

# BOOK I—PRODUCTION

## PART I

### THE AGENTS OF PRODUCTION

In virtue of a tradition that dates back to the time of the first economists, three agents of production have always been distinguished: *Land, Labour, and Capital*. This threefold division has the advantage of being a convenient classification, and there seems to be no need to abandon it, at least in an elementary book like this.

It requires, however, some preliminary correction. Classical political economy has always shown an unfortunate tendency to place these three agents of production on an equal footing, whereas the parts they play are certainly very unequal.

Of the three, Labour is the only one that can claim to be an *agent* of production in the exact sense of the word. Man alone plays an active part; he alone takes the initiative in every productive process.

Land — or rather Nature, for we are not concerned only with the cultivated soil, but with the whole of our material environment, solid, liquid, and gaseous — plays an entirely *passive* part, and merely obeys man, generally after long resistance. Nevertheless it is indispensable to production, and not only to the production of material wealth. It might even be called the *primary* factor of production, for not only is it a necessary adjunct of labour, but it exists before labour. Man's activity could not exert itself in a vacuum; it does not proceed by uttering a creative *fiat*; it must find indispensable materials outside itself; and it is nature that supplies them.

The third agent, Capital, also plays an entirely passive part, like nature, and does not really deserve the name of "agent"; nor can it even be described as a primary factor of production, as nature can. It is only a subsidiary factor, derived from the other two, both logically and genealogically. Capital, as we shall see more precisely later on, is a product of labour and of nature, set aside for purposes of production. The most suitable name for it is that of *instrument* of production, in the widest sense of the term.

It should be observed that each of the three agents of production

appeared on the economic scene at its own time. In primitive communities of hunters, fishermen, or shepherds, it was nature that supplied almost everything; then in ancient times it was joined by labour, first agricultural and afterwards industrial; while in modern societies capital has at length appeared, and dominates the other two to such an extent that the present social régime is constantly described as a *capitalist* régime.

Like all classifications this one is obviously in some respects arbitrary, and in reality the three factors or agents are often mixed up. When land has been cleared, drained, and cultivated it becomes a product of labour, and is therefore capital. Conversely, labour cannot be separated from nature: the human organs — the workman's hand, the painter's eye, the voice of the singer — are obviously natural agents.<sup>1</sup> And finally, man himself becomes capital when education has stored his brain with acquired knowledge and incorporated this knowledge in his actions.

<sup>1</sup> That is why it is nonsense to ask whether labour *alone* can produce, without the help of nature. We are tempted to answer "yes," if we think of the production of immaterial wealth, or services. But we forget that even in this case labour is never *alone*. It implies not only living organs, but an environment as well — air and sound and light, and so forth. See below, *The Productiveness of Labour*.