

## PART III — THE PRODUCTION OF WEALTH

### CHAPTER I — THE MEANING OF PRODUCTION

The word production comes from the Latin, *pro*, before, and *ducere*, to draw, and its literal meaning is a drawing forth.

Production, as a term of political economy, means a drawing forth by man; a bringing into existence by the power of man. It does not mean creation, the proper sense of which is a bringing into existence by a power superior to that of man. Nothing that is created can in the politico-economic sense be said to be produced. Man is not a creator; he has no power of originating things, of making something out of nothing. He is a producer; that is to say a changer, who brings forth by altering what already is. All his making of things, his causing things to be, is a drawing forth, a modification in place or relation, and in accordance with natural laws, which he neither originated nor altered, of what he finds already in existence. All his production has as its substratum what he finds already in the world; what exists irrespective of him. This substratum or nexus, the natural or passive factor, on which and by which the human or active factor of production acts, is in the terminology of political economy called land.

In common speech, the word production is frequently used in a sense which distinguishes the first from the later stages of wealth-getting; and those engaged in the primary extractive or formative processes are often styled producers, as distinguished from transporters or exchangers. This use of the word production may be convenient where we wish to distinguish between separable

value are not wealth, there is still another very important distinction to be noted. The general tendency of the value attached to the one is to decrease and disappear with social advance. The general tendency of the value attaching to the other is to increase.

For social advance, involving, as it does, increase of population, extensions of exchange and improvement of the arts, tends constantly, by lessening the cost of production, steadily to reduce the value of the great body of articles of wealth already in existence. The value of almost all the products of labor has been of late years steadily and largely reduced in this way, while the value of much costly machinery has been and still is being destroyed by discoveries, inventions and improvements, which render their use in production antiquated. But the growth of population and the augmentations of the productive power of labor increase enormously the value of such special privileges as franchises and land ownership in the highways and centers of social life.

It will be seen from our analysis, as indeed from observation, that the amount of wealth at any time existing is very much less than is usually assumed. The vast majority of mankind live not on stored wealth, but on their exertion. The vast majority of mankind, even in richest civilized countries, leave the world as destitute of wealth as they entered it. It is the constant expenditure of labor that alone keeps up the supply of wealth. If labor were to cease, wealth would disappear.