

September 2013

Dear Clients and Friends:

On a friend's recommendation, I ordered a book titled The Evolution of Wealth from Amazon.com. It describes the history of capitalism from the Sumerians to the present day. The author is Jerry D. Ward, and he happens to live right here in San Diego. I was able to meet with him a few weeks ago, to talk not only about his book but also about the amazing way books are now being printed and shipped.

In a world where so many have come to distrust the profit motive, Jerry combines history with a bit of economic philosophy to remind us why capitalism works. This is a quick read, only 135 pages, and well worth the time.

Now here's what happens when you place your order for this paperback on Amazon. It's called "Print on Demand." One computer talks to another computer, then a machine turns on and prints all the pages. A cover is printed and the book is automatically bound. Into the shipping cardboard it goes, then the mailing label is added. It arrives at your door in a matter of days, the ink barely dry.

There's no inventory of Jerry's books sitting on a shelf at Amazon. You order a copy; they make the book and send it to you. That'll be \$8.99 plus tax and shipping. If you go to createspace.com, you can find out more about the technology being used to help authors write, edit, print and market their books without a traditional publisher.

For good or bad, Amazon has had a huge increase in sales. They're adding 5,000 jobs in their U.S. warehouses, which is bad news for Walmart. Capitalism doesn't take sides, it just favors the best product or service at a competitive price. The great economist Adam Smith said it's like an invisible hand guiding markets to the best outcomes.

Regards,



Charles M. Shackelford