

## CHAPTER VI

### THE ELEMENTS OF PRODUCTION

Men work in order to enjoy; to promote this end they seek to enter into social relations, to co-operate with their fellows; and the essential principle of all such association, the animating principle of all social life, is the reciprocal exchange of services: these are the conclusions to which our previous investigations have led us, and which we unhesitatingly accept as the basis of our subsequent inquiries.

That the reciprocal exchange of services is the underlying principle of peaceful association and cooperation, the animating principle of social life, will we think, be readily admitted by all who impartially consider the subject; and its recognition certainly tends to throw light on and to simplify some of the problems with which we are concerned. From this point of view, the desire to benefit himself by associating and exchanging services with others is the cause constantly tending to impel mankind to enter into social relations with their fellows. And from this standpoint almost the sole function of Economics would be to teach us how to frame social conditions as would allow of the fullest, freest, and fairest interchange of such services.

Now the services mankind can render one another are identically the same in kind as those a man living isolated would have to render to himself in order to maintain existence and minister to his own well-being and comfort. Practically all are devoted and directed to this one end, to minister to human desires. Though identical in aim, they may, however, be divided into two classes, viz.: (a) Services devoted to ministering directly to human wants; and (b) Services devoted indirectly only to this end, to the collecting, transporting, exchanging, shaping, or in some way modifying the materials supplied by Nature, so as to bring them within the reach of man, or to fit them, or make them more fit, to minister, directly or indirectly, to human desires.

Little need here be said concerning the former class of services, though it comprises some of the most useful and important at the command of any body of men, including those rendered by the schoolmaster and the physician, the divine and the actor, the author and the judge. In so far as they fulfil their functions, or in so far as their labours are desired, all engaged in such pursuits render direct services to their fellow-citizens; hence, they can reasonably expect to command counter-services, to be assured a share in the more material returns to the activities of their fellow-workers.

Of the second class of services, however, of the services devoted to the production of things capable of ministering, directly or indirectly, to the desires of man, we shall have to treat at greater length. Such things may be regarded as the means whereby

man accumulates or stores up his labour force, or his power to minister to his own wants, and makes it readily available whenever it may be required. When consuming any material object, we are practically destroying the concrete result of a concatenated series of productive labour, for which we are indebted to all those whose labours have in any way contributed toward its production. All commodities capable of ministering, directly or indirectly, to the wants of man, may then be regarded as "accumulated labour"; on such commodities men have expended, in such commodities they have accumulated, their power to minister to human needs and desires.

We should, however, never lose sight of the fact that man can create none of these things — nor anything else, for that matter. All he can do is to produce them; that is, to draw them forth from their natural sources and adapt them to his needs. In other words, all he can do is to make use of the material Nature provides, or can be induced to provide, and adapt it to his requirements. This simple fact is so self-evident that we are apt to overlook it altogether, or at least to lose sight of its fundamental importance.

Moreover, as Mill expresses it<sup>1</sup> —

"Nature does more than supply materials, she also supplies powers. The matter of the globe is not an inert recipient of forms and properties impressed by human hands; it has active energies by which it co-operates with, and may even be used as a substitute for labour. ... If we examine any case of what is called the action of man upon Nature, we shall find that the powers of Nature, or in other words, the properties of matter, do all the work when once objects are put into the right position. This one operation, of putting thing<sup>3</sup> into fit places for being acted upon by their own internal forces, and by those residing in other natural objects, is all that man does, or can do, with matter."

<sup>1</sup> "Principles of Political Economy," Book I., chap. i., § 1. Mill was, we believe, the first to emphasise the importance of "this essential and primary law of man's power over Nature." This chapter of his great work is specially worthy of careful study.

In other words, in the physical world the labour of man is restricted to the moving of natural objects to or from each other. This, however, is sufficient to enable him not, only to appropriate the material which Nature provides, but to command the immutable forces of Nature and make them subservient to his needs. He collects seeds and places them in the ground, and the reproductive forces of Nature return him fruits and flowers in manifold variety and abundance. He brings certain forms of matter together, and thus generates at will the wonderful natural forces — heat, steam, and electricity — now harnessed in his service, and of which an everincreasing use is being made. By their aid he cooks his food, transforms malt into beer, converts canejuice into sugar, extracts metals from their combinations, softens and fashions the

iron, and in innumerable other ways adapts to his requirements the materials supplied by Nature. Every increase in our knowledge of the properties of matter increases our powers of production. But to avail ourselves of these properties, to produce commodities, a certain amount of exertion, of labour, is in all cases necessary. Nature and Labour are thus the two indispensable elements of all production. As already emphasised, man can create nothing, neither material nor forces; hence, for all the commodities he daily consumes, he is entirely dependent on Nature.

All material commodities are, then, either the spontaneous offerings of Nature, or are the products of these two factors — Nature and Labour. Nature supplies the original materials, with the powers inherent in them, of all commodities; Labour collects such materials as Nature spontaneously provides, and adapts them to the wants of man, and employs the reproductive powers of Nature to secure still greater supplies. As already pointed out, by his labour man does, as it were, store up in materials his own power to minister to his wants. Hence, though in all cases the product of Nature and Labour, yet, to simplify our conceptions, all commodities in the possession of man may be regarded as "accumulated labour." On such commodities man has expended, in such commodities he has accumulated, his power to minister to his requirements.

As already repeatedly emphasised, the end of all labour is to gratify human desires; and it is to promote this end, directly or indirectly, that all commodities are required. For the purposes of this investigation, commodities can, however, be divided into two classes, strictly analogous to those into which we have already divided services; viz.: (a) Enjoyable Commodities; those which directly minister to the wants of man, which can themselves gratify human desires, such as food, clothing, houses, ornaments, books, furniture, etc.; and (b) Serviceable Commodities or Auxiliaries of Production, those which only indirectly minister to man's wants, by lightening, assisting or facilitating his future industrial operations, such as spades and ploughs, seeds and domesticated animals, tools, machinery, roads, railroads, etc., etc. Into one or other of these classes all the commodities men possess can be ranged: the function of some is enjoyment, that of others is service.

This simple classification, according to the functions commodities are called upon to fulfil, seems to us quite in accordance with the necessities of our everyday life, and practically to require no further illustration. A man thrown on a desolate island would have to collect seeds, berries, fruits, shell-fish, etc., wherewith to satisfy his immediate wants. This done, he would naturally strive to provide himself with something, say a crooked or pointed stick, or a sharp stone, whereby his labours might

be lessened, facilitated, or rendered more productive. By-and-bye he will devise better tools; he will collect seeds, etc., not to consume, but to plant; he will domesticate animals, and in a thousand other ways strive to surround himself with things which will be of future service to him. The same is true of men living in society. All the varied and manifold commodities they possess are destined to minister to desires, some directly, others indirectly; some are themselves fitted to promote enjoyment, others can do so indirectly only, by serving as auxiliaries of production to facilitate future industrial operations. Moreover, as we shall presently see, this simple classification will enable us to solve some of those mysterious problems which seem as if specially created by Political Economists simply to vex the reason of man.

Before leaving this part of our subject, it is necessary to point out another of those simple, fundamental, self-evident facts which those who soar in the higher regions of abstract thought are so apt to disregard. Labour is not only necessary for the production of all material commodities; it is not only the original consideration that has to be paid by man for the appropriation and shaping of everything that ministers to his wants; but it is the only means by which, after having been produced, such commodities can be preserved from deterioration and decay. All commodities continuously tend to deteriorate and decay; and if it is necessary or desired that they should be preserved for future use, some amount of labour is again indispensable. To preserve them from the deteriorating effects of exposure, labour has to provide shelter; to preserve those made from iron and other metals from corrosion and rust, they have continually to be oiled and cleaned; to preserve houses, palings, etc., fresh coats of paint have from time to time to be applied, and so on. As already mentioned, this fact is apt to be overlooked, but its bearing on some of the most vexed economic and social problems of the day will become apparent as we proceed in our investigations.

In conclusion, we would here point out that in a country like England, where the division and subdivision of labour is such a marked feature of its industrial life, and where consequently every commodity is the result of the labour of hundreds of co-operating workers, few people know to what end, or rather to satisfy what particular human want, their activities are directed. The baker, the butcher, or the fisherman may know that he is assisting in the production of food; the tailor or the bootmaker, who is but adding the finishing touches to a long series of prior operations, that he is assisting in the production of clothing. But how about the miner who fetches coal and iron from the bowels of the earth, or the smelter or pudler who separates the latter from its combinations, and so on? To what ultimate end is his labour being directed? Is he

assisting in the production of a house, thus affording shelter? Or in the fashioning of a plough, thus helping to satisfy the cravings of hunger? Or of a pair of scissors, thus promoting, perhaps, the making of clothing? Or of a ship, by which some of the products of this will be transported to other countries, there to be exchanged for other commodities? What is he engaged in making? and who are they for whom he is making it? He has no answer to any of these questions. All he knows, or cares to know, is, that he is engaged in making something; that he is thereby rendering a service to somebody; and that he expects in return to be able to command the services and the results of the labours of others.

And here we would again emphasise the necessity of continually bearing in mind that, no matter to what degree the division and sub-division of labour may be extended, the whole body of co-operating workers must for ever remain entirely dependent on Nature. They can create nothing; hence their prosperity and well-being, nay, their very existence, depend on their having access to the great, inexhaustible, natural storehouse, whence, by labour, everything essential to life and comfort can alone be derived. The first link in the great chain of co-operative production is always formed by those producing direct from Mother Earth. These constitute what may be termed the primary industries; their labours provide the material on which the rest of their fellow-workers, those engaged in the secondary industries (in shaping in accordance with human requirements the materials supplied by Nature), can alone be employed. Under the term "land" may be included, not only the surface of the earth, but all the natural outlets to the industry of the community or nation; for land is the element the control of which gives control of all natural elements, forces, and opportunities to labour. Give men access to land, and according to their skill, industry, and the tools at their command, they can produce wherewithal to satisfy their own wants, and to command the services of their fellow-workers. Deprived of it, they are helpless, and must perish for the want of those very things their labours could otherwise command in abundance. Hence it is that the prosperity and well-being of the masses of every community are mainly determined by those customs, laws, and institutions which determine their relations to the natural resources of the country they inhabit. In all cases, and to all eternity, mankind must remain dependent on Nature. Nature and Labour are the two indispensable elements in the production of all those commodities by means of which our material wants can alone be satisfied. And this primary fundamental truth should be constantly borne in mind by every student of Economics and Sociology.