

CHAPTER VI

THE DISTRIBUTION OF INCOME

§ 1. THE STRUGGLE BETWEEN INDIVIDUAL INCOMES

HITHERTO we have studied income as a whole, its forms, the kinds into which it is subdivided, its total quantity. But, as we have previously indicated, income is an essentially individual attribute, inasmuch as it is by individuals that it is received and consumed. For this reason, the analysis of income cannot be regarded as being exhaustively effected by the study of income as a whole, and the analysis must be completed by an investigation of the phenomena appertaining to income as it is received by individuals.

The average individual income, it is hardly necessary to say, is equal to the total income divided by the total number of the recipients of income. Now, in the case of undifferentiated income, the number of the recipients of income is precisely equal to the number of the productive labourers; whereas in the case of differentiated income, the number of the former is necessarily less than the number of the latter. This is already implied by the fact that in the case of differentiated income a single private owner of the means of production (or it may be of unproductive elements) exercises coercion over a number of associated labourers; for this implies that to a plurality of productive (or unproductive) labourers there corresponds a single owner of productive (or unproductive) elements. It is true that the recipients of income do not consist solely of the owners of productive or unproductive elements, but in addition of unproductive labourers who obtain an income; but the presence of these last does not materially modify the result, or affect the fact that the number of the recipients of income is in any case necessarily inferior to that of the labourers. This statement is statistically confirmed; thus, for example, in Prussia, in the year 1906, those exempt from income tax, that is to say, the labourers,