

cal) imposition of obstacles to the satisfaction of desire that render more exertion necessary for the production of satisfaction" (par. 235).

Value arising from the first mode is value-from-production, and value arising from the second mode is value-from-obligation (par. 235).

"Value is one and the same quality, but we may distinguish as to its origin between value-from-production and value-from-obligation, just as we may distinguish the two sources of the Nile.

"The value of a thing is the amount of toil and trouble it will save to its possessor (as in the case of Crusoe), or (as in the usual case) another may be willing to undergo to exchange for it.

"No matter how this quality comes to be attached to them - whether from production or from obligation - things have value when, so long and so far as, they will purchase exemption from toil and trouble in the satisfaction of desire" (par. 235).

CHAPTER 21

THE TWO KINDS OF LABOUR

141. As with value, so, for a similar reason, there are two kinds of labour. One is correctly termed labour, or economic labour. The other is correctly termed work or effort.

Economic labour, the active element in production, is natural and necessary.

The false, political, unproductive work is the economic opposite of labour. It is wasted effort, caused by misgovernment. War is one of the gross forms of wasted effort, producing nothing at tremendous effort. Armaments, fortification, etc. etc., although they are often miscalled wealth, are not true wealth. They are the products of land and work, not land and labour. They satisfy no normal desire. Similarly, destruction is work but not labour. It is the opposite of production and satisfies no normal desire. There are, of course, certain types of destruction which form part of construction, such as the demolition of buildings for the purpose of constructing new ones on the sites.

Military destruction is probably the worst type of fruitless work, involving great human loss and suffering, as poetically described in

Southey's immortal "The Battle of Blenheim".

When misgovernment causes a social problem, e.g. unemployment, the government is forced to try to counteract the problem by employing large numbers of public servants in issuing doles and relief. Large taxes are necessary for this, and an enormous of unproductive effort, the effects of which are the exact opposite of what was intended.

Yet another example of this is the consequence of conferring a privilege on a section of the community, e.g. a protective tariff. This causes an obstruction to trade, and much unnecessary effort. When trade is free the necessary effort in production and exchange is reduced to a minimum, because producers are free to follow the natural avenues of minimum effort. Thus free trade means economy. Protection, or privilege, i.e. private law, in economics means wasted effort and consequent scarcity.