

Here is what makes steam better than water or wind. A person can reduce or increase steam according to his choice. That is not true of wind and water. Also,

steam can work in one place and can be taken on board a ship or on a cart. So steam is useful everywhere that firewood can be obtained.

Here are some things that hinder the use of steam. It is a major task to make the furnace and the wheels, as well as all the necessary apparatus. It is important to maintain the various equipments, and when they break, to redo them. Much is expended there. Firewood is an important thing as well. If there is little firewood, it is no good and steam is not possible. So steam is not employed where there is no fuel. In Britain, coal is the fuel and that is true in some parts of America.

If one decides to make a working wheel, here is what is needed. He should first consider water, wind and steam. If there is abundant flowing water nearby, but no fuel or wind, then clearly, a water wheel is appropriate. And if there is no water, nor is there fuel, and the task is one that calls for few people, and if the wind is good, then a windmill would be fitting. And if there is no water and the wind is not good, but there is ample fuel, and the people know to make steam generators so as to turn the wheel, then a steam-driven wheel would be proper. At this time in America, it is said to be half as expensive to make steam-driven wheels, while far more wealth is expended on water wheels.

*Here is where inanimate force is far better than animate.*

1. Inanimate forces are much more powerful in a small space. The steam oven is small, and one should place it in a small room or set it atop a cart, its power being greater than one hundred horses. If it were thought to have horses pull the ship, the ship is already full and there is no room left for the horses to stand. And if one thinks to have the horses run along on land and pull the ship, it would be very slow, unlike if it was done with steam. Steam is extremely powerful.

2. One good thing about the inanimate forces is that their strength is continuous, not lazy or tired. If animals work for eight hours in a single day, that is long. Then it should rest, and eat and sleep. And once they are tired, the work stops. If the work is strenuous, eight hours is not possible. Carriage horses in America only work for three hours, and some only two. If the work goes longer, they quickly weaken and can die. So if three horses draw a canoe, they pull it for three hours and then rest, then three other horses join in, and twenty-four horses are put to use in a single day. It is not like that with wind, steam or water. They do not die or tire out from being heavily used.

3. Here is another good thing about inanimate force. They are not purchased, and if something is to be bought, it is a small purchase. Horses are a major purchase, as are oxen and all of the working animals. Wind is not purchased, and while there may be some minor purchasing for

water, steam need not be bought. Some assets are, however, spent on the making.

But that expense is not great. There is great expense to feeding animals. Steam-driven wheels are not fed. If it was decided to have horses pull a steamship, four hundred and fifty might be able to do it. Yet in purchasing those horses, forty-four thousand dollars would be spent. That is a huge expense, and it would only be a portion of that to purchase a steam generator. There is also great cost to feeding a horse, while the cost of coal or firewood to run the steamship is minimal. This is very important in small lands where people are in difficulty. In those lands, inanimate force are completely appropriate. On land that would support one horse, eight people could live. So it is proper to give the work of animals to inanimate sources of power. Then land that would be used to feed the animals is unoccupied, and many people can live there.

4. Here is another virtue of inanimate forces. Half as many people die from those things. In riding horses or in putting animals to work, people die. Animals are hostile and mischievous to people. Water, steam and other inanimate forces do not get angry. Therefore man can operate in the way he decides. If there is a tangle, man is at fault. There is little death with locomotives or steamships, but much death with horse-drawn carriages. The locomotive is a new thing, as is the steamship.



Once people know them well and are accustomed to managing those things, deaths will end and there will be no death at all in that kind of transport.

5. Here is another good thing about inanimate force. They work without injury. If animals are put to use, they get injured. And if the work is hard or long, the injury can be great. That is not so with steam, or wind, or water. Those things do not get hurt. A person cannot treat them cruelly and hurt them. The lifespan of animals that are worked hard is not long.

6. Here is another good thing about inanimate forces. Their power is stable when running quickly and during slow times. That is not so with living things. If the horse goes slowly, two miles in one hour, it is said that it should carry 200 pounds. If it is to go three miles in an hour, it should have 162 pounds. If going four miles in one hour, 130 pounds is appropriate for it. If it is to go five miles in one hour, then it should have 98 pounds. If it is to ride six miles in an hour, it should have 62 pounds.

And if the horse is to ride really fast, it should not carry baggage.

That is not the case with inanimate forces. If they run long or fast, the same amount of cargo is fine. That is true for the running of the locomotive and of all inanimate forces.

Because of these qualities of inanimate forces, at this

time, they are extensively used. Because of their strength and their speed, jobs are expedited, people can quickly get to their destinations and the cost of overland transport of goods is greatly reduced. Trade in the far inland regions is nearly the same as that at the shore, and inland places are just as desirable as those by the sea.

II. *Concerning things connected to force, so as to be beneficial.* All men know the force of animals, of powder, wind, rushing water and steam. But not all men know how to utilize those things. They do not know how to connect the necessary equipment. If possible to connect certain implements with those forces, then man is almost empowered from the number of things supporting him. Many things are done to expand force. All those things are referred to as expanders of force.

These are terms for the things that expand force, namely springs, wheels, pulleys, cutters, press drills and blades. In some applications, two or three of these are joined up, so as to make the force great.

If these are available, then the small force of man's hands becomes a great force, able to do things that he should not undertake with his hands alone. There is not force contained in those things, but the force from elsewhere is increased. So there is more benefit to those lands

that know of those things than to those lands that know them not. Acquiring those things is first, while the use of forces is afterward. Archimedes knew much about those things, but he did not know much about utilizing the water, wind and other such forces.

Once those two things are known, man is victorious. He has acquired all forces and is able to utilize them all. The thing that clarifies how man is enriched by those things is that they work without payment.

Here are some of the good things gained through those things that expand force.

1. Through those things, one can direct the force to where it is desired. If the force is from above, that force can be directed and become a means to raise up heavy things. The pulley is an example. A person pulls downward and the stone goes up. The same goes for the water wheel. The force comes from above, but that wheel can pull upward, or pull to the side, as per the wishes of the one doing the work. If the force is above, that is fine, and if below, that is fine, and if from the side, that is fine as well. The force of steam can be from below or above, and the ship will still sail forward. The wind may come from the side, and the ship will sail forward. The water may flow from the side of the wheel, and the saw will cut up and down.

2. It is possible, through those things connected to force, to extend speed to force

and force to speed. That is what is done extensively in cloth factories. The great wheel might spin ten times a minute. That great and powerful wheel is connected to other wheels, which spin fast; their revolutions are thousands and thousands per minute. That is also seen in watches. The powerful main wheel spins slowly, while other wheels spin fast.

3. Because of equipment connected to force, it is possible to do large tasks, which are not fitting for man to do on his own. Because of the great force of those things, iron, stone and copper become as soft as wood. It is cut, and the steel blade cuts through it like a woman cuts through cloth. If these things were not known, it would not be possible to make large iron objects like anchors, and steamships, locomotives, sawmills and many other things would not be possible.<sup>17</sup>

4, Those things make it possible to do very fine work not suited for human hands because of the tiny scale. If there were no spinning wheel, it would not be possible to make the tiny wheels of a watch, fine, delicate thread, or many other such tiny things.

5. Through things that manage force, it is possible to assemble great force at a single place and at the same moment. That is what is utilized by the huge hammers that place great pillars in the soil.

That hammer is raised up high by a pulley, then falls on the head of the stake, driving the wood deep into the soil.

6. Those things that manage force can transform great short-term energy into longer term force. That is what is used in the winding of a watch. The winding lasts perhaps one minute, but the watch runs fine for a long time, perhaps a day or a week.

Through those things, man gains great benefit. The quality of things produced is better, the work is faster, there is less expense to the work and people are enriched through those things.

## SECTION V

### Regarding The Division Of Labor

In the completed chapters and sections, things that increase income through industry are explained. Those things which support man are explained, as is the nature of the support. The forces are explained as are the things connected to the forces to make them useful. In this chapter, it will be explained how people are arranged in the work so as to increase income.

It is customary in all lands for some jobs to be divided up. Men's work and women's is different in all lands. If a canoe sails on the sea, the steersman is different from

the paddlers. If men go fishing, the work of one is different from that of another. From ancient times, the work of the high chief has been different from the work of the governors, the land managers and that of the common folk. From antiquity, the work of the priest was different from that of the healer, the carving expert's work was different from that of the orator, and the work of the genealogist was different as well.

Work is only partly divided in ignorant land, while there is much division of labor in enlightened lands. In this land, one person does the farming, or fishing, house building or thatching and other such things. In lands that know manufacturing, all work is divided into small parts. In Britain, where pins are made, no one person makes the entire pin. Twelve laborers work on a single pin.

In making a pin, one person works with the copper, a different person makes the large wire, another makes that smaller, a different person does the straightening, another does the cutting, a different person does the sharpening, another cuts the head, another twists it, another inserts it, another whitens it, a different person polishes it, another packages it and a different person sells it. If one person were to do all those jobs, it would not be right. Those who have researched this know that it is proper to divide work into small parts, as something

to increase income. Here are some examples to clarify.

1. If jobs are properly divided, not much time is spent in training, and one is quickly skilled. In every job, learning skill is an important thing. If it is navigation, skill won't be gained in a single year. After long training, skill is achieved. If it is a very difficult job, training can be long, and if it is not difficult, it is not long, and one is quickly trained. Time expended for training is a loss. But if the skill is gained, it is appropriate, for wealth is gained through that skill.

It is said in Britain that if a person intends to be skilled in a certain trade, he needs seven years to train. That is the number of years necessary for the carpenter, the blacksmith, the building planner and all occupations. So clearly one person cannot learn all trades. If it takes seven years to learn the trade of the carpenter, seven for the blacksmith, seven for the building planner, seven years for the painter and seven for the locksmith, when would his house be completed? If all persons were training like that, there would be no time to work, for all time is spent in training. But if a person learns a single task and he works in that field, and everyone does the same thing, then little time is spent in training, leaving much time to do the work.

Here is one thing wrong about a person taking on many tasks. Much wealth is spent on training because of his lack of skill. Much iron is wasted by a man while he learns to do smithing. That iron is wasted, since what he has made is no good due to lack of skill. In that way, many boards are used up by the carpenter during his training, as is cloth of the tailor and leather of the shoemaker. It is not completely wasted. It is partly wasted due to the lack of skill in the production. The tools are wasted, such as the saws and adzes and all other tools.

2. If many tasks are done by a single person, much time is spent in going from one task to the next task. If a person does the work of a carpenter for one hour, and the work of a blacksmith for another hour, much time is spent in lighting the fire and in the preparation. But the most important thing is the hand's familiarity with the work. If a person works for a long time at one job, then it goes fast, because the hand is accustomed. The hands can work without thought from the person. One who is training in typesetting may only set a few lines in a single day when first training. Once skilled, he can complete eight pages in a day because the hand is accustomed to that task. This too, if a long time is spent at one job, he gains the strength needed for that task. If a man works for a long time on a whaling ship, his fingers are quite strong and his pull on the rope is powerful,



while a new person is not strong. He is able to lift great barrels. One not accustomed cannot do so.

That is the case with a racing officer. If he is absorbed in that work, he gains power in his legs. Therefore he does not get stiff going long distances. If it were a man from a ship, he could not go long distances ashore because he is unaccustomed. The same is true with eyes. A person not accustomed to looking at tiny things will not understand. But one who often looks at tiny things will find them clear. It is true of ears as well. If the ear is not used to listening to singing voices, all voices are alike to him. If an ear is not accustomed to hearing English, it will not be clear at all. If I say "Alexander" to all of you, you won't understand because you are not accustomed.

3. Here is another big flaw in one person doing many jobs. Much will be expended on the purchase of tools. If a person decides to fish, or refine sugar, do blacksmithing, make watches, do carpentry and such, much cash is spent buying the necessities. There is the canoe, the nets, the sugar mill, the cauldron, the bellows, the anvil and all the equipment of the blacksmith, the equipment of the carpenter or watchmaker's equipment, and if one were to buy all those things, it would be a waste, for much wealth would be expended with only a portion gained.

4. Here is another flaw in having one person do many jobs. As he performs one job, that task may be wrong. If a farmer goes to a distant place to fish and to do contract work, the land is badly affected, perhaps dry, overgrown with weeds, or animals ate the crops. If a carpenter is making a house and he leaves to go to another job, the house is harmed. Rain may come, and not be good; boards may crack in the sun or something might disappear, or some tools may be ruined, like axes, saws or other such things. The same goes for one raising animals, that if he goes elsewhere, the animals may be hungry and not good. If he is a cane grinder, he may grind one day and then boil it. The furnace is hot that day, so if he continued to boil the sugar, not much fuel would be used up. But if he stops, goes to another task, losing heat of the furnace, after which he boils again, then much fuel is spent. That is also true of coal for the blacksmith, that if he leaves his job and goes to another task, much coal will be used up.

5. Here is one important benefit of division of labor, that it makes the products be of good quality. In lands where jobs are extensively divided up, everything made by people there is of good quality. In lands where labor is not divided, products are not of good quality. Canoes are the fine product of this place. But the expert is not quickly skilled. Only after a long span of working does he become skilled.

6. Here is another good thing about the division of la-

bor. If a person is absorbed in a single task, then he is smart in seeking new processes to assist a person in that work. When a person is completely involved in milling lumber, then he seeks and finds that water will do the milling. Once one becomes engaged in blacksmithing, he seeks and finds that water will do the work. When one has become deeply engaged in planing boards, he seeks and finds ways for water to do the work. That is so for very many things. Once one is absorbed in a trade, then he can give quick consideration.

7. Another important benefit of dividing up labor is that it reduces cost.<sup>18</sup> If work is not divided, there is great cost. That is something that reduces cost in Britain and more so in America, because in America, work is not divided in tiny bits as it is in Britain.

#### SECTION VI.

##### Where It Is Not Possible To Divide Labor

Here are things that make it unfeasible to divide the labor:

1. *Because of lack of resources.*

2. *Because of goods not being sold*

1. *Because of lack of resources.* If one person's resources are minimal, he cannot divide up the work much. That is the problem in clothmaking in this country. If the work was to be divided up, it would take many people. And if there were many

people, there would be many manufacturing houses, many tools, wheels, weavers and other such things. So it is not possible with few resources. But if people join together, then the work can be divided. That is done extensively in some lands.

It is possible to divide up some jobs with minimal resources. The carpenter can carry on with his own work and the blacksmith can continue with his own job. If people of this land would learn those trades, it would be good indeed. The lack of training for people is a major problem that exists now. The division of labor into very small parts here, as is done in Britain, would not be appropriate. Some division, however, is possible, and then it can be divided again, as is seen fit.

It is assumed by people now that they are unable to take on great tasks because they have no resources with which to begin. It is, indeed, possible. The chiefs, however, should support those striving at the jobs, so as to raise the hopes of the people, so many will learn the trades. There are skilled carpenters here, but because they are not assisted and have no resources, their labors are not duly enabled. Some people observe them, and because they are not supported, it makes people not want to train, lest the training be useless.

2. *Regarding goods not being sold.* If

goods are not sold, then division of labor is useless. If the work was divided up thusly: one person plants only white potatoes, another plants only beans, another plants only corn and others plant nothing but cabbage; that effort is wasted if those crops are not sold. The same is true for a tradesman. If a blacksmith makes only digging rods, and works long at that, it will be speedy work for him. But if the digging rods are not sold, his deep engagement in that job is pointless. It is like that in all fields of work. If few people desire a product, then it is not proper to divide into bits the jobs of those who make the product.

Here is something to clarify the sale of goods or the lack thereof.

1. *The number of people.* If there are few people, they will consume little food. They will also wear a small amount of clothing. There are few people here on Maui. Therefore, if abundant taro is planted, it is a waste, since it will not be sold. The same goes for sweet potato, yam and every other food crop. If it were sugar cane or cotton, it would not be the same, for many people want those things. This land is not like the deep interior lands on the continents. There, goods cannot be properly transported elsewhere to trade, because of the long distance to haul them over land. It is not like that here in Hawai'i. Goods can be placed on a ship and taken wherever one intends. Therefore, it is appropriate

to seek out every kind of goods in these lands, for they can be transported elsewhere for trade.

There are many areas where it would be improper for labor to be divided up in a particular land. Lack of wealth is one reason, which makes it impossible to buy or sell the things that are made. Large-scale trade is affected as well; then there are no goods to provide. But these things do not all directly pertain to this land. They relate to some degree, because of the poor quality of the roads.

At this point, because of the small amount of trade in this land, the nature of trade is not clear. Trade in the uplands and at the shore is similar, as is trade at long distances or nearby. The effort of transport is not considered. If there is a lot of trade, then that is considered. Because there is little produce in the countryside that is brought here, the roadways are not given much consideration. If sugar cane was planted all around Wailuku, in Hāmākua, Makawao and Hali‘imaile, and all that cane was brought here to Lahaina, then the roads would be given great consideration, and an iron track would be needed.

At this time, if coal were found in the mountain of Maunaloa, it would be of no value. That is because there is no way to transport it to shore except by humans. If there were donkeys that could do the hauling, it would be of some minor value. If there was a good road, oxen and carts that could haul it, then it would be valuable. Such is the case with all heavy things, when transported long distances. The transport is the bulk of the effort.

At this time, firewood is a major trade item in this country. Here is the inappropriate thing. It is transported long distances on the necks of men. So you are not benefitted by the sandalwood. If the chiefs sought out proper places where oxen and carts could go, and the oxen could haul the sandalwood, that would be good indeed. This way of working is only half as good. The same is true of house timbers, stones and all heavy things. Only the ox is fit for that work, and men should continue working at things that do not need oxen. Men are not burdened with other things, with carrying cargo to far-off places or going long distances to work. It would be right to first end that burdening of people.

In times past, there was extensive coal in the mountains of America. But the land was not wealthy from that, because of a lack of roads and the great distance to haul that coal. Now, that has become a great asset, for the roads are good and many canals have been dug and iron tracks laid. If there are transport goods, then iron tracks and locomotives are necessary as ways of transport. In lands without wealth and in places without cargo, good roads and locomotives are useless.

Here is something that clarifies the value of dividing up labor. All lands are not the same. Some lands are appropriate for taro, and not fit for growing olonā. Other lands are good for white potatoes, but not for sweet potatoes. Certain lands are good for sugar cane, but not for cotton. So it is clearly appropriate to

divide up those jobs. The owner of land that is good for taro should strive at that, at taro, and trade it with those who have no taro. The same is true for the owner of land good for olonā. He should strive at growing olonā, and trade it with those who have no olonā. The same for owners of sweet potato land, or of sugar cane land or owners of cotton land.

That is the reason for trading with other lands. Different crops grow well in America than the crops of France, and different still are the crops here in Hawai‘i. So people here in Hawai‘i should strive with those things that grow well here, and trade with the Americans and the French. The Americans should strive in the things that grow well there, and trade with the French and with those here in Hawai‘i. The French should invest themselves in crops that do well there, and trade with the people here in Hawai‘i and with the Americans. Here is an example.

On one side of America, sugar cane does not grow. But a delicious kind of tuber grows there and if the juice of that root is boiled, it becomes sugar. There is not much juice in that root, so not much sugar is obtained. If one worked hard all year at that job, he might get three hundred pounds of sugar, and the cash value in that is thirty dollars. If he strives at planting wheat, he might get forty barrels of wheat. The cash value in those barrels would be four hundred dollars. Here in Hawai‘i, if one strives at planting sugar cane, he might get four tons i a



single year. In those tons would be four hundred dollars. But if he strived at planting wheat, he would be lucky to get three barrels, and those barrels would have a cash value of only about thirty dollars. So it is clear what that American should do and what that man here in Hawai'i should do. The American should stop planting beets for sugar and should strive to plant wheat. The person here in Hawai'i should plant sugar cane, not wheat. Then those people should trade. Here is how they should trade. The American gives what he gains in a single year, which is forty barrels of wheat. And the person from Hawai'i would provide what he gained in a single year, which is four tons of sugar cane.

This was possibly God's intention when he provided a different kind of land to one person and a different kind of land to another, so that they would meet each other and trade back and forth. If all things that grow here grew in America, and everything that we have here could be found there, then no ships would ever sail here again to do trade here. They would seek the whale there and the sandalwood, and would not sail here to this land. But the difference of things there and things here is the reason the ships sail here and why we all meet each other. God sought ways for men to meet together with one another, which is why he made the lands, each different from the other, so that people would all be blessed by meeting up together.

## SECTION VII.

## The Relation Of Virtue To The Expansion Of Wealth.

In the chapters and sections above, those things that make wealth abundant were presented. But man will not be wealthy through all of those things if he is negligent in his life. While this pertains to the individual, it pertains greatly to the entire populace. It is seen where an individual is wealthy but his lifestyle is deficient. But there is no great nation of people who are wealthy, safe and blessed while their existence is deficient. Newman states:

If a nation should decide to become a great and famous country, their lifestyle should be carefully maintained. The strength of the nation is the strength of the workforce within that nation. But a person will not have physical strength if his life is not proper. It may be strong one day, but his strength will not endure. Eating right, drinking right and proper lifestyle are the important things that make the body of a person strong and allow that strength to endure. It is said that a land without illness is an important thing that makes man wealthy. It is true. If the water is dirty, and the air, that becomes something that makes people weak and sickly. The wealth of the land will not expand greatly. The greatest wrongs, however, are drinking alcohol and gluttony.

This statement is not simply a thought. The histories of countries present this. If we

look at those who previously lived in a certain country, they were people who managed the lifestyle, strong people. Therefore they were capable of great deeds and had many children, to whom the land was bequeathed.

Here is the statement of Kanaloahokana,<sup>19</sup> "The virtue of God and the propriety of life are the pillars that secure the land and prosperity. One should not think of a man that he loves his country if he seeks to remove these pillars of people's prosperity, the secure staffs of people's wellbeing and that of the children of the land. The man who only considers the good of the land should appreciate and care for those things like a truly pious person. It would not be possible to relate within a single book the full connection of those things to the prosperity of the people and the land. Let us not assume that we can manage lifestyle if our care for God is not sincere. It is clear in thought and clear in what we have seen that proper lifestyle does not endure if the heart does not consider God."

Newman goes on to say, "If a country intends to gain prosperity and strength, only one thing will make that possible, and that is maintaining righteousness. The connection between goodness and prosperity is clear. People who maintain righteousness are not lazy, but strive in their work. This is said in all lands. Laziness is the parent that gives birth to wrongdoing." This too. Wrongdoing is a

parent who spawns laziness. If we look through all lands, here is something we will frequently see, that people of lands that maintain goodness are strong at their work.

Safety and peace of a land will not endure if righteousness is not maintained. The goodness of the chiefs and of the people is the only thing that secures the laws and the government. Like air or water that is foul are causes for people to be sickly, so is wrongdoing something that will sicken the government. Good air and clean water are things that make a person's body strong, and the same is true of goodness, when it is maintained. It is what will make the government strong and enduring.

This too. No country is wealthy if the people are ignorant. Enlightenment is critical in people's quest for wealth. Those lands that are most enlightened and righteous are the ones that are truly most wealthy. George Washington says in his last declaration, where he commanded the leaders of the United States of America, "Strongly support the schools that spread knowledge. It is a main foundation to make the government secure."

It was widely known everywhere that the enlightened can enslave the ignorant. Ignorance has no power before enlightenment. If one is ignorant and another is enlightened, the two of them should not do trade together. The ignorant one will be harmed by the enlightened one. Great wealth is not acquired in ignorant lands, but once enlightened, then is gained. So in all wealthy lands, schools are strongly supported by the leaders. Colleges are the ones

greatly supported, while all schools are promoted. Lai,<sup>20</sup> the French minister says, "Primary schools, where one learns reading, writing and arithmetic, are very important. That is the basis of all knowledge. One should not say that a certain people are enlightened if they have not obtained the benefit of education and the people know those three things. If they do know know those three things, they will dwell in ignorance. Women should not be left uneducated, for they also benefit the land when they are educated. They are the first teachers, and sometimes are the only teachers for a new generation. If the chiefs do not consider this important aspect of teaching, it is truly a great wrong that cannot be excused, given the number of things that it would foster at this time.

Like the thoughts of George Washington and Lai, the thoughts of wise ministers everywhere are in agreement. The land cannot be wealthy until the people are educated, at which point they can seek wealth. And if the enlightened folk attain wealth, they can maintain it, which the ignorant cannot.

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### CHAPTER THREE

#### Regarding The Connection Between Industry And Resources

In the previous chapters, the nature of resources was clarified, as was the nature of industry as a means to wealth. But not all

discussion on those topics was covered. There are many lands where resources are carefully maintained but without the application of industry. Some land is left uncultivated, or assets are kept in a house but not utilized to generate new wealth.

In other lands, industry is applied to resources so as to generate additional wealth, and great effort is expended there. So the wealth of some lands expands greatly while that of others remains constant, neither diminishing or increasing, and in yet other lands, it is greatly diminished. There are some fine, rich lands in Europe and Asia, and in times past, those gardens were the finest in the world. At this time, those lands are oppressed by Turks, and the people barely survive. So at this time, we should search anew for things to connect effort with resources so as to make people wealthy.

#### SECTION I.

The Nature Of Man's Life That Relates To Industry And Resources.

Why is it that the resources God has granted us have not been maintained? Why does man not strive at industry so as to be wealthy? In seeking a way to clarify this problem, we should consider some of man's nature.

1. If we consider the nature of our body, we can understand God's intention in his having made

us in that way. It is the same how we observe a ship and understand the intention of the maker, so too is the intention of the one who made our body apparent. We see the body of the ship, which is secure and without leakage, and it is apparent that it was made to remain on the water, as something to float. We look again, and if the length is great while the width is narrow, the fore is straight and the back is tapered, the underside is ridged while the top is flat, then we know that it was made as something to sail. We look again to the masts, the spars, the rigging and sails, and the intention of the maker is quite clear. The masts were made to hold the spars. The great riggings were made to hold the masts. That was all made to hold the sails. The sails were made so that the ship could sail. All those things are apparent through simple consideration. And if one refutes that, saying that the making of the ship doesn't originate from there, or that is not the intention of the one who made it, we know that he is lying or is crazy.

That same method is how we understand the intention of the one who made our body. He provided strength. He provided hands, feet and eyes. He also provided knowledge, as something necessary. Because God made man in that way, his intention is clear, that man should strive at work. That is not how he made animals. They cannot farm or fish, or do any other kind of work. So God's intention is clear,

that he intended man to work. He expressed as much in his words. In the fourth commandment, he said, "In the six-day span is when you should do all of your work." Paul said, "But let it be done by the effort of your hands." There is also this, "If man does not work, he should not eat." Solomon reviled the lazy ones.

1. Here is another things that clarifies God's intention to make man. He did not simply grant all things man needs. Few indeed are the proper foods that God made to be ready without man's effort. God did not make houses, or make clothing. He did, however, grant the necessities, if we would do the work. Clearly, God granted those things so that we would strive in our work.

2. The life of man is not at all comfortable if he does not do some kind of work. He does not attain anything important or good without effort. Man does not attain enlightenment without striving to learn. He does not acquire the physical comforts or the necessities of life if he does not strive. The ancient law of God is clear, and that law is still in effect now. "With the sweat of your brow shall you eat, up to the time you return to the dust." If the chief seeks a nation, it is obtained through effort. If it is inherited, then it is secured through effort. If a man intends to be wealthy, only through effort



will it be attained. That is true for all good things. They will not be acquired by one who just sits, or one who is lazy, or one who is idle.

3. Work is something that keeps man's body from getting ill, and makes a man's thought processes strong. One who just sits and does no work cannot avoid illness. All wise healers know the value of work as a means to strengthen the body, and as a means for long life. If we observe the nature of people's lives, this is very clear. Those who properly continue to work do not frequently fall ill, or get chills, or cramps or stomach problems. They are strong. They have many children. Those who do not work have half as many. The thinking of those who do not work is not proper. Their thinking is feeble, not strong. The workings of the mind are the most important thing to strong thinking. Like with hands, strength is gained through frequent practice, and the same is true of thinking. Through great thought one gains strength in thinking. Thinking is the food that makes the mind healthy, and if man does not consume that food, his thoughts will perish.

4. Work is a pleasure to good people, and just sitting is not pleasant at all. Not only for good people, but for bad people as well. Different work might be desired by one and different work wanted by another. But as to striving at something, few indeed are those who do

not want to do so. If one strives at a some task, he gets stiff and downcast. That pain is a fraction, however, to the much greater chill and pain of the one who lies at ease without working. In America, in certain prisons, it is up to the individual if he wishes to work or not. One is never seen, however, who will sit about for long. They all want to work. At Grenwich, in Britain, there is a great house for the poor who were shot or injured in war. They do not work. They only sit, and eat, and sleep. It is said that their lives have no happiness. The working ones in the prison are better off.

Something that clarifies people's desire for work is children. We do not see children who wish to lie about quietly in the house. Running about, doing things, working, that is their great desire. Some people are embarrassed by actual work, so they seek something similar, as recreation. In some lands, fishing is a pleasant pastime. In other lands, shooting birds is play. In some places, hunting wild animals is a fun activity. There is horse riding as well, and marching, fencing, and in this land, surfing and land-sledding. All of these activities are similar. But here is a difference: those activities were done for pleasure. Actual work is done out of necessity. But people's

desire for some kind of activity is something they want.

5. Here is another thing that clarifies the propriety of work. People who do not work are punished. They have no escape. If a man just sits about and makes no effort to learn, here is the payment: ignorance and all of the ills contained therein. It is a great cost indeed. Let us observe the difference between the Nu‘uhiwa people and the notables of America, which makes clear how that wrong, ignorance, is punished. One who just sits about, and who makes no use of his hands, is punished. He is poor, hungry, chilled during times of cold, wanders about and is unloved. That person is sickly, his days in this world few in number, and will not be blessed with that other world. God's intention to punish the wrongs of those who do not work is firmly set. He punishes quickly in this world and punishes again in the next world. That is in complete accordance with what he revealed in his word, "Because of idleness, some will wear rags."

6. Those who work are well paid. "The hand that always strives at the task will be the source of wealth." "Hands of one who always works shall make him a master." "Do you know of the hardworking man, that he may stand before chiefs, but will not stand before those who are ignorant." If a person applies himself to learning, and his work is there, his payment will be enlightenment and the prosperity that goes with it. "An enlightened man is strong indeed." The strength

of a knowledgeable man will certainly increase. Striving at work is the only means to gain the earthly wealth, and those who work hard are wealthy. Previously, there was no wealth present in Britain, none in France and none in America. It was from the hard work of people that all wealth in those lands came. From there came money, from there came houses, from there came ships and from there came all things that people greatly desire. That is the great payment that God provided for dedication to work.

7. For the validity of these things that have been stated, for the important relation of these things to prosperity or injury for the people and the chiefs, one must consider carefully, and act in accordance with what God has taught us. God did not simply give wealth without work on the part of man. The laws of the land should support those intentions of God. If wealth is simply received by some people with no effort, then the action opposes God's own. In the actions of God, he provides much to those who toil much. So if some people strive greatly at working and they receive much, which is then taken by one who does not work, that action opposes God's own. God intended that those who do not work shall be needy, and if they obtain the wealth of those who work, then God's intention is not fulfilled.

In considering the things said above, certain things that strengthen people at their labors are clear.

1. If a person receives all the wealth gained through his efforts, then he will be dedicated at working, and not be lazy or idle, for few are those who would do so. If the wealth is for him, he will be hopeful, and can therefore be patient because of his great hope for income.

2. If those who do not work or those who are lazy are not assisted, they will come into trouble, hunger and poverty, which will make them fearful so as to strive at working. If people know that only through work food will be obtained, then they will surely work, for certain.

3. If there are many resources in a certain land, that is something that will make people strive at industry. For if people are supplied with resources, then much income can be gained through working, and when men are hopeful, they strive. But if there is a paucity of resources, they are not quickly obtained, and work is not as vigorous.

4. If people knew well the outcome of striving and the great wealth of those who work, then they too would strive at working. Therefore, education is important. The ignorant do not work hard and will not be rich. The amount of knowledge is commensurate to the extent of work, if laws are appropriate and wealth is protected. In the course of this chapter, these four things will be clarified.

## SECTION II.

If A Person Receives All The Wealth Obtained Through His Industry, Then His Dedication To Work Will Be Strong.

God's intention for people to work is obvious, but he never intended them to work without payment for their efforts. Therefore, if people seek pleasurable activities, they hope for payment. If people go to shoot birds in the woods, they hope for a catch. If they knew in advance that there would be no catch, they would not go. If people go fishing, they are very hopeful about the catch. If it was already clear that there would be no catch, they would not go. And if it was clear beforehand that the catch would be small, then some would be lazy and only a portion of the people would go. The same goes for all activities. A person does not engage if he thinks nothing of value will be gained by his efforts. A person does not work hard by being commanded. The personal hopes and the wants are what make one strive at any effort. If there is a large payment received for his efforts, he will be interested, his hands will be strong and his feet swift.

Two important things give one an interest in the work. *1. Great gain for his effort. 2. The use of his gains, according to his wishes.* One should never, however, do something that harms another person. These two points will be clarified first.

1. *Great gain for his effort*, this is something that gives one great interest in the work.

If the lands<sup>21</sup> were appropriately divided, and all proper endeavors were protected so that every person could consider in advance and choose what he wants, that would be an important thing. But this is not possible if wealth is not divided.

1. *Regarding the division of wealth.* If one asset is connected to many people, there are many entanglements. If each takes according to his or her intention, then some will be angry and others will have troubled thoughts. If many people work together, some will work hard while others will only work a bit. This is because one who works little and one who works hard will have the same pay. That is why people become lazy when many work together. If each person knew in advance that the amount of pay would be in accordance with the amount of work, then they would all strive at the task. So they should not all be paid together. Pay for one should be separate from that of another.

If the wealth of the land is connected to many, that is not proper. This is because one may take as much as he wants, and then another, and subsequently another will be left without. That is a great wrong in this land. There is no proper division between that of the chiefs, that of the governors, that of the land managers and that of the tenants. If a clarifying law was enacted upon these things, then one could not simply take what belongs to another. At this time, the chief takes some, and when that is done, the royal minister takes some, and when finished, the lord of a land division takes some, and when that is done, then

the lord of the internal land section takes some, and when he's done, all the taro is gone, with none left for the tenant who grew it. If there is any remainder, it is minimal, and the one who worked is the only one left destitute. The chief is wealthy, the governor is wealthy, the lord of the land division is wealthy, the lord of the internal land section is wealthy, as is the land manager, but the ones who worked most are poor. Thus they are indifferent and discouraged. If the wealth was divided and they all took parts as proper for each, then the laborers would be pleased and energetic.

The nature of this was clear in working with the Indians.<sup>22</sup> Their lands were collectively owned by all. The same was true for all animals on the land. Because of that, one thousand people lived in strife on land suited for one million, if the land were properly divided and well cultivated. The bow and arrow, the house and clothing were properly divided. If those things had not been divided they would have soon been gone.

If the land is properly divided, along with all of the resources, and the receiver of income is made known, then each person will give great consideration to his own and will work hard out of hope for gain. In the greatly enlightened lands, no asset is simply left to exist. Everyone's own wealth is known to that person, so he maintains his. The people strive at working, for their portion is clearly known.



2. This is the second thing that makes people's work energetic. The safety of the income, in accordance with their wishes. If income is not safe, it is useless to gain it. Therefore, in all lands, if people see that wealth is not safe, then they are indifferent about seeking it. Like the man who does not work because of uncertainty about the gain, such is the case with this. Not working, because security is not certain.

The relevance of this statement to the people of this land is obvious. A person cannot work to make a large, fine taro terrace out of fear that it be lost and the land taken, making his effort pointless. He cannot plant breadfruit, coconut, sandalwood or other trees, for his land is not safe, and he does not know the day it will be taken. No land manager or land holder can construct a solid house upon his land, for the land is easily swept away, like some tiny thing, like dry leaves blown by the wind. That is the reason the land is not improved, and the reason that breadfruit, niu and all useful trees are not planted, and why people live in shabby houses with no consideration about a fine home.

This may be the greatest wrong in this land. The lands of the chief are not safe, the lands of church members are not safe, the land of old people is not safe, nor is that of widows or that of orphans.

That of the wrongdoer is taken, as is that of the righteous, and that of the strong is taken as is that of the weak. So there is no reason for people to dedicate themselves to working; their indifference is completely appropriate.

Wise men say that there are two ways man's wealth can be wrongly taken. If lost to robbery or thieving, or simply taken, it is wrongly lost. It is apparent in all lands that if property is not protected against those things, it is improper, people are weak and they cannot work hard. Wealth is not increased in those lands, and good land becomes desolate. That was the nature of Europe when land was granted in tiny plots and people were punished at the whim of the landlords. In that time, people did not work much, nor was there much wealth, and it was a time of profound ignorance.

Because of that, all wise persons thought it important to protect wealth so that it would not be lost to thieves or rascals. Two ways are possible.

1. The first thing that makes wealth safe is belief in God and in what is presented in God's word. If the chiefs intend to seek ways to make wealth and land safe, they must seek ways to convert people to righteousness. If people truly turn to God, then mischief and wrongdoing soon end, so wealth is truly safe. If the people are all involved in wrongdoing, then laws are useless.

Law cannot be enforced if all people are engaged in wrongdoing. If many are following righteousness, and only part of the people engage in wrongdoing, then the wrongdoers will be fearful. But if the majority are doing wrong, they will have no fear.

The best safety for wealth is something that quickly enriches all lands that observe God and the virtue he has presented. That is one payment that God has given to the nation of men who fear and revere him. If only one man is righteous, wealth is not safe there. If two are righteous, wealth is still not safe. If most, however, are righteous, then it is safe. Therefore, the chiefs and all political officers should seek ways to convert people to God. The land that observes God is safe, and the people there strive at their work, and that land has great wealth.

2. But in all lands there are some who are unprincipled, who give no thought to God, his virtue or his laws. So it is important to seek ways to make them afraid so that things are safe. Nothing else will make them remain still except the law. If they believe they will be punished for wrongdoing, then they will be afraid. But laws should not be enacted without the use of punishment. If a person does wrong, the law should truly apply to him in accordance with the terms of the law. If that is not the case, wealth is not safe and people are indifferent about seeking wealth.

Those who make the laws should not impose the laws. One party should make them, and

another, different party impose them. This is an important aspect of adjudication, so that the judge may properly consider, not being connected to one or to the other. If two persons are in a suit, one against the other, one of them should not sit as judge. If that were the case, he would settle on his own behalf and find his opponent guilty.

That is a great wrong in this land. In all the cases in the land, there is no judge to settle them. If the land manager does some small wrong and the landlord is upset, there is no judge to settle the case. It is up to the landlord. So he approves himself and blames the tenant. There is no one to assist the tenant, so some are punished and others are seized. One chief may observe the acts of another chief, and clearly know him to be wrong, but there is no judge to issue a verdict.

Therefore it is important to have laws that apply to the chiefs. If one person goes after the wealth of another, the nature of that is apparent. It is theft, and simple taking. But if a chief, landlord or officer does so, they act according to their wishes and they are not said to be thieves; they have just taken things. Yet most of the wrongful loss is in those settings, and it is extensive, while loss from actual theft is minimal.

Because of that, the laws should not be enacted to stop theft, without enacting laws to stop those activities. At this time, people are not afraid

of robbery, they do not fear thievery, and they do not fear rascals. The only fear such a person has is the fear of his property being taken by the landlords. That is what makes his hands feeble at his work. The laws and the actions of the chiefs and their appointed managers who make wealth safe should be just, which is why God appointed them as chiefs, so that wealth, and people as well, would be safe. In this land, those who should be the protectors of wealth have become the takers of wealth. People do not strive at working, nor will there be much wealth in the land, until that wrong is ended.

Some chiefs think that if that action is ended, then the great wealth of the chiefs will be gone and their rule as chiefs will be ended. That thought comes from ignorance. In the lands where the common folk are rich, the chiefs are rich as well. And in those lands, the words of the chiefs are empowered. All around the world, there is no rich chief whose rule is like that here in Hawai'i. Previously, they lived that way in Britain, but it was a time of no wealth. The land was in no way safe, and there was frequent warfare. Then in one war, certain chiefs worked to draft a statement called the Magna Carta.<sup>23</sup> That was the beginning of the good that is maintained now in Britain. From there came great wealth and prosperity for the nation. The king signed his name on that document and it is a foundation for all the laws of Britain.

John was the king at the time that document was signed, and he swore to uphold that agreement. The same was done

by his son, Henry. That document was read at night, by the light of lamps. Once it was read, they extinguished the lamps and shouted, "So shall every spirit that does not uphold that agreement stink and decay." Then the king said, "God help me and I shall unerringly uphold those terms in my existence as a man, in my existence as a pious person, in my position as lord and in my reign as king? And since that time, all monarchs of Britain have sworn to uphold that agreement. If the sovereign does not make that oath, he or she may not gain the kingdom.

2. Here is the second thing mentioned in the first lines of this section. *A person shall use his wealth according to his wishes.* He should not, however, act in opposition to his fellow, or in any way that harms others.

Here are the assets directly pertinent to a person: his body and his limbs; his thoughts and his knowledge; his strength and the products of his hands; the valuables he has purchased and the assets that his parents or grandparents had purchased which were bequeathed to him. All of these assets belong directly to a person, and he should do with those things what he wants. He should not be forbidden or restricted. Taxation is proper, as iare good laws that pertain equally to them all for safety and protection.

If every person is able to trade his assets as per his wishes, and act

according to his own intentions, then he shall be comfortable and will work hard. If people desire to consume their own, they should, and if they desire to wear them, they should do so, and if they desire to sell them, they should sell, as per their wishes. This should be without trouble or harm to others. If a person makes poison and sells it, he has done wrong to his fellow. That is how some people in China do. Opium is a bad drug. Many people die from eating it or smoking that drug. Therefore they should restrict that.

The same goes for liquor. It harms people and the government, so there should be restrictions. Here are the worst restrictions, those restrictions that make one person wealthy and another person poor. All persons should be equally protected, and equally restricted. If that is the case, people are content. And if protection has been proper and each person deals with his own wealth according to his wishes, then he will be strong in working.

Every person knows his own wealth, and gives great consideration to it, so no other person should direct him. He should be the one to direct his own wealth. Because of the truth of these statements, the wrong of laws made in a certain land is obvious.

1. The wrong was apparent in a certain law of Britain, a law that assisted traders in East India. Earlier, there were complaints from some

wealthy people in Britain, who spoke to the chiefs, and they were allowed to go get the wealth of India, bring it to Britain to trade, and that trade was forbidden to anyone else. Here is the wrong of that action. Because the trade went to them alone, they sold at their own decision and sold extensively. While those persons became rich, all of Britain's people were harmed, for they did not gain the wealth of India if they did not pay for it according to the wishes of those folks.

The same occurred with some people in Spain previously. Only those people could go get the wealth of South America and bring it back to their land to sell. It was forbidden for others to do so. Therefore, some traders in Britain and Spain were harmed, because they could not sail to India or to South America, so their ships were a loss, as was their wealth. At this time, those practices are ended in Britain and Spain.

This statement does not, however, apply to a person who researches new things or writes a new book. Those things should be restricted to that person, for him or her alone. That is because it is one's own asset. If a person researches the locomotive, that person should be well paid for the research. It should be paid for by those who want a different kind of locomotive. The same goes for a book newly written. If it is a good book, the writer should be well paid. So it should be given to him or her when sold. That person can sell it as per his or her intention. All enlightened nations have worked that way, so that people will be strong in the quest for new good things,



and so that wise persons may be encouraged to write new books.

2. In this statement made above, the futility of laws that urge people to work are futile. Previously, the chiefs in France enacted a law that all men must plant wheat. Some people thought that their land was not suited for wheat, so they raised cattle. Thus, people were entangled by the law and were hung. Some people call that a law, but the real word is robbery. Laws should not be enacted to plant a certain thing. Here is the proper thing, namely laws to pay for proper work. If the chiefs think that silk would be a thing of value in this land, they should not make a law forcing people to work at that. There should, however, be a payment law, like this: If a person raises caterpillars that make one pound of silk, the king will pay one dollar and perhaps release him from the annual tax. If the law was like that, then people would strive to do the work, making the people wealthy and the land wealthy.

3. By this statement, the wrong is obvious in laws forbidding activities. In one land, the carpentry trade is restricted, as is the blacksmith trade, the clothiers' trade and all professions. If a person works at these trades without previous training, it is illegal. If he is faulted for the ineptness of his work, or for lying, that is appropriate. But if a person is clever at a certain kind of work, he should

work at that, and should not be restricted. If restricted, the work will diminish, and the people will be feeble, not strong, in working.

4. In these statements, the wrong of laws that support some seekers of wealth and do not support others who seek wealth is apparent. Those who strive equally should be equally supported. It is important in administration that all the laws pertain equally to all people. If there is a law about wrongdoing, it should apply to all wrongdoers, and if a law of support, it should equally support all who do similar work.

5. By these statements, the wrong is clear in laws that relate to a person who expended his wealth according to his wishes. In some lands, silk is forbidden for some, who are not to wear silk clothes or fine clothing. There were once many laws like that in Europe. At this time, they are no more. Each person wanted to deal with his wealth according to his intentions. If he is able to do that, then he will strive in seeking to do so. If that is forbidden, he will be weakened, not strong at working, and the land will not be wealthy.

### SECTION III.

If People Are Free Of Restriction And They Acquire The Affliction Of Indifference, Then They Will Be Afraid, And They Will Strive At Working.

God's intentions are apparent, that all workers should be paid. Also clear is his

intention that those who do not work should be destitute. Solomon says, "Idleness causes failure, and the lazy spirit shall be hungry." "The lazy one will not catch his food." "The lives of the idle ones are like places overgrown with thorny weeds."<sup>24</sup> "The desires of the idle one shall be what kills him." And Paul says, "Do not be slothful about work." "When we stay with all of you, we have told you that 'If one does not work, he should not eat.'"

God's intention is clear indeed, that one who is lazy and does not work should be hungry, destitute and miserable. If political leaders act wisely, they will support that intention of God. They will seek ways to put God's laws into effect. God punishes those who do not work, and the laws of the land should be like the laws of God. They should seek ways that the lazy and those who do not work would be destitute and miserable. How can that be done?

1. Through proper division of the wealth. If all wealth was divided, and each person took his own, then the idler could not take another's, but only his own. Then, only working would acquire food and clothing, so he could not be lazy and could not sit idle; he must work. If wealth is not divided, then those who do not work can simply go get food and wealth, and

it is usual for these people to squander, be gluttonous and wasteful. But if wealth is properly divided, those who are careful and those who work hard would be rich, while those who are not careful and those who do not work are destitute, and know hunger and misery, at which point they will perhaps strive at working.

But if wealth is divided, the lazy ones will seek a way to get theirs without working. They are the thieves and takers. Because of that, laws that protect wealth are important. Two important good things are gained through such laws. The one whose wealth is protected is at ease, and lives prosperously, for his wealth is safe and no one can take it. And here is another important benefit of such a law: Because the idle ones are deprived, they being the thieves and takers, they are deprived because of the protective laws, so they strive at work in order for them to get food and the necessary things. If they do not work, they will die.

Some may say that this is too harsh. If it is harsh, the harshness comes from God, not from man. For what is the propriety of one who does not work eating the food of one who strives at working. If the idle one simply consumes the food of the person who strives, that is harsh, a truly evil deed. Here is what is truly correct, that the wealth of a person should be equal to his industriousness. It is a serious wrong to take the wealth of the one who works and give it to one who does not. Therefore,

the importance of protective laws is clear. They are proper and truly correct. And if those who do not work die of hunger, then the law is proper, for they are the cause of their own deaths.

If it is considered harsh, it comes from God, for he said in the beginning, "With the sweat of your brow shall you eat, until such time as you return to the soil." That law is not up to us. But God's intention is clear. And he knew what people needed. He knew that work was proper, and that not working was wrong, thus his law.

II. Here is another thing that will deprive the lazy ones. If people do not simply give to them. If a person is afflicted by God, and is destitute, then one should be charitable to him. But if his poverty is because of himself, then one should not give to him. In enlightened lands, great assistance is given to old men, old women, widows and orphans. Those who are sick or miserable are given much help. But the one who is not sick and is merely lazy, and therefore hungry, shall not receive his food.

In earlier times, all destitute people were helped in the same way. At this time, thoughtful people do not assist those who do not work. They seek work, and if the destitute ones agree to work, then they will help. Workhouses have been built, where the poor are cared for. If elderly, they are not put to work, and if

weak, certainly not. But if it is a strong person, he will not receive his food if he does not work.

That is the case in prisons as well. All those who are put there are put to work. No one sits idle. When he is brought in, he is asked about the work he'd like to do. If he remains silent and does not speak up, the officer immediately assigns him to the job he chooses. If he refuses and will not work, then he is quickly held in a small cell, a dark place, and he stays there, with no food or water, until he agrees to work, at which point food is provided for him.

That is one great need that remains in this land, namely no building to hold wrongdoers. Those people are idlers, and they consume the food of people who strive at their work, and weaken those who work hard. Those people should not associate with good people. Those skilled at political economy give great consideration to this, to separating wrongdoers. Because of their dislike of work, they go and join up with one who works, a wealthy person, and misleads him so that hard-working person becomes one who does not work. So they should be apart. It is not proper for prisoners to join together with good people, and they should not speak together.

This too, the people who are put to work in this land do not do much work, only a small amount. They should not consume the food of those who are faultless. There should be a lot of work, partially as payment for the wrongdoing and also as payment for the food.

If actions are like these things stated above, then people will want to work, and those who do not want to will eventually be afraid of being hungry, so they will agree to work.

#### SECTION IV.

If Resources Are Abundant, It Is An Impetus For People To Work.

Here is what clarifies the truth of the statement made in the headline. If work is not linked to resources, then resources are nothing. If one person has land, he will want that land as a place to farm. If another wants cotton, he will want that for clothing. If another wants paperbark, he will want that to make tapa. If another wants tools, he wants them so that he is able to work. These are all quite valueless, if not connected with work. This too, if one is a farmer, he will greatly desire land. If one is a cloth maker, he will greatly desire cotton. If a woman is a tapa maker, she will want paperbark. If one is a carpenter, or a blacksmith, those two will have a great need for tools.

If land were plentiful and there were many resources, then men would strive, for the gains would be great. If there was little land, a man could not work every day because of the limited amount. The person who makes

cloth, if there is little cotton, cannot work every day. That is the case with all jobs. If there are no sources to make people wealthy, they will be indifferent, for it is nearly useless to work.

In all lands, if resources are abundant, the industry of the people is strong. Here is the thing that makes it clear: if a person is destitute, without resources, he might strive to plant sugar cane. If he only has his hands, he may use five acres in a year. The income from that sugar cane might be five hundred, some of which will be spent on the mill, boiling, and the sale of the barrels, leaving 300 dollars. If those funds are divided, it equals one dollar for each day of work throughout the year. That is the income of the sugar cane planter every day, if he works hard, and that is all.

But if another person has some resources, then he may receive four dollars per day. This is how he would do it: He buys some oxen, and the man works with those oxen. If the work goes thus, he can finish twenty acres. The money from there would be two thousand dollars. With expenses for milling and boiling and such being eight hundred, 1,200 dollars remains. If that sum is divided, it equals four dollars for each day that he worked. For that larger income, he will strive at the job, and will not be idle at all.

In lands where there are few resources, hired labor is not paid much for work.



In places where resources are abundant, hired labor is paid a lot to work. If there is great wealth in a land, the working people are prosperous, they being the most benefitted.

But the land will not be rich only through acquisition of wealth. What makes a land wealthy is when expenses are but a portion, while income is high. If ten thousand dollars is received in a year and ten thousand is expended, the land that continually operates in that way will not be wealthy, nor will people who work in that way. Therefore each person should be watchful, and the chiefs should observe as well, for places where assets are wrongly expended.

If 100 casks of rum were brought here to sell, and were sold here, all of that wealth is a waste. One year previously, there were more than a hundred casks, and large casks at that. Perhaps ten thousand dollars was spent on that rum. If that is the annual level of trade, then in the last ten years, one hundred thousand dollars was spent. That wealth was wasted, while the proceeds were physical illness and death of the spirit.

If that hundred thousand dollars had been managed so as to improve the land, as a resource to generate new wealth, the land would have benefitted. If only some of those thousands had been left in Honolulu, some in Waikīkī, some in 'Ewa, some in places here on Maui and also on Hawai'i and Kaua'i, that would have transformed, like a seed planted

so as to grow and bear abundant fruit. Alas for that spent wealth.

Here is another major problem in this land, that the income is not maintained as a basis to generate new wealth. If a man receives one dollar and some other valuable, he will soon use it up, hoping to receive more. That is not good. One should keep some as a basis to make new wealth, and if that is the practice, the people are soon wealthy and the land is soon wealthy too. Only one thing keeps people from being wealthy and that is wastefulness.

War is another main thing that keeps a land from being wealthy. Resources are used up in war and people leave their jobs. If Britain still had all of the wealth they expended in wars over the last hundred years, there would be as many dollars there as there are stones in the road. Wealth is scattered in war, like chaff in the wind. Therefore, political leaders should search for ways to avoid war.

#### SECTION V.

##### Education Is Important To Motivate People In Working

There are two ways that education can expand industry.

1. *Here is one, about truly motivating them.*
2. *Here is the second, that education indicates where to acquire wealth.*

1. *Education is something that truly motivates industry.* Indifference is a major issue for ignorant people in all lands everywhere. This is because they do not know the benefit of wealth, nor do they know the outcome of dedication to working. That is a main cause of indifference in all ignorant lands. If a man does not know wealth, he certainly does not know about striving to seek wealth. He who has never seen a dollar will certainly not strive to seek dollars. One who has never seen clothing will not strive to seek clothing. One who has never seen a fine house will not seek a fine house. Some people have seen those things, but do not recognize those things as good kinds of wealth. In Nu‘uhiwa, clothing, shoes, hats, cloth and money are not desired. Guns and powder is what they want.

The same with the Indians in America. They have for many years known the wealth of America, but they do not acknowledge it as true wealth. They do not work, but sit idly, and their ignorance is continual, as is their lack of wealth. They have, however, made some effort. That is because they wanted three new things in particular. Wool shawls, guns and powder. They will truly strive to gain those things.

The amount of wealth that a person desires is equal to the amount of effort he makes. If food is all he wants, he will not

think of anything else, so will expend only minimal effort. If he should then want something more, like meat, his effort will increase somewhat, to gain the thing that he wanted. Then if he should again want something else, like clothing perhaps, then his work will expand again, so as to get the clothing. Later, he may consider a house, or real property, as something to leave to the children, at which point his work will be forceful, and cannot be idle again.

Completely ignorant people will not want such things, so their work will be minimal, and they will be lazy. Long ago, the people of Europe were ignorant, and they did not know the fine wealth of Asia. That lasted until the time of the warfare called "The Holy Wars," when many people of Europe went to battle in Asia. At that point they saw the fine wealth of Asia, and it was there that righteousness, enlightenment and wealth expanded in Europe.

But if ignorant people see wealth, and want it, they do not engage themselves at working if they do not understand the nature of work as a means to that wealth. So it must be explained.

2. Education is something that can indicate where to acquire wealth.

*Regarding farming.* Through education, the farmer can be wealthy. If educated, he can consider the proper crops to plant, crops that are profitable

to sell. Also through education a person can utilize oxen, horses, water and wind. If the people of this land were educated, like the education of farmers in Britain, great wealth could be gained from minimal land. Therefore, education is an important thing for farmers. The people of this land will not be rich until they are educated, so as to make it possible.

*Regarding the makers of cloth and things of that nature.* Ignorant people cannot make cloth, or knives, or chisels, or fine houses. Once people in a land are educated, learn trades and understand the knowledge, then they are capable. The extent of people who are educated in a land will equal the extent of occupations that are appropriate in that land.

If educated, then they know the nature of the trade in other lands, so they are capable to work on their own. If a person is educated, he knows the rules about products that are made and all of the things that are needed. Then his work is possible. The work is efficient and the products are of good quality. Good quality products increase in accordance with an increase in knowledge and education. Thus it is important, in political and economic leadership, to disseminate knowledge.

*Concerning trade.* An ignorant people cannot do extensive trade. If they do trade a lot, they will not be prosperous. If someone from here decided to sail to America to do trade, his wealth will soon be wasted, because

of his ignorance. He should first know about valuables of this land that would be profitable to sell in America. He should know in advance the cash value of that article taken and the cash expended in the transport to America. He should know in advance the nature of trade there and the amount of money spent to transport to here. If a person knows all those things, and other things as well, then he can do trade.

If the resources of two people are the same, and their strength is comparable, but one of them has more knowledge, then the income of the knowledgeable one will be greater, and the ignorant one will be the loser. If their knowledge is nearly the same, then their income will be almost the same, but if one knows more, his income will be the greater. If that is true, the means to make the land wealthy is obvious, namely education and knowledge. By this statement, it is clear what will make one land wealthy and what will make another land not be wealthy. There is no land on this earth with abundant wealth where the people are ignorant. Knowledge comes first, and wealth follows. That is God's law, and that law applies.

In ignorant lands, the people are indifferent because of their lack of knowledge about wealth, because they do not recognize the desirability of wealth, and because they do not know where to acquire wealth.

But a land will not be wealthy through the knowledge of one person. If only one person is educated, only one person might be wealthy. And if

all of the people of that land were educated, then the land would be rich indeed. A single person, however, will not be rich because of his singular education. Because the quest for wealth is a supportive endeavor. If one helps another, things become possible. The farmer helps the fisherman and the two of them assist the laborer, then one laborer helps another laborer, and if that is done, they are all wealthy, and one is prosperous because of the other. At this time, the farmer is in distress, for there is no one who makes plows, ox carts or yokes. The planters of sugar cane are in distress because there is no skilled person here to make the iron pots and clay pots needed for boiling.

At this time, those intending to plant cotton are troubled because there is no one here to make the wheels that remove the seeds, and there is no one to make the water wheel that spins and weaves the cloth. If the land was equipped with all the workers, then they could help one another, and would be wealthy because of each other. This statement relates to the chiefs, for the chiefs are wealthy because of the people and the people are wealthy because of the chiefs. So every person should seek ways for his fellow to be educated. A person should not be educated so as to attain his own benefit for himself alone. One person should assist another, as per God's intention. The chiefs should certainly support the schools, which would make the people educated, and once educated, they would be prosperous, and the chiefs would be prosperous as well.

There are two main ways that the chiefs can support education.

I. Here is the first, *the expansion of knowledge*.

II. Here is the second, *the dissemination of knowledge, so that all men know*.

1. The expansion of knowledge. There are many places where it is possible to expand knowledge.

1. The establishment of high schools where children may learn is something of great import. The government should support those schools. There should be many books in the high schools, so that students can always read written material. There should be abundant supplies, namely teaching materials, so the students can learn the nature of every kind of thing and all topics. There should be a search for skilled teachers, and they should be well paid so that they will dedicate themselves to teaching. If the chiefs do not support the high schools, the people will be critical and will abandon learning.

Here is another important thing. The chiefs should support the high schools to make the students' minds be favorable and seek ways to make the students' intentions align with those of the chiefs.<sup>25</sup> Because in all lands, those who learned in the high schools are the educated ones, and they are the notable people of the land. They are also highly regarded. Therefore, it is important to seek ways for their thoughts to align with those of the chiefs. If the opinions of all the educated people are similar, and they support the chiefs, then the actions of the chiefs are critical. No one, then, could oppose.



In all enlightened lands, those who were educated in the high schools are the ones appointed in royal settings, and they are made nobles, and they are the ones that benefit the land. So there should be no separation between the chiefs and the high schools. Education, when combined with righteousness, is the iron cable that secures the nation, so there is no division and contention.

2. Laws should be enacted to support those seeking education. Educated people are something the country needs, so they should be supported. In enlightened lands, teachers of high schools are not taxed, students are not taxed, do not go to war, do not go on marches, and no burden is placed upon them.

Law is not the only thing to assist the high schools. Wealthy folk also give support. They assist the students, that is one thing. Another may build the school. Another may sponsor a teacher, while others buy books for the school. The high schools are highly regarded in enlightened lands.

3. Those who are most learned should be truly compensated. There are many places able to provide compensation in that way.

Here is an appropriate kind of compensation. If a person researches and discovers a new thing in his research, he should be paid, so that he be wealthy from his research into things never before seen. The royals of Britain often did that. Britain's people, America's people, and

all of Europe's are rich because of Hadley,<sup>26</sup> in his quest for a scope to observe the sun. And if other people became rich because of him, then he should be paid for that item of great value that he provided for all.

America, Britain and all of Europe became rich from Robert Fulton,<sup>27</sup> his research and his production of the steam paddle wheel. If many prospered because of him, he should be compensated for that important thing he discovered. If those who seek to discover new things are always paid, and paid well, then people will strive in their quests, and people will believe that education is truly a good thing.

Here is an appropriate kind of compensation for all scholars. If they do something new, and then write a new book, here is what is appropriate, that all the profits acquired for that new thing belong to them. This is what is done in all enlightened lands. It is what motivates people to work, and search, is a means to generate good books and is something to motivate people to seek education.

II. Here is the second area where chiefs can assist education, *through disseminating knowledge*. Here is how knowledge spreads, through schools, where all children learn. In all lands, some people are lazy and will not learn if they do not strive. So the chiefs should seek things to make them strong. If some folks are ignorant, all people of the land are negatively affected by them. If some are educated, the entire land is benefitted by them.

Here is the education appropriate for all people in the rural lands and everywhere. They should all know reading and writing, counting and maps. It would be inappropriate for any rural inhabitant to not know these things. And if he does know these things, he can expand his knowledge every year, for the foundation has been set.

Here are some laws and such that motivate people to learn.

1. Those who are not literate should be refused any voice in government affairs. In good lands, official representatives are elected by the people. Those who are elected have a voice in governance. They have the main voice in taxation. But those who cannot read or write should not vote. It should only be the literate ones. If that is how it operates, then all persons will want to be literate, so as to have some voice in governance.

2. Schools should be maintained in every town as a place for all children to learn. Children should not have to travel long distances for school, lest they lose interest. Knowledgeable teachers should be sought, and teachers with whom the students are comfortable. That way, they will like it and they will study hard. If a teacher is unpleasant, the children will not always attend.

In America, many laws have been enacted

regarding the schools. But the parents have the main say in those things. The law is enacted, to be schooled, but it is up to the parent to seek out and make agreements with the teacher. But they cannot act alone. Laws are enacted regarding the teachers, and if a teacher is not knowledgeable in accordance with what is stated in the law, then he or she is not to teach.

Also, officers are appointed to inspect the school. Those officers observe the propriety of the teacher. The teacher presents his field of knowledge, and if they decide he is both knowledgeable and proper, then they give him a certificate, as documentation of his knowledge, at which point he is able to teach. If he does not acquire such a certificate, he should not preside as a teacher.

3. School teachers should be paid an appropriate wage for their work. If a teacher is highly skilled and is dedicated to that field alone, then he should be highly paid. If his knowledge is less, and he teaches little, not fully assigned, then he does not deserve high wages. If there is a knowledgeable teacher and a skilled carpenter, and they are both fully engaged in their work, then their wages should be equal. In enlightened lands, those lands that are righteous, teachers are supported by the parents and are supported by the chiefs. Teachers are something the nation needs, so they should be supported by the wealth of the land. If they are not supported by the wealth of the land, the schools may not last. It should also be from the parents, for that endeavor pertains directly

to them. That is who has the child, so it is appropriate to pay the costs of that child.

4. In certain lands, all the people actually donate for the schools, like the offerings of the annual makahiki ritual. In those lands, a law was enacted that if a town does not take care of the teacher who teaches the children, then they must pay, and the amount they are to pay goes to a teacher living nearby. Here is one way of taking care of the school teacher. First the chiefs commit that they will support equally with the parents. Then if the parents give a hundred dollars, then the chiefs will give a hundred, and if the parents give two hundred, the chiefs will give two hundred.

5. In other lands, a school is maintained as a place for teachers to learn. That is something that the teachers need. The schools are worthless if the teachers are ignorant. So the things they would need were explored. In all lands everywhere, if schools were good, the people were good, they were prosperous and the land was wealthy. And in all the lands where the schools were not good, the people were not good, but were harmed, and the land was poor.

On assembling all the things noted above, the two things that motivate people to work are obvious, and they are what make the land rich and the people prosperous.

1. One is education.
2. The second is maintaining virtue.

1. If educated, they know everything related to resources and the things that secure the resources. They know that work is what makes a land wealthy. They know all the forces, animate and inanimate, that support people. They also know the propriety of each. They know the protocols of the things that have been made and the manner of manufacture. They know the nature of division of labor when appropriate. Knowing all those things is important, and something that motivates people to work.

If people dwell in ignorance, there is no means to wealth. Those people could reside in the Garden of Eden and they would be poor there. If wealth was laid before them, they would not know it.

2. The second of the important things that motivate people to work and what allows for great wealth and prosperity is *the maintenance of virtue*.

If people of a given land do not live virtuously, that land will never be rich. It would be a waste of time for people to strive at working, useless to seek it, pointless to have knowledge or education, and no wealth will be gained by those means if virtuous existence is scorned. If people pursue wrongdoing, their main action is to waste wealth. But the errant nation cannot work extensively. What they do is

to pursue pleasure, mischief, debauchery, and the squandering of wealth.

If all the people and all the chiefs live in virtue, then the laws are appropriate, and the laws should properly support a person to seek wealth, but people should not be burdened or harmed. If virtue is maintained, then wealth is not spent on bad things, or forbidden things, or things that bring about the demise of people. If virtue is maintained, then people will not diminish every year, but will increase, and the land will be wealthy.

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\*Look back to page 121. Section VII.

BOOK TWO  
Regarding Trade

If there are certain people, and one gives an article of value to another, and because this person truly wants that article he was given, he graciously gives some article of worth, and the two of them are in agreement, then that is actual trade.

If the two of them do not agree, because of their different wishes, then it is not trade. If that one insists, and this one is afraid, and thus agrees, then is it not trade, but simple taking. That one simply took this one's goods. If that one lied, and exaggerated his article of value, and this one was fooled, and therefore agreed, than it is not trade, but false representation of worth. If that one gives an article of value belonging to another person, not his own, then it is not trade. That is like theft.

It is possible to trade real property and personal property. One can trade resources and income, and one can also trade work. If someone gives me a barrel



of corn and I give him a barrel of beans, as items for planting, we have traded resources. If the carpenter should say to me, "You write a document for me and I will do your work, and I will work for two days," and I agree to that, and we both do our work, that is labor trade.

There are three main types of trade.

1. Trading goods for cash.
2. Trading one good for another good.
3. Trading goods for labor.

If certain people intend to seek wealth through trade, they should learn well the nature of trade so that they know the appropriate place to trade wholesale and where to trade retail, the proper place to trade for cash and where to trade for goods. If people trade ignorantly, they cannot help but suffer losses. That is how traders suffer great losses. They quickly acquire their wealth some times, and later on, they easily suffer losses. That is not so for the ones who strive at the endeavor. Their gains may not be so easy, but their losses are not sudden either, for they have secure wealth.

In this book, those three types of trade will be explained. Therefore this book is divided into three chapters.

[Pages 169 to 176 are blank in this text]

When man works in support of God's law, then he is wealthy.

By the laws of God, these are the things that one should plant in warm lands. Cotton, cane, rice, silk, coffee, oranges, taro, breadfruit, coconut and various medicinal herbs, as well as other things. If people in cold lands decide to plant those things in their area, the effort is useless, and they will not grow, for it opposes God's law., the rule about things to be done.

Here is what is proper in cold lands. Wheat, rope fiber, sheeps' wool, tomatoes, raising cattle, raising pigs and all the nameless things of this land. If the people of warm lands decide to plant those things, the effort is pointless and they will not grow, for it opposes God's law, namely the rule about things that are to be done. Certain things are found in the cold lands and in the warm lands as well. Iron is found in the lands adjacent to the Arctic Circle and in lands by the equator. Silver is found in warm lands and in cold lands. But the difference of those lands is apparent, so those of one land should strive at certain endeavors, while those of other lands should do so at different labors.

Just as a single man who desires a trade and is skilled at that trade should work solely in that trade, the same is true for whole lands. A particular wealth may be totally appropriate, or

perhaps multiple kinds of wealth in that land, so the people should strive for that wealth, not just for things that grow wild. There is much iron in Sweden, so the people should work hard there at mining iron. There is abundant silver in Mexico, so the people there should strive at mining silver. There are many conifers in Norway, so the people there should work at making resin. Fish are abundant in the sea near Newfoundland, so the people there should do much fishing. There are many beavers in Russian America, so the people there should work hard at hunting that fur.

But the appropriate effort is different some times, and different at other times. If there is extensive land and few other things of worth, then there is no other endeavor more appropriate than farming. That is the nature of this land now. Extensive work on the land is what will make the people wealthy. Not all occupations are possible at this time, for lack of cash, and for lack of goods. If there was little land, many people and abundant goods, then people should strive at cloth making and manufacture of different things, like what is done by Britain's people now.

Here is something to clarify the propriety of those in all lands striving at efforts appropriate to that land. That is what increases wealth in all lands. At this time, there is much wheat

produced in New York, which benefits America and Europe, and makes the workers wealthy. There is extensive sugar cane and coffee at this time in Cuba, and America and Europe benefit from that abundant sugar and the coffee there, and the people of Cuba are wealthy. If the people of New York abandon the extensive planting of wheat to plant sugar cane, then the Americans and Europeans would suffer from the lack of wheat and from the resulting great need to trade. And if those in Cuba abandoned planting sugar cane and coffee, it would harm those of America, Britain and all of Europe by a shortage of sugar cane and the extensive trade.<sup>28</sup> If they did that, wealth would greatly diminish in New York and in Cuba.

If people acquire an abundance of all of the various things they want, that is prosperity. If they do not, it is misfortune. If one land does not trade with another land, each person does not acquire the things he wants. In this land, we want wheat and beeswax from the United States. We want calico and the knives of Britain, we want the iron of Sweden and the canvas<sup>29</sup> of Russia. We want the goods and the silks of France, and we want the wood and the beaver furs of the Northwest, as well as the oil of Japan. We want the spices of Turkey and the copper of South America, and we also want the silks and tea of China, along with the

coffee and pepper of Manila. there are many other products of foreign lands that we desire. But they would not be acquired if those of one land did not trade with those of other lands.

By these things that have been noted, this is clear, that people's desires will not be fulfilled through trade that occurs only within their own land. When those of one land trade with those of other lands, that is an important thing, and something that we have frequently seen.

Regarding this, God's intention is apparently that nations are to behave well, with regard for one another and support for one another, so things go well. If those in one land are prosperous, those in other lands will prosper as well. If there is a bountiful harvest in America, then the market for wheat here will be well priced. If there is a drought there, no wheat will be had here. If there is drought in this land, sweet potato won't grow here, and if blighted by the mosquito, then it would not only be people here who were harmed, but also the American whalers. If cotton did not grow well in America, not only people there would be harmed, but so would those in Britain, for they would have no cotton in order to manufacture cloth. The same would apply to all lands that traded together.

If there was a war in one land, other lands are harmed. If there should be war between America and Britain, Hawai'i would soon be harmed. This is because there would not be many ships arriving here, so trade goods would not be well priced. We would all be seriously harmed. The

same would be true for those of other lands. This is the great benefit, and this is God's intention, that those of all lands be in agreement, which is why he provided different lands, so there would be much trade and friendly interaction.

9. By this statement, it is obviously not worthwhile for people to strive at a single kind of work if no trade is possible. It would be useless to plant a lot of sweet potato and yam here if it was not possible to trade. The same would apply to the planters of sugar cane and those who cut firewood. It was previously explained that it is proper to divide the work, and for each person to do his own task. In this section, the necessity of trade was explained, making it clear that it is proper for these jobs to be divided up and for some folk to be dedicated as traders.

That is a great problem here at this time, that each person engages in trade, so that task does not go to a separate group of people. If a person in Wailuku decides to seek cash for his person, what he does is that he brings a chicken here to Lahaina, or perhaps a turkey, and he sits at the marketplace to sell his goods. He may sit there all day long without it selling. So he sits again, and it does not sell. He will continue to sit there until the Sabbath, and if it did not sell, his food is gone. So he returns with no cash, and those days are lost, as is the food he consumed. For no income was gained, since his goods did not sell. The same happens with the taro they bring. The owner of the taro sits until it is sold. And if it does not sell, he will be the one to consume it.

If someone here in Lahaina were fully engaged in trade, and he was given a small payment, that would be good. At this time, their goods are not well priced because of the length of time they must sit around.

At this point, the people of the rural districts are harmed, because there is no one to sell their goods. If someone wants a chisel, he comes here to Lahaina to look for it. Should he want a shirt, there are none there, so he comes here. The same is true if he wants nails, shoes or oil. Women too, if they want clothing, pins or handkerchiefs. If a person was dedicated to that job, trade, that would be proper. At this time, much time is probably spent on trade of goods, and it is likely that less time was consumed in the planting and the cultivating.

Raising chickens and turkeys is a minimal effort, while selling them is important. If a person in Kohala wanted to get something large and perhaps something small, this is the nature of his task. He might seek some tapa, or some mamaki tapa, or some skirts, and once he gets those, he looks for a lot of taro, seeks a canoe and some companions and they all go to some point of land in Kohala. They wait there until the wind is good. When they see it is calm, they sail and land at Kaupō. They rest there a while, then sail on here to Lahaina, and some may sail all the way to Honolulu. They trade their goods, but they do not sell. It is lucky if some do sell. They



wait, and once the taro is consumed, they prepare to return. Once they are ready, they sail off to Honua‘ula, where they catch the wind, so it is not easy. Once they reach Kaupō, they wait again until it is calm, whereupon they sail and again reach their home.

The goods those folks acquire might be one dollar, and they'd be lucky to get two or three dollars. Three months might have passed, and their land is now weedy and some of the animals may have died from lack of care. The harm to people in this effort is clear, and the government is harmed as well, for the effort is long while the gain is minimal.

If some people were fully employed at nothing but trade, then the goods would be well priced. If there were traders residing here in Lahaina, who were known to be good people, then those of Kaupō and the people of Kohala could transport their goods without great burden. If the people of America were to operate like this is done here in Hawai‘i, they would certainly not be wealthy. It is easy for them to sail to Britain, but not easy for people of Kohala to sail to Honolulu. If a person from America sails to Britain and returns to America, it can be done in two months. But if each person sailed off to trade his own goods and shop for knives and chisels and such, it would be a complete waste. The people of this land will not be rich until there is an end to those long sails to trade

their goods., and seek the things they desire.

Some people think badly of traders. They are said to be greedy and covetous. Those statements are not appropriate. If a person here should become a trader, and he fetches goods in America to bring here to Hawai'i to sell, the one doing that would benefit this land. If he could bring the goods from here to America, and in that way benefit the people of this land, it would be something that makes people prosperous and something the land needs.

There are two types of trade in enlightened lands. There is wholesale trade and retail trade. The two are separate. The person who goes to get large amounts of goods in other lands cannot sell retail. If he does so, his goods will be wasted. If a ship is filled with cloth and the ship's officer sels that cloth by the fathom, measuring out all the cloth, his ship will be rotten before it is all sold. What he must do is sell in bulk<sup>30</sup>, and others should do the retail trade. So it is with all things. If a ship sails from here in Hawai'i to America, and that ship is filled with sugar, the ship's owner should not sell that sugar at retail; if he does so, the ship cannot return quickly. Whis is proper is to sell it in bulk, so it is quickly gone, then the ship can make a speedy return and others there can weigh out the little amounts of that sugar that each person wants.

In wholesale trade, the traders cannot

do damage to the *commerce of trade*.<sup>31</sup> Proper trade is the only kind of trade they can do. Here is proper trade. If there is an abundance of a certain good in this land and it is an article with little demand in this land, it is the proper kind of article to export to another land. The goods that are much desired here, and not available to people are the proper kinds of goods to bring in. One appropriate good to export would be cow hide and goat hide, for there is abundant hide, and the people of this land do not desire that product. So that is the proper kind of goods to export. Iron is a necessary article to import. That is because there is no iron in this land and people want it. Because traders see those settings, they therefore import iron and that is why they export hides. If the traders considered being mischievous, to import hides and export iron, they would not be able to do so, for the great losses entailed in such trade. If some foreigner intended to import sweet potato here from another land to sell here, and to export cloth, he would not be able, because of the great loss in such trade.

Every trader clearly knows that if he does not bring goods that are desired, they will not all be sold. And they also know that if they do not take the goods that people here give them, then they cannot do trade. Because of this, that practice is ongoing among all traders, namely the searching for those goods that people will want. And if acquired, they are incorporated into

trade. The people's wishes is the only things that all traders seek. If they know that people will want mirrors, they will bring mirrors. If they know that people want soap, they will bring soap.

Thus it is for all things. If they know that meat<sup>32</sup> is greatly desired, they will bring meat. If they know that oil is in demand, then they will certainly sell oil. So it is best not to place prescriptive laws on wholesalers. But there are places where the laws can be set. If there are goods that kill people, or are bad for existence. In Britain, France and America, selling silent guns is forbidden and also forbidden is the sale of switchblade knives. It is forbidden to sell gunpowder in the large cities. It is against the law to sell poison. Therein lies the propriety of forbidding liquor.

It is stated above that the land is benefitted by the wholesalers, and it also is benefitted by the retailers. They are one reason for trade goods being well priced. If there are no retailers, and there are only wholesalers, then the scale of trade is much greater. If a ship sails here from America, and that ship is filled with cloth, with the intention of the owner of the cloth to sell it here, this is how he does it. He will first consider his cash that was expended, then he will consider how to fill that gap.

His expense is the cash he gave for the cloth in America and the cash spent for the ship. Perhaps twenty-five dollars was spent each day to maintain the ship. If he sells fifty fathoms of cloth on a single day, twenty-five dollars is a proper price for that cloth. But because of his cash outlay for the ship each day, he must increase his sales so as to fill that gap. Therefore he sets a new price for those fifty fathoms, an additional twenty-five dollars. It equals a full dollar for a single fathom. If some other person is to sell, he may need to get it for a half-dollar per fathom, but because the ship owner becomes a retailer, the half-dollar is not workable, and the whole dollar is needed.

That is the nature of all things sold at retail by those with great trade ships.

Here is another reason that it is necessary for retail trade to go to a different person. If a separate person handles retail sales, then goods in small amounts will be brought to each place to sell. If it is the ship owner who is to sell retail, he cannot go inland, for he stays where the goods are kept. But if he sells by the barrel, then people can buy them and one barrel can be taken to one town and another barrel to another town, which allows all people everywhere to benefit.

## SECTION II.

## The Nature Of Trade

1. *Regarding the price at which to sell goods.*

If two persons develop their goods and are both prepared to sell, it is clear that they cannot consider their goods to be equal and have this one give one crate to the other and that one give one crate to this one. This is because the trade value of one crate may be far greater than that of another crate. If this one gives away a crate of sweet potato, that one cannot give him a crate of cucumbers, since far more effort goes into planting and caring for cucumbers, while the effort to plant sweet potato is minimal. Therefore they cannot be equated by crate.

Neither can they be compared by weight. If one person mines a hundred pounds of iron, and another person mines a hundred pounds of silver, the two of them cannot be comparable in trade. That is because it is a great effort to mine silver, and a small task to mine iron, so they should not be equated in trade.

It is also not possible to compare in selling yardage by the fathom. That is because if one person makes cloth with good, delicate thread and another makes coarse cloth with heavy thread, the two cannot be comparable in trade. For it is hard work to make some kinds of cloth and little effort to make other kinds of cloth. So fathoms of cloth cannot be equated for

selling. Then how is one to do trade, and what would be appropriate?

This is proper trade, namely to compare the amount of effort. If one person mines silver and another mines coal for a day, and the two intend to trade, the one with coal should give all of his coal and the other should give all of his silver, for the amount of work was the same. The same is true for ships. If two similar ships sail, and one goes for fishing while the other goes for whaling, if after three years they meet up and decide to trade, what would be appropriate is for those of the one ship to give up all of their fish and those of the other give up all of their oil, for the amount of work was equal.

If trade does not go that way, do not trade. for if the silver miner said to the iron miner "I will not give you all of my silver, but will give half, but you should give me all of your iron," then the one with iron should quickly reply, "Stop it, we shall not trade, and I shall mine my own silver, while you mine your own iron, since then our efforts will be the same." So it goes with all goods, that wholesale trade will be in accordance with the amount of work in the production of those goods.

There are, however, two things that clarify the income through labor, one being the invested resources and the other being the income. When considering the propriety of trade, these two things must be taken into account.

Here is an example. If I cut lumber every day throughout the year,

I should be paid in accordance with the extent of my labor. If I decide that my burden is great, so I make a water wheel and a lumber mill, then the labor in cutting the lumber is minimal. In building the mill was the majority of the effort, and I should be paid for the building of the mill. Each person should be paid in accordance with the extent of his labor. If one mines iron and I buy that iron, then that labor is mine. And if a carpenter makes a cart, and I buy it, then that labor becomes mine. Then if I give my iron to the blacksmith and he works that iron to finish the cart whereupon I pay him, then that labor becomes mine.

Then, if I go to get stone, and haul it on the cart, I should be paid in accordance with the extent of my labor. Some labor went to mining the iron, some went to the blacksmith's work, some went to the carpenter's crafting of the cart, and some labor was spent in going to get the stone. I should be paid for all of that labor.

And if you pay for cloth, all of the labor that went into the cloth should be tallied. The planting of the cotton, the cultivation, the transport to the shore, the building of the cloth factory, the spinning and the weaving of the cloth, and then the transport to these islands.

So it is with all trade goods, that all of the labor should be accounted for, and that is what clarifies proper trade. All of the labors included in a given article cannot, however, be counted if we do not consider them.



If one person works at making firewood for an entire week, generating a pile, and another works at some other task, perhaps making a dresser, which he finishes in a week, it could be thought that those two things were comparable, namely a pile of firewood and a chest-of-drawers, since their labor was the same, it being one week. They are not equal. The person who made the dresser invested great labor in learning, and great effort at making the tools, so the dresser is far more valuable than the pile of firewood.

The resource is like labor. In enlightened lands, the cost of all resources is clearly known. If the resource equals one hundred dollars, then the cost of that article is twelve dollars per year.<sup>33</sup> And in understanding trade, the cash value of a day's work is also acknowledged. If one dollar is the cost for working one day, then it is the same as the interest on three thousand dollars. If I buy myself a sawmill, expending three thousand dollars, and I mill lumber, then I should be paid two dollars for each day. One dollar is for my labor and one dollar is for the mill.<sup>34</sup>

If I have resources, I should receive income on that every year, equal to interest, which is twelve dollars per hundred dollars. If I make a house and my expenses are one hundred dollars, and you live in the house, then it is proper for

you to always pay me twelve dollars per year.

If I farm, by myself, and I am paid one dollar per day, that would be three hundred dollars per year. If I contract some oxen, and spend one hundred dollars on them, then I should be paid four hundred dollars for the year. But if I work with my oxen, I might complete ten times the work in the one year, so that hundred dollars greatly enriched the land, because of the great amount of labor accomplished. Therefore, in selling the goods, it is proper to consider the labor of those who made those goods as well as the resources that were combined with the labor.

If a person manufactures goods, he cannot sell them if he trades badly. Retail trade is possible, but wholesale is not. That is because if he intends to be given much, his customer will quickly respond, "I will make my own." Also, one cannot sell at a loss.<sup>35</sup> It is possible in the case of retail trade, but that kind of trade cannot continue, for if one does so, his wealth will soon be gone.

Sometimes, however, trade does not match the amount of labor used in making that article. At this time, the iron plow is an expensive article of trade in this land. There is not, however, a lot of labor in making such a thing. So clearly, that price will not last. Eventually toolmakers will see that plows are a major trade item, and they will figure out that it would be something of value

to make, so they will manufacture many of them, whereupon price will soon diminish. Thus it is with all trade goods.<sup>36</sup>

If people see that fish is an expensive item, they will abandon purchased fish and many will turn to fishing. Then, because of the many people fishing, the price will quickly diminish and many people will again want that fish and will abandon fishing.

If the people in Lahaina are hungry, because of their demand for taro, they might give a quarter for one bundle of pounded taro. Then if the folks in the rural districts hear that taro is a high-priced trade item in Lahaina, they will bring taro in abundance and because of the extent of taro, the price will decline and will match the amount of labor. Thus are the small fluctuations in trade, and thus alone. The usual mode is clearly that if there is great labor involved, it brings increased price, and if labor is minimal, it is sold more cheaply.

Here are some examples that clarify fluctuations in trade.

1. If there is an article that ripens quickly or spoils, then trade will fluctuate greatly. That is because if something is not sold quickly, it spoils and is a complete loss. When I lived in New York, I saw bananas that had been brought to sell, and one banana was five cents. At other times, one could get six bananas for five cents. The reason for the large fluctuation is the quick ripening. Goods that do not spoil, like wheat, do not fluctuate greatly. Lead, pewter, copper,

iron and the like are things that fluctuate little. But variability, or the lack thereof, is never certain in this land, partly because of the small scale of trade and partly because of taboos.

If abundant iron is brought here, the sale price does not decrease, because it can be kept and sold later. That is true of all nonperishable goods. But bananas, tomatoes, oranges and all things that spoil, cannot be kept, so a person may worry about his goods and possible complete loss, and may decide it is better to sell cheaply, which is why things are cheap sometimes. But if there should be little of those things in the market, then traders quickly assume they can increase the price of those things, and they do increase them because of the great demand from people to get them.

2. Here is another way that trade fluctuates. If something can be produced quickly, the trade in that article does not vary. But if it is something imported from another country, and is something not quickly produced, then trade in that article can vary greatly. In cold lands, the growing season is only five months long. Therefore, if there is little food one year, no additional food will be had until the next year. Because of that, trade prices are much higher at times and lower at other times. If it is a bountiful season, trade prices diminish, and if it is a lean year, they are far higher. It would not be so for dried fish. If there is little seafood, people quickly take up fishing, so the trade in that area does not vary greatly. Trade in fresh fish fluctuates, because that item spoils and cannot be kept.

The price of items quickly made by hand does not vary greatly. In lands that manufacture cloth, the price of cloth does not rise or diminish greatly. This is because if it is seen that there is little cloth, then the weavers work hard and with the efficiency of their production, cloth is soon abundant, so the trade price does not rise or diminish greatly. That is true of all manufactured goods, if the production is quick. If there is little cotton as a cause for minimal cloth, then the trade price can be much higher, because more cannot be made until the following year when cotton flourishes once again.

In this land, trade price varies greatly because if traders see that there is little cloth in all the stores, they raise their trade price and if there is much cloth in every store, then it will go down again, as is appropriate. That is the case with all things imported from distant lands.

3. This is the nature of fluctuation in trade goods. If there is an article that is much desired by everyone, and a person should not do without, then the trade in that article will fluctuate a lot. But if it is an article that should be refused and people can abandon it, then there will be little variation in trade price for that article. Silk is desired as something of splendor, but a person can abandon the wish for it. So if the trade price was increased, people would give it up and not buy it. They would buy different cloth. That is not the case with taro. If a person is hungry and cannot get taro for an  $\frac{1}{8}$  of a dollar, he will certainly give a 25-cent coin.

And if he cannot get it for a quarter, he will certainly give a half-dollar. If it cannot be had for a half-dollar, then he will give a full dollar. He cannot refuse. One must do like the Egyptians did with Joseph.<sup>37</sup> First, they spent all of their silver. Once the silver was gone, their need for food was not ended, so they sold their animals. Once their animals were all sold, they then sold all of their lands.

In times of famine, trade prices for food are much higher, because man cannot survive without food. The rise is quick, but they do not soon go down, as they would for luxury items or items of little demand. Everyone needs food; they cannot simply exist. Those of means are the ones who want silks and other things of splendor. But the poor can scorn those things, and they do just that when the trade prices are raised up high. Therefore, the trade in those things does not rise or fall greatly.

Those three things are the main forces that make trade vary. Traders can consider those things, which is how they adjust the trade prices. They are important, and a trader should not be ignorant of these things. So if a person intends to seek wealth through trade, he should learn extensively and be intelligent about these things.

II. *If one produces goods and sells them, then that article is prepared for consumers.*

If the blacksmith makes an iron digging blade and sells it to the farmer, when he sells it, the blacksmith's work is done and the digging blade is ready. The farmer must insert the handle and use it. If a person cures good hides and sells them, then his work is done, and that hide is ready for the shoemaker. And if the shoemaker finishes the shoes and sells them, then his work is done, and the shoes are ready for the one who will wear them. So this is clear.

1. If the trade happens fast, that is best, because if trade is quick, then the trade price will not rise greatly. The appropriate increase is if the increase equals the interest on that article of value and the payment for his work in the sale. If I trade in iron today, get it for a payment of six thousand dollars and then sell that iron again tomorrow, I should be paid six thousand and four dollars. Two dollars extra are for the interest rate and two dollars more are for my labor, for I worked one day. But if I had to work a month to sell that iron, then I should be paid six thousand, one hundred and twenty dollars. Sixty dollars would cover the interest and sixty dollars for my labor.

For that reason, it should be clear that trade is well-priced

if the trade is quick. But if trade is slow, and things do not sell quickly, the trade price is excessive. If the goods I bought today sell tomorrow, then I can take that money and buy again. If it always operates that way, there could be three hundred and thirteen trades made in a single year. If that were the case, I could trade at minimal interest and still be wealthy, with both buyers and sellers benefitting. If one benefits, both sides benefit.

2. That is what clarifies the propriety of some greatly increased trade prices and the appropriateness of some minimally increased prices. The person who ships his money to America to buy cloth and acquires it should greatly increase the trade price here. That is because there is much interest accumulated on that money he sent away. If he frequently does that, some will be ruined at sea and some will be lost. Therefore, he should increase the trade price in order to fill those gaps. If that interest is combined with the labor and all of the expenses, the sum is great, so he should greatly increase the trade price.

That is not the case with retail trade here on shore. If I go on a whaling ship, buy some cloth and bring it ashore, I should not greatly increase the price, since it was quick, so there is little interest and little labor. So it is common for wholesalers in other lands to greatly increase trade prices. As for retailers on shore, they trade at a minimal increase, as is appropriate



in regard to their expenses. The nature of this is like the nature of increasing wealth. If the labor to manufacture of a certain article takes long, then the trade price should be raised significantly, and if the increase in manufacture of something is quick, then there should be minimal rise, as was described in Book I.

The quality of goods is the same prior to and following the sale. Traders do not generate the quality of goods, but people benefit from the traders. The quality of a knife when it remains at Sheffield's in Britain is the same as its quality here. We, however, benefit from the one who brought it here. Trade is greater here than trade there because our demand for the knife is greater than their desire for the knife, and their desire for the half-dollar is greater than their appreciation for the knife. And our desire for the knife is greater than our appreciation of the half-dollar. So we get the knife and they get the half-dollar. Equal benefit. Their interests are fulfilled and ours are fulfilled. The quality of the dollar is not, however, greater for having been taken to Britain and the quality of the knife is not greater for having been brought here. Those traders in Britain are, however, wealthy from that trade, and we are enriched here. We want to sharpen the quill pens, so we purchase the knife. Those in Britain sought wealth and they gained the money that they sought.

The same is true for the planter of wheat in the United States

of America. His desire for a barrel of wheat is half as great as our own. So trade price is much greater here. Our interest in the barrel of wheat is greater than our interest in ten dollars while their interest in the ten dollars is greater than their interest in the barrel of wheat. Therefore, they provide the wheat and we provide the money. Trade price is higher here than in New York, but the quality of the wheat is no greater. It is the same. What is greater is the labor involved in bringing it here and our demand for it, having none.

We here benefit equally with the people there. Our demand is fulfilled, and the wheat, which we desired, is obtained, while their wishes are fulfilled, having received the money, which is what they sought. Here is what makes the fairness of that trade apparent. One does not want to return the money and the other does not want to return the wheat. If a person with money is hungry, and that hungry man meets someone with food, saleable food, they will quickly do trade. That is because it enriches them both. It is what fulfills the wishes of both. The food is the same, and the money is the same before and after the sale. But both persons benefit. The hungry man does not want to return the food, and the one with the money does not want to return it.

That is true for all peoples. There is abundant iron in

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There is abundant wealth in Britain, but they do not greatly benefit if America is not wealthy. If America is poor, then Britain is harmed, for their goods will not be sold. If Britain is impoverished, America is harmed, for the cotton and wheat from there will not be sold. Those of one land are benefitted by those of the other, and those of one land are harmed by those of the other. If only one land is wealthy, then they have no trading partners.

If Britain were to be badly affected, and their ships not sail to other lands, then the entire world would also be badly affected. That is because at this time, the goods of that land is taken to other lands and all lands are enriched by Britain. Bonaparte yearned to capture that land. If it had been taken, not only Britain would have been harmed, but France as well, along with all the lands of Europe and other countries too.

Some people assumed that if Britain were harmed, and the land in famine, then America would benefit from Britain coming to get food from America. That assumption comes from ignorance. But it would not be clear in the course of a single year of observation. If Britain was in a state of famine every year, then they would be in crisis from famine and unable to manufacture abundant cloth like now. Thus, trade price of cloth in Britain would increase, like the increased price for food in America. Then, because of the increase of trade price for cloth, the Americans who bought Britain's cloth will be harmed. And if the famine in Britain went on for a long time, the land would be impoverished, American trade would quickly end, because

no wealth would remain in Britain to pay for America's goods. If Britain was wealthy, America would benefit, and if America was rich, Britain would prosper.

The relation of this explanation to this land is obvious. We do not prosper from Mexico, Peru or Chile, the impoverished lands. Britain and the United States, wealthy countries, are the ones that make this land prosper. We have all seen those who sail here. We do not trade with the impoverished. Those of wealth are our trading partners. So in our management of political economy, we should be pleasant to those who are wealthy, not with any who happen to sail here. The words of Captain Vancouver<sup>38</sup> were truly correct.

3. *True human goodness*, that is something necessary for trade.

1. If each person is good, then trade is properly possible, and one person is not fraudulent with another. One does not damage the goods of another, nor deceive. Then there is no fear about trading. People are always afraid to trade with fraudulent folk. If we hear that a certain trader is a bad person or a fraud, we do not go to his store, and will seek what we want from a different store.

2. If people are not good, then the protective laws are not good. It was stated previously that in some cases of trade, the goods do not actually transfer at the time the terms

of sale are made. So laws regarding terms of trade are important. If I trade with a certain person today, and my goods transfer, then he should pay me in accordance with our agreement. And if he does not pay as per his word, the law should pertain to him. This is important in managing political economy. If people contract for labor, it is common here to extend their work, not working and stopping at the time stated. And the same is true for debts. So laws about these things are important. One should not do trade or contracting until the law is understood. In enlightened lands, there are many laws to correct trade and contracts. If a ship's officer contracts with the people for sweet potato, and the officer says, "On the morning of the unrestricted day, bring the sweet potato, for on the second day, I sail," if he should give those terms and the people agree, then it is not proper to think that those terms are a minor thing. If the sweet potato does not arrive that day, the people are wrong. They took the money of that officer, perhaps twenty-five dollars. This is something of great import to those managing trade in enlightened lands.

3. In managing trade, it is important to correct the taxes, the payments and all things related to the wealth of the land. It is proper to understand in advance which wealth belongs to the king, and which does not. If the people know in advance that it will be burdensome, then they will not trade. If goods are brought to the trading site, then they are seen, and if there are high

payments and fees, there will be much hiding among the people, and secret trading. And that can become a seriously bad thing. The rights of the chiefs and the propriety of the laws, the appropriateness of taxes and the need for payment are all critical issues in the management of trade.

From these things stated above, the issues that make trade important are clear. If there is much enlightenment and wealth in a certain land, and the people's lives are good, then trade is quick and there is much of it. If enlightenment and the well-being of the people is diminished, and wealth is less, then there will be little trade and it will not be quick. If the histories of ancient lands has been read, then the truth of this statement is obvious. These things are not apparent in a single year of observation. But if the nature of long-ago ancient lands is compared with these times, then it is perfectly clear.

There are many things, however, that can diminish trade at times. It is minimal in times when the people and the chiefs are working hard at something that is needed. We should all consider those things. Traders sell produce and things that are manufactured. If there are few crops and few things manufactured, then there will be minimal trade. Year before last there was extensive trade in America. Then during this last year, trade was minimal. It is usual in all lands for trade to be great in one year and for there to be little trade in another year.

Traders are the ones most harmed by the reduction in trade. Their goods are wasted. From trade comes their wealth, and if trade is stopped, their wealth is gone. If there is half as much trade, their wealth is half as much. He buys goods and gives all of his money. If he is unable to resell, he suffers loss. This is because all of his money is spent, but there is no means to regain it. That is the ruin of many people in the United States of America in recent times. People bought a house, land and every kind of goods, and they gave all their money, so they were in trouble. They could not resell the things they had acquired. Here are some things that make trade fractional at times.

1. A reduction of people's desire for a certain good. If there is little demand among the people for a certain good, then trade in that article will diminish. Those who observe the Papist religion do not eat pork or beef at certain times, for it is forbidden. Fish is the only meat for those days. Because of that, many people trade fish on those days. If the people of some land convert to follow the Pope, then there will be fewer people trading in pork, beef and animals. And if those of some other land should abandon the Pope, then fewer people will trade in fish. That was the nature of trade in France in recent times. Previously, hoop iron was in great demand here for making knives, and there was much trade in that item. At this time, the people's desire for that has diminished, and the trade is ended.



Before, candlenut was an important trade item in this land. Now that trade is greatly diminished, for people's desire for that is far less. Previously, whale tooth was an important trade article. Now there is not much trade, for people's and women's great desire for that is over. Dogs were once frequently traded. Now that has diminished; there is half as much trade now, because desire for dog is half as great. Such are the variations of trade in all lands everywhere.

If smart folks seek out new things, and those new things are better, then those who trade in the older item will diminish for the older item will not be desired. At this time, the trade for native<sup>39</sup> potatoes at Lahaina is halved, for a new kind has been found, which is better than that one. It is Irish potatoes that are extensively traded, and the great demand for native potatoes is over.

2. Another thing that minimizes trade at times is the failure of crops. If crops do not grow, they certainly cannot be traded., for a person's survival comes from there. If one person makes cloth, and others plant cotton, but the cotton does not grow, then where can trade happen? And how can the cloth makers work? Laborers work so they can obtain food. If the food does not sprout, then those laborers cannot buy it. It is just like sandalwood, once traded extensively

in this land. Previously, there was much, and trade was extensive. Now there is little, and trade is minimal.

Should there be war in a land, and little cultivation and little work done, then there will be little trade and the towns will be deserted, the traffic of ships full of goods will end and the wealth accumulated by previous generations will be gone.

Trade also goes down when some people become poor. Spain was wealthy before, and there was much trade then. Now, there is half the wealth in Spain and trade is reduced. If all the trade value of things grown in this land and the value of what is manufactured were tallied up and there was a million dollars in value, then you could all do one million dollars in trade with those of other lands. But if there was only one thousand dollars value in the crops and the things made in this land, then you could do only one thousand dollars worth of trade with those in America. And if a million was brought here, then the traders would be at a great loss, for things they had brought here would not sell. You all want those goods, but you cannot buy them, for there are no assets.

3. If duty was placed upon certain goods, then those trading that item will diminish. If duty is imposed, some people will refuse, and they will not want to buy. Because duty was placed on wine, those trading in that article may eventually diminish. If duty had been placed on cloth, some would be afraid and would not buy. Perhaps a hundred thousand fathoms of cloth are sold

here in Hawai‘i in a single year. The nature of the trade is one fathom for a half-dollar. If a duty were placed, at one fathom for a half-dollar, then half as many people would trade in cloth, and only fifty thousand fathoms would be sold, because the price is already consumed by having placed the duty, so it is sold at one fathom for a dollar. If fifty thousand fathoms are sold at that rate, it is equal to one hundred thousand sold at a half-dollar per fathom.

Therefore, a decrease in the cloth trade is obvious if a duty is imposed. That is what is bad about duties in this land. But, perhaps if you seek it like this: set the duty so as to acquire ten thousand dollars, and from that ten thousand dollars, return the poll tax, whereupon the people will not be harmed by the duty, for they can take that poll tax and buy cloth, in the same amount as the cloth they buy now.

There are many areas where duty relates to trade. If duty is placed on one type of cloth, then people will abandon trade in that cloth and will trade in a different cloth. If the duty is placed equally on all cloth, then people cannot abandon it and they will, indeed, buy. Those things that should be abandoned, people will forsake. Therefore, consideration should first be given to those goods that the country greatly needs, and not place duties there; only on goods that the land does not need should high duties be placed.

IV. *Regarding the relevance of laws to trade.* It is

evident how duties of all kinds relate to trade. It raises the purchase price. Wine was sold here at one gallon for two dollars. But because of the duty, the proper price is one gallon for two and a half dollars. Because of the duty, certain value is expended, that of the wine owner. Therefore he should be paid. We have all seen that if transport of goods is from afar, then the person should be paid for the transport. If the road is bad, the payment increases. If the payment is a half-dollar per gallon, then it is equal to the duty. The traders will diminish because some people will abandon drinking. The law cannot increase the trade; it can restrict it. And it is possible to protect trade, and trade agreements, which is something of great importance.

It is possible to slightly increase trade through payment to those who trade. Like the British officers do for those who go get oil at sea. France did that, and the officers of America are paying those who raise silkworms. Because those laws were enacted, much oil is traded in Britain, and it is expanding in France, as is silk in America.

It is stated above that there are two bases of trade. 1. People's demand for the goods of others. 2. The price. If one person has a price, but no demand, then he will not sell. And if one person has a desire to buy, but no price, then there is no sale. If

those two things are joined, namely price and demand, then there is trade.

1. *Regarding demand.* From God himself come some of a person's desires, and from ourselves come others. The want of food, water, shelter and warmth come from God, and one cannot quell such desire, for it is ongoing. But other desires are not known until a person comes across that thing which he wants, at which point it is known. In earlier times, you folks did not desire ships, but once you saw ships, you wanted them. You did not want guns until you saw guns, then you all wanted them. You did not desire cloth until you saw cloth, and then there was demand. The same is true for certain foods. You did not desire tea, or molasses, or flour until you saw the goodness of those things, and then you greatly desired them. The desire for those things is certainly appropriate, and they are things that benefit people.

There are many goods in this world that are not desired by people. Some people may like them and others may not, or may have only little desire. Stone houses are not greatly desired, tables are not in great demand, beds are not much wanted, or couches, or clothing in places where it is not seen, and there is no great desire for cattle or horses as work animals, and plows are not in demand, or carts or rakes. These are goods

of quality and things that people need, and it is appropriate for the political economist to seek out ways to generate great demand for those things.

If a person has great wants, then he will strive to obtain them. If his wants are not great, he will not strive, but will remain indifferent. Therefore, the first thing is to generate great desire in the people for the goods they need, and then we will all see determination.

How is it possible to stir desire for those things in the hearts of the people? Upon that topic we shall talk.

1. *Education* is what makes people want appropriate goods. If a person is educated, he cannot help but want a stone house, for it is a burden-free house. Build it to completion and it is done, with no further concern, and the house can be bequeathed to the children. If a person is educated, He will certainly want a clean house, so will want all the appropriate goods. He will certainly want chairs, and not to sit down on the dirt. There'll be a desire for glasses and dishes, not have many eat together from a single calabash. If a person is educated, then he gives great consideration to keeping a store of food for times of trouble. That is an important thing. Not having food, at times, is not a good thing, but is seen often; from there comes some of the population decline. Food should always be set aside for times of strife, or if not food, then goods should be kept that one could trade for food.

If a person is educated, he is certain to want the things that are necessary, iron pots, copper pans, tea kettles and other containers. It is proper for a person to want these things, for if his desire is great, then he will be determined to work in order to acquire these things that he wants. If his desire is half as great, he will not be diligent.

There are a great many goods that educated people want. If they are workers, they will certainly want tools. Farmers want land and crops to plant. Some people want regular ships, others want steamships, yet others want iron rails and trains, and there are many other kinds of goods they will want. How then, can the people become educated? Those things were discussed on the earlier pages. Here is some of that.

If thinkers write down their thoughts and send them to the newspaper *Kumu Hawaii* to print, that is one way for people to be educated and their demand for new goods will increase. If one urges the other like that, then one will be determined indeed. That is an important thing in enlightened lands, that if one gets a clear idea about something useful, then he writes down his ideas and the people everywhere see them. It is appropriate, and would be proper for folks to do that here. Here is another thing that will increase people's demands for goods.

2. *If they see that the chiefs and the important people want that article.*

Emulation is an important thing to people. If they see the chiefs doing something, they want to do the same. Before, people did not favor clothing, but when they saw the chiefs wearing clothes, then they wanted to wear clothes. So it is really important in political economy for the chiefs to truly act in the ways that they want the people to act. If the chiefs believe that the land would benefit from sugar cane, then the chiefs should plant sugar cane on their own lands. Once the people see that the chiefs are wealthy from that action, then they will plant cane extensively, so that they become wealthy.

The chiefs should not engage in things that they consider would be wrong for the people to do. For if the people see the chiefs engaged in a particular activity, they will want to do the same. If they see that the chiefs ridicule the native carpenters, then they will ridicule them. There are many places where this point is relevant.

3. Here is another thing that will generate great demand among the people for appropriate goods, namely *good schools*. If a person is taught for an extended time in a good school, he cannot help but greatly desire the goods that will make his life like that of educated people. Therefore, good teachers are critical. The teacher should be supported so that he is able to live like educated people do. If a teacher lives in a crude house, with no mats, then the students will assume that to be the way



educated people live. It should not be like that. The teacher should be supported so that he is able to present to students the proper way to live. Then students might want the goods they need and strive to get them. Desire comes first, and determination follows. Then they will buy the things they want.

2. *About price.* If people are dedicated to increasing wealth, then they have a reason, and they are able to purchase every thing that they want. If the people are not dedicated to increasing wealth, then poverty will be ongoing, and there is no reason to purchase goods from other lands. That topic, increasing wealth, was discussed in Book One.

There is one thing that remains, pertinent to the increase of wealth, but the main connection relates to trade. So let us speak about that at this point. The things that foster the transport of goods are important things in managing trade. There are many things that can support transport of goods. At this point, firewood is of great cost in this country because nothing supports its transport. Because of the great cost, there are only half as many traders and those who go to get it are heavily burdened. If your firewood of the mountains was in America, the people could fell the trees, transport them to the shore and sell them for two dollars a pile. If help in transporting goods could be obtained, the trade would be rather different.

Here are the things that would support transport of goods,

namely, good roads, carts, oxen and horses, iron rails and dredged rivers, ships and steamships.

In the enlightened lands, a great deal of money is spent on these things, but only half as many things have been done by the chiefs and the funds of the government. But people cannot act without the support of the law. All of these things have a cost. If iron tracks are laid, the one who travels on that route must pay the one who made the route. If a person sails on a canal that has been dug, he pays the one who made the canal. Actual roads have no charge, for they were not made in a quest for wealth. Each person labored because of the laws of the land.

The law was made that each person should labor on the road, and if not laboring, must pay. Thus the regular roads were made, as a means for people to travel and in order to haul cargo.

These are some things that pertain to the government.

1. *Directional lights.* At the points of land and in the shallow places, and in those areas where ships would be in fear of stranding, buildings were constructed to hold great lights, so as to direct ships in the night. So a stranger can look at a map for those lights and sail close to shore at night without the ship running aground. Those were made in order to save the ships, so ships from other lands would not be afraid to sail there.

2. Here is a second action duly related to the government: *Making good harbors*. This has been an important undertaking in America, and if the entrance to a harbor is difficult, it is dug away and widened. If shallow, it is dredged deeper. If waves break into it, they are restrained with rocks. They do everything possible to benefit the harbors so the ships face no difficulty.

3. The third action properly related to the government is to survey and properly see where ships should and should not go, and draw those things on maps so that strangers can see them and sail properly. These actions relate directly to the chiefs, for they are things the land needs, and they do not directly pertain to others.

There are, however, many actions that are directly appropriate for people to do, if those are properly granted by the chiefs.

1. *The building of wharves*, which is one of the things necessary for trade. That is because if the wharves are good, ships can sail in and dock, making it quick to unload and load up cargo. If the chiefs allow it, the people can make a wharf, and then those who dock their ships or canoes must pay the makers of the wharf.

2. People can make roads, if the chiefs grant them that space. Here is how it is done. Many people assemble, and they make a fine road, then the

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...

iron is the currency, and the oxcart must always follow, so as to carry the iron.

3. Another important necessity about currency is small divisions. If it cannot be divided up small, it is no good, for there are many little things that people want. That is a real need in this land now. There is no currency appropriate for purchasing small things, like slate pens, chicken eggs or darning needles. If it could be divided up into small bits, then a person could use it when buying his small things, and only for larger goods use dollars. If he had a dollar, then he could buy everything he would want. If it was something large, so be it. If it was a small thing, that would be fine too.

4. Another thing proper for currency is that it can be hidden. If seen, it can be taken by a trickster, a thief or a robber. So it should not be something large, like iron or cloth. Because then it could not be hidden, everyone would see, and if those items were assumed to be money, they would certainly be taken by a rogue.

5. If money is obtained, then bargaining is appropriate. A person can work a place he will be skillful, and where he would receive high pay. He should not go and work for the blacksmith in order to get a needle, and for the carpenter in order to get a barrel, and for the farmer so as to get taro. He should work where he gets the most money. Once he has money, then he should buy all the things he wants.

6. If the work is done in that fashion, it is quite possible to divide up the labor. That is because one can certainly be wealthy making darning needles or pin heads and all such little things. If there is no money, then that kind of labor division is not appropriate. If there is no money, and I make pin heads, there is no one to buy them. Who would want just the head of a pin? That is how it works with all small jobs. They cannot be divided up if there is no money in it.

In the statements made above, the benefit of turning something into currency is apparent. The chiefs cannot do this simply through their intention. For if they said a rock is currency, the people will not like that. And if they said the cowry shell is currency, the people will not want that. How can it be done, if the chiefs cannot do it?

Like this: the item that every person would always want an abundance of would be appropriate currency. If the people do not want it, then it is not money. The people of Nu‘uhiwa do not want real silver or gold. Gun powder is what is demanded every time, so gun powder is the currency. Previously, people wanted cloth here, and only half as many wanted actual money. At this time, all people want real money.

From ancient times, people of all lands have turned something into money. In ancient times in cattle-raising lands, cows were

the currency. So when they detailed the trade for war armor, they might say that the armor of Diomede was bought for nine cattle. In another land, sheep was the currency. If they talk about the amount of wealth of a certain person, they would report the number of cattle and sheep, horses and donkeys. Because of their great regard for that kind of wealth, when true silver was minted, an image of a cow was imprinted, and an image of a sheep. And in their language, the same word is used for the money and for sheep.<sup>40</sup>

In the time of Abraham, actual money was known, but was probably not minted. The counting of it was not spoken of. It was said like this, "Abraham weighed out the money for Ephron, which he had spoken of and which was heard by the Hittites, four hundred shekels, as fitting currency according to the traders." That is the first mention of money among all statements that were printed.

In later times, iron became the money of Rome. Later still, it was copper. But now, true silver and gold are currency in all enlightened lands everywhere. Copper is also used for small payments. Gold is foremost in wholesale trade, and silver is the more important in retail trade. Copper is minted as coins for buying very small things.

## SECTION II.

## The Proper Form Of Things Made Into Money

1. The first thing necessary for some item of value to be made into money is that it be greatly desired. If some article is greatly wanted by all people, then they cannot refuse buying it. But if some want iron and others want cloth, while yet others want silver, then trade is problematic. But if all persons want a single item of value, then it becomes the currency that is necessary for trade, so there is no problem and trade is easy. If the people's wishes are all the same, then then all laws are useless. That thing the people want is the currency. If all the people do not like a certain thing, then laws are still useless, for the disdain of the people will continue.

2. Here is another important aspect necessary if a certain article of value is to be turned into currency. The great desire for it by those in other lands. That is because if it is not desired in other places, then there will be difficulty in the trade of goods from elsewhere. If an article is greatly desired in all lands, everywhere, then it is the appropriate thing to make into money, and it is what is needed for wholesale trade.

3. An important quality needed for a certain article to be turned into currency is if its nature is stable and the great desire for it by people is continuous. Therefore, no growing things would be appropriate. That is because in one



year they are abundant, and in another year, minimal, so it is variable. If the demand from people remains the same, then a person far away can consider what he will trade and it is clear.

4. Another quality needed for an article of value to be made into currency is that it is small. That is because if it is small, it is not heavy for people to use. If it is heavy, like the iron of those folks in ancient times, then large-scale trade will soon end. Because one cannot carry it here and there to do trade.

5. Another thing needed for an article of value to be made into currency is that it must have small divisions. If it cannot be divided up, it is not good. The diamond is small, and of great price. It cannot, however, be made into currency because it cannot be divided up. Also, one diamond is not the same as another. If we intended to make cloth be the currency, it cannot be divided up. If cloth is divided into small bits, it is ruined and made worthless. And those kinds of things, once divided up, cannot be joined together again. That is not the nature of actual currency.<sup>41</sup>

Another quality needed for anything that would be made into currency is if it is something apparent, so that one person cannot lie to another about it. If cloth was the currency, someone could be fooled, having not previously seen the nature of it, and on obtaining it, finds it is rotten. If the knife was the currency, and its nature was not known beforehand, until the time it was received, the bad quality of some knives is obvious. If pretty

stones were the currency, the quality would not be apparent to every person. One person could lie to another. That is not the case with real silver or gold. It is clear at a glance, and can easily be tested.

All of the qualities mentioned above are found in real silver and gold. So the appropriateness of those things as currency is clear. There is no other thing that we see that would be completely appropriate like those things. We must, however, recognize this, that silver is desired for the actual value in it, not because of being called currency, not because it is minted, and not because of the law. Currency is the thing by which every person obtains the things he wants, so it has actual value.

Also, there is great value in the silver used in the making of spoons, plates, cups, watches and things of that nature. People's desire for those things is continual. They do not go bad, or lose their quality, which is permanent. Silver and gold are desired as something to beautify the body. That is important. It is for these reasons that silver is always desired everywhere.

If silver has actual value, as stated above, it might be thought that if there is much silver in the mountains of a certain land, that land would be rich. That thought is not accurate. It is acknowledged in the first book that labor is what makes things valuable, not the simple presence of things. If the mountains are full of silver, but the people are too lazy to

work, there will not be much wealth in that land. If they mine the silver and separate the dirt to refine it, then that land will be wealthy, in direct accordance with the extent of labor that is properly applied.

If all the people in Peru went to mine silver in the mountains and obtained one million dollars in a single year, and if all the people of Hawai‘i planted cotton and sold it for two million dollars, then Hawai‘i would have more wealth than those in Peru. And if ten men in Peru went to mine silver and they obtained one thousand dollars in a single year, and if ten people of Hawai‘i strived at planting sugar cane and they obtained two thousand dollars in that one year, then there would be far more wealth in the soil of Hawai‘i than the wealth in the mountains of Peru.

Therefore, we should not assume that the land is benefitted from silver existing in the soil. The land that is prosperous, and is wealthy, is the land where the people work hard at appropriate endeavors.

The nature of silver is like what was discussed in the first book. If great effort is expended in working at something, then that item which was made is of great value. If great labor goes to mining silver, then there is great value in that silver. And when the labor at mining the silver diminishes, so too does the value in the silver diminish.

Long ago, when America was still unknown, great effort was invested in mining silver, so

there was great value in silver. At that time, four dollars would buy a barrel of wheat. At this time, abundant silver has been found in South America, and there is less effort needed for mining, so the value in a single dollar is less. Eight dollars will buy a barrel of wheat. Previously, ten dollars would buy a cow. Now, twenty dollars buys a cow. That is because at that time, much labor was expended in processing the silver, and there was half as much silver. At this time, the labor is diminished and there is abundant silver. Thus is that nature of trade.

Also, if there is little silver in one land, but much other wealth, trade goods, then those of other lands will bring silver to that land. But if there silver were abundant in a certain land, and little other wealth, then that silver will be taken to other lands to trade. That is what has been done in South America at this time. In Peru and in Chile there is abundant silver, but not much other wealth, so all lands go to get the silver from there, which is brought to other lands. There is not much silver in the mountains of Britain, but much wealth has been manufactured by people, so many lands bring silver there.

It was said above that it is not fully possible to do trade if there is no currency. Yet wholesale trade is certainly possible with very little currency. Let us consider the nature of trade of five men, A, E, I, O, U. One of them, A, is a fisherman, another, E, is a farmer, another, I, is a blacksmith, another, O, is a sugar miller, and yet another, U, is a tailor. If A received one dollar, and he wants taro, he goes to

E to buy. Then E acquires the dollar and he wants some digging sticks, so he goes to I to buy. Then I has the dollar, and wants sugar, so he goes to O to buy. Then O has received the dollar, and he wants his cloth made into trousers, so he goes to U, the tailor, in order to do business. Then U has the dollar, and he might want fish, so he goes to A to buy. At that point A has gotten his dollar again, and they are all able to do more trade with whomever they choose.

Therefore, it is apparently completely possible to do wholesale trade with little currency. That is what is done in all rich lands. It has been said before that a ten-thousand dollar debt is paid here in Honolulu at five-hundred dollars per week.

In the enlightened lands, most trade is carried out on paper, not in cash. There might be a wheat trader, A, and an iron trader, E, and a cloth trader, I. A goes to E and buys iron, giving him a promissary note for one thousand dollars. Then, E wants some cloth, and goes to I to buy it. He has no cash, but he gives to I the promissary note from A. Then I wants some wheat, and he goes to A to buy it, but having no cash, I gives to A that promissary note that A had first given to E. All of that trade was made quite possible.

Here is another form of wholesale trade with minimal cash. A Boston trader transports

trade goods here, perhaps ten thousand dollars worth of merchandise. Mr Ladd takes those goods and sells some, receiving five hundred dollars. A whale ship officer wants those dollars, so Mister Ladd gives them to him and the ship's officer gives him a promissary note.

When that is done, that ship's officer trades with you folks, and when that five hundred dollars is all in your hands, you all go to Mr. Ladd and buy goods from that ten thousand dollars worth that was brought here. Mr. Ladd gets those hundreds of dollars back for the ship's officer, getting his promissary note. That continues to go on until all of those goods are taken by you folks. Then Mr. Ladd sends those promissary notes to Boston, and the ship owners pay the entire debt. There was only five hundred dollars here, and ten thousand dollars of value in those goods that were sold here. No cash was returned to America, only promissary notes.

In lands where there is extensive trade, if the chiefs see that trade is hampered by insufficient cash, then they will pass a supportive law for certain people to make paper currency, as something necessary for wholesale trade. That does not, however, pertain greatly to us at this time, so we shall not talk about it. There is abundant money to facilitate trade in this land and if it is seen later that there is much trade in this land and a dearth of money, then sufficient money should be brought here.

## BOOK THREE

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### Distribution

It was clarified in the first book that it is not possible to increase wealth if labor is not applied to capital. In some cases, a single person has both the capital and the labor. That is not so in most cases. What is usually seen is that the one with the capital is different than the one with the labor to work with that article of value. The land owner is a different person than those who will work on that land. The ship owner is different than the one who will sail the ship. The owner of the printing shop is different than those who will work in that shop. The owner of the cloth factory is different than those who will make the cloth. Thus it is with all major kinds of work. That is what is seen the most everywhere. However, some folks with capital do their own labor.

If a certain person has capital, and he performs

his own labor, then all the profit is for him alone. But if the one with capital is different from the one who does the labor on those goods, then the profit does not belong to one of them, it belongs instead to the one with the capital and also belongs to the one who worked on that capital.

So obviously, it is important to properly divide the profit, so that each person gets the amount he deserves. That important division of profit is called *distribution*. In political economy, it is proper to clarify in advance the principles regarding the distribution of profit. If distribution is not proper, the land is not proper. It is certainly a complex endeavor, and one sought for in all lands. This is because one labor differs from another, and laborers may be highly skilled or others may be unskilled. Some jobs require extensive training, while others require none. Therefore it is not appropriate to divide profit equally. More should go to the skilled and less to the unskilled. It is proper for more to go to the one who does complicated work, and less to those who work at simple tasks.

One kind of capital can be different from another kind of capital. The capital of fishermen may be minimal, while the capital of glass makers may be extensive. Therefore their incomes should not be equally divided. In fishing, because of the minimal capital, most of the profit should go to the one who did the work. It would not be proper to divide



in that same way the profit of glass makers. That is because there is extensive capital, so most of the profit should be for the one with the capital and the lesser part for the laborer who did the work.

Trade is also different at certain times from trade at other times. Therefore, the division at certain times will not be the same as at other times. If land is an important part of the trade, then in the division of profit, the landowner should get much and the laborer little. But if the land is a small aspect of the trade, then in the division of profit, the laborer's portion should be large and the landowner's smaller. In enlightened lands, it is customary for there to be joint discussion between the laborers and those with the capital, to decide on their contract, then the laborers work in accordance with the terms of the contract.

In this land, the tenants do not converse with the landlords like contract workers, so we should seek an appropriate division of the profits.

In the sectioning of this third book, two chapters are what was appropriate. The first relates to wages, and the second is about interest. But because land is an important consideration, a third chapter is appropriate, payment for land being the third. Here is the meaning of those words. *Wages* is the payment given to the people who are contracted for labor.

*Interest* is the payment for wealth that will be returned. If you give me ten items of value,

and I return eleven to you, that one extra article of value is the interest.

*Land payment* is the payment a tenant gives to his landlord for his residency on the land.

Therefore, this book is divided in three sections.

I. Regarding *wages*.

II. Regarding *interest*.

III. Regarding *land payment*.

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## CHAPTER ONE.

### Regarding Wages.

This chapter must be divided into two Sections. 1. The basis of wages. 2. Variability of wages.

#### SECTION I.

##### The Basis Of Wages

If the price is requested for which a particular item is be bought, it is customary for the trader to tell the cash amount for which that item is sold. They do not, however, intend to trade in cash alone. They want sandalwood, or cow hides, or goat skins, or any such kinds of goods.

If we have a trade good, and we are asked the price for which that article of ours would sell, there are three things to consider. 1. The expense of acquiring that article. 2. The demand or lack of demand for that article. 3. The amount of that article that exists.

If there was great expense in our obtaining of that article, then the price to sell that article should be high. If there is little of that article remaining, and many who would want it, then the price is high.

I. *The Cost of Labor.*

Some labor requires no training. A person's hand reaches out and does the work. Other labor is highly skilled, with long training to attain skill, and enabling the work.

*First, simple labor.*

If the body, hands and feet are good, there is no illness, and the mind is sound, a person can do any kind of simple labor.

But a person's body is not good, not strong and cannot strive at working if he does not have food,<sup>42</sup> a house, clothing and, sometimes, medicine. If a person does not have food today, he cannot labor tomorrow. If he just sits for some days, he will die. If there is little food, and

it is undesirable food, his strength will ebb and less work will be done by him.

If he exists and works like that for long, he will fall ill, and laboring will stop. And if he does not obtain the things he needs, he will certainly die. Thus the expenses of the laborer are apparent. The expenses include food to eat, clothes to wear and a place in the house where he is to live while he is engaged in labor.

This clearly pertains to the people of this land. Some who work at laboring have little taro, no meat or fish, and the housing is bad, so they quickly become weak, and easily sicken or die. That is a major force in the diminishing population in this land. If people were properly nourished, then they would be strong, which keeps one from being sickly and prolongs life. Therefore, in considering the expense of industry, it is appropriate to recognize that life is what is expended if a person does not receive a wage that is appropriate for his existence.

But not just that person. One's life in this world is short. There is only one reason that the native people<sup>43</sup> are not gone from this world, and that is new children being born. But if the children are not kept alive and healthy, the native people could soon be gone from this world. So the health of children is important. If the children of a single generation were to die, then the natives' existence in the world would be ended, and all the lands everywhere would be desolate.

If we have trade goods and are asked the price at which such goods of ours would be sold, then there are three things we should consider. 1. The expenses involved in obtaining that article. 2. The high or low demand for that article. 3.

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<sup>1</sup> *aina*, literally "livelihood" is the Hawaiian term used, with the contextual clarifications to set it apart from many other meanings of the word.

<sup>2</sup> The term *kumuwaiwai* is used in this text where it could be understood as either "resources" or "capital," but capital is used in this translation, aligning with how the concept is presented in the Wayland text. Capital is framed in other parts of this text using the Hawaiian term *'āina*.

<sup>3</sup> The word *kala*, used here as a collective term for cash, gold and silver, is translated here as "cash value", distinguishing it, in this context, from *kala pepa* (paper money) and *kala maoli* (silver).

<sup>4</sup> *kumuwaiwai* is used in different contexts as the general idea of "resources" and more specifically as "capital," i.e. resources utilized or possessed by man.

<sup>5</sup> *malu* is used here in multiple settings, and is translated as both peaceful and safe.

<sup>6</sup> *wahie*, or *firewood*, is often used as a reference to sandalwood, sometimes clarified as *wahie ala*, fragrant wood, or the specific name of the tree, *iliahi*. Because *iliahi* is noted just above this reference, and because the sandalwood trade is in serious decline at the time of this text, firewood is the likely meaning in this list of general trade goods.

<sup>7</sup> The term *Industry of Discovery* is used in Wayland's *Political Economy*, but the Hawaiian wording, *O ka hooikaika e imi i na kanawai o na mea o ka honua*, would have been understood, literally, as used in this translation.

<sup>8</sup> Newton is credited with the invention of the telescope in Wayland's *Political Economy*, but is credited with laws of gravity in *No Ke Kalaiaina*.

<sup>9</sup> Benjamin Franklin, an inventor, diplomat and politician born in English America who became one of the Founding Fathers of the United States, studied electricity in the mid-18th century.

<sup>10</sup> The term *Industry of Invention or Application* is used in Wayland's *Political Economy*, but the Hawaiian wording, *O ka hooikaika e imi i ke ano o ka hana ana*, would have been understood, literally, as used in this translation.

<sup>11</sup> Flavio Gioha, an Italian pilot from Amalfi, Italy, is credited with perfecting the sailors' compass in the 14th century. Kenita and Simeatona, referred to in this note about the compass, are unrecognized.

<sup>12</sup> Kites that could lift a man are recorded in China in the sixth century A.D., but no modern adaptations have been found that would have generated this reference, so the three names mentioned remain unidentified.

<sup>13</sup> John Hadley, a London mathematician, is credited with the invention of the octant in 1730, though Thomas Godfrey, an American, was credited with the invention at about the same time.

<sup>14</sup> Robert Fulton, an American, was credited with the commercially viable steam boat in the first decade of the 19th century.

<sup>15</sup> *kahuna* is the term used, and *ola* is the outcome, which could be a medical specialist (kahuna) and recovery of health (ola), but the context appears to refer to spiritual matters rather than medicinal, so "priest or minister" and "saved" was used in the translation.

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<sup>16</sup> The first power loom was designed in 1784 by Edmund Cartwright. While *Arekarita* could be a Hawaiian form of Cartwright, the first name is either incorrectly recalled by Richards or referring to someone other than the inventor. Wayland does not mention Cartwright by name in *Political Economy*.

<sup>17</sup> The word *hike* in the original is a misspelling of *hiki*, meaning possible.

<sup>18</sup> The word *kuai*, used in other contexts as "trade," "buy/sell," is used here in a way that reflects "cost," as related to expenditure through purchase or hiring, so is translated as "cost."

<sup>19</sup> Kanaloaahokana is used repeatedly in this text as a Hawaiian name for George Washington, 1st president of the United States of America. That form of the name later appears in the Hawaiian newspapers for a sixty-year span, beginning in the 1860s.

<sup>20</sup> Probably Jean-Baptiste Say, in reference to *A Treatise on Political Economy: or the Production, Distribution, and Consumption of Wealth*, 1803, trans. 1821.

<sup>21</sup> *aina* is the term used here (*mahele pono ia na aina*) in a discussion about sharing wealth and reflecting a section in Wayland's text about division of property. In Richard's Hawaiian text, *aina* is used as both "capital" and as "land," the latter being the more common. The word is translated as "lands" in this case. The implementation of any division of land does not occur until nearly a decade after this text is produced, but t private property is a recurring point in this text.

<sup>22</sup> The term *inikini* or *indian*, refers to native peoples of the North American continent, now called Native Americans or First Nations.

<sup>23</sup> *Magna Charta* in the Hawaiian text and known by both spellings, it refers to the 1215 charter signed by the king and the ruling barons. It became the foundation of British law.

<sup>24</sup> *Kākalaioa* is the term used, a thorny shrub, native to Hawai'i and other islands in the Pacific.

<sup>25</sup> *manao* is used three times in this sentence, with the possible meanings of "opinion," "thought," "mind," "intention," and more. "Mind" and "intention" have been used in the translation, but other possibilities exist and would alter the meaning of this sentence. Because the line establishes a foundation for education, the variables are important to acknowledge.

<sup>26</sup> John Hadley, and English mathematician, invented a special parabolic mirror for telescopes in 1721.

<sup>27</sup> Robert Fulton was an American inventor who is credited with developing the steam paddle wheel for riverboats in 1807 when he built the ship *Claremont*.

<sup>28</sup> *no ka kuai nui* may be a misspelling of *ka*, which should be *ke*, or could show a dropped word. The resulting phrase "from the extensive trade" does not clearly fit the sentence.

<sup>29</sup> *ie*, in the text, could refer to wicker, corduroy fabric, or a kind of fish trap, but canvas appears to be the most likely product for import.

<sup>30</sup> *ma ka pahu*, literally "by the crate/barrel/box," but used here in comparison with retail trade.

<sup>31</sup> *I ke kuai nui ana, aole hiki ka poe kuai ke hana ino i ka aina*. In this context, *Aina* could mean land or even country, but likely refers back to the earlier use of the word as *capital* or *livelihood*.

<sup>32</sup> The word used, *ia*, can refer to fish or any kind of seafood, but can also mean any kind of meat or flesh food. In this setting, importing meats is the more likely meaning.

<sup>33</sup> This appears to refer to the interest rate on an existing resource.

<sup>34</sup> \$360 would be 12% interest on the \$3,000 investment.

<sup>35</sup> *hoopaho* is apparently a misprint of *hoopoho*, "to generate a loss".

<sup>36</sup> *kuai nui*, which is used elsewhere in reference to the extent of trade or wholesale trade, is used throughout this section to mean "high price," and the examples show how price, not trade, will diminish as supply expands.

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<sup>37</sup> Genesis 41-47 tells of a famine in Egypt where the people sold their goods and properties to Joseph, the vizier, for the food and seed he had accumulated in the government storehouses.

<sup>38</sup> *Wahinekopa* was a commonly-used Hawaiian reference to Captain George Vancouver.

<sup>39</sup> *maole* is an apparent misspelling of *maoli*, as spelled correctly later in the paragraph.

<sup>40</sup> *hi a*, appearing in place of *hipa*, is a misprint.

<sup>41</sup> *dala maoli*, a term used elsewhere in this text to distinguish "real silver," seems to refer to currency in this setting, and is translated as such.

<sup>42</sup> The text uses the traditional division of "food" into two parts: *ai*, meaning taro, sweet potato or other starchy staple, and *ia*, which includes fish or any kind of meat.

<sup>43</sup> *na kanaka* here and in the rest of this final paragraph could refer to people everywhere, but is understood to specify "the native people" here in Hawai'i, in light of the previous paragraph's note about how this issue "clearly pertains to the people of this land."