

## CHAPTER I.

### THE NATURE AND THE VARIOUS FORMS OF CONSUMPTION.

**1.** CONSUMPTION is the destruction of forms of wealth. Production implies consumption. In general, all commodities are destroyed in entering into new forms of wealth. Thus leather must be destroyed in order to produce shoes. Flour must disappear in the manufacture of bread, and wheat in the making of flour. Every kind of implement or machine or structure is consumed by use. This consumption may be immediate (that is, by a single use), or it may be gradual. The fuel that we burn and the food that we eat are examples of the former; tools, bridges, buildings, and aqueducts are examples of the latter. The consumption may be accomplished in a few days or months, or it may be protracted through centuries.

**2.** The value which disappears in consumption is not necessarily lost. The value of the leather which the shoemaker destroys re-appears in the shoes. The value of the lumber, stone, and brick consumed by the builder is reproduced in the house. The seed which is cast into the soil utterly perishes, but it furnishes conditions of a value much greater than that which is destroyed.

It is in this way that wealth increases; not merely by adding to the valuable things already existing, but by destroying many of these that there may issue still greater value.

The prosperity of a nation is not inversely as the consumption of values, nor is it precisely the opposite. Still, if there is very little consumption, there is very little increase of value.

3. Consumption is either *voluntary* or *involuntary*. The former is exemplified in the instances heretofore noticed, where man destroys one commodity either for the purpose of producing another, or for the purpose of immediate gratification. Of the latter, we have instances in the natural decay of objects, as the rusting of iron, the mildew of cotton and woollen fabrics, and the wearing away, by attrition, of gold, silver, and other metals; also the destruction caused by vermin. Much of this may be prevented by the prudent foresight which sound economy enjoins, but much loss will inevitably take place. A great deal of consumption comes by what is called *accident*. Much destruction is caused by fires, steam-boiler explosions, floods and tornadoes, earthquakes and volcanic eruptions.

## CHAPTER II.

### PRODUCTIVE AND UNPRODUCTIVE CONSUMPTION.

1. VOLUNTARY consumption is either productive or unproductive. The former is when the material appears in a new form and with higher value, as cloth made into garments, and iron into hardware and cutlery. Unproductive consumption occurs both in the instances previously mentioned, — of consumption by natural decay, and that which comes by accident, — and in cases where gratification of desire is the sole object sought and achieved, as when one eats and drinks simply for enjoyment, and without reference to the repair of nature's waste or the nourishment of the system.

It is not always easy to discriminate between these two kinds of consumption. We readily see the difference between a man's drinking a quantity of whiskey, — not because it will help in the performance of any work, but because he likes it, — and the scattering of a quantity of seed over the ground in the spring. There is no doubt that one of these acts is productive, and the other unproductive. But there are cases where the distinction is less clear.

It is not necessarily a case of unproductive consumption, when one destroys value for the sake of gratifying some desire. Probably a majority of men eat and drink simply because they desire food, having no thought of any ulterior object. Yet eating and drinking are absolutely essential

to productive labor. The wealth consumed in this way re-appears, to a large extent, in the products of human industry.

2. Still there is much really unproductive consumption,— a destruction of value in the place of which no other value appears. There are, for instance, men and women

“who creep  
Into this world to eat and sleep,  
And know no reason why they're born,  
But simply to consume the corn.”

Vast quantities of wealth are consumed in riotous living, in greedy and vulgar extravagance, and unmeaning magnificence. There is also much consumption designed to be productive, but failing of its end through misdirection. In these ways, much wealth is consumed, with no consequent product.

3. It is not always easy to draw the line between the conveniences of life and its luxuries; nor can the extent to which the latter, in any sense of the term, are allowable, be precisely indicated. What to one class of persons may be a luxury, to another class may be almost a necessity. So what might in one age have been a rare and expensive indulgence, is in an advanced age among the most ordinary conveniences. I call special attention to three kinds of consumption.<sup>1</sup>

1. There is the consumption necessary to life and the performance of productive labor. The word *necessary* is used here in its liberal, rather than its restricted, sense. The absolute necessities of human life are very few. It does not even require much to keep a man in working condition. But to keep him where there is a larger kind of living, and

<sup>1</sup> See Ruskin's Political Economy of Art.

where his energies of both body and mind, together with the moral qualities which render him the most efficient, are at their best, the consumption must be somewhat more generous.

Besides subsistence, there must be materials, tools, and a variety of conditions involving the destruction of value. It is desirable to sustain a man, not as a mere savage, but to give him the largest possible volume of human life; and the civilized man, it will be admitted, lives a broader life than the savage. We are not to forget that the object of political economy is rather to enhance the value of man than the multiplication of material wealth or the increase of commerce, except as the latter are conditions of the former.

2. A second kind of consumption is of such articles as minister to physical enjoyment, and meet a certain low order of mental appetencies. They are not essential to sustain life, or to render it more efficient. On the contrary, they often impair the vigor and competence of the person. At the best they simply gratify certain desires, without adding any thing to the value of the man. To this category belong mere dainty food; gold and jewels, and other ornaments worn for their showiness and not for any artistic excellence; gay and costly apparel, in which the gayety and costliness are the main features. These constitute a class of luxuries that are in every sense non-productive. They favorably affect neither the individual nor society, and are, for the most part, hurtful to both.

3. But not all consumption, the object of which is to gratify desire, is to be reckoned in this category. There are certain pleasures which ennoble and really enrich those who participate in them. There are desires, the gratification of which enlarges the volume of one's being. They are related not so much to man's productive capability as to that

which is the final cause of all production, and to which all wealth is only a means. The labor, materials, implements, and whatever else is consumed in the production of the works or effects of genuine art, result in the most real wealth that exists. By this is meant not merely pictures, statues, books, carved work, tasteful tapestries, and similar objects which can be bought and sold; but also oratorios which may be heard but once; magnificent parks, to which you may be admitted, but which you may never own; great actors and singers, whose genius may be exhibited to others, but not possessed by them. It is true, that much which properly belongs here may be so consumed as to deserve only a place in the second class; but it may also have those higher and nobler uses which imply production in the best sense.

### CHAPTER III.

#### PUBLIC CONSUMPTION.

**1.** PUBLIC consumption is the expenditure of means for society in its aggregate capacity. It has reference principally to the cost of the operation of those agencies which are implied in the term *government*. The reasons for the necessity of such expenditure have already been given. The purposes to which such consumption properly contributes may be grouped as follows: —

(*a*) The support and administration of government. This embraces compensation to executive, legislative, and judicial officers, and expenditure for public buildings. (*b*) Works of public convenience. Here are included the paving and lighting of streets, water-works, sewerage, the light-house system, and some others. (*c*) For the purpose of advancing science and promoting intelligence by means of exploring expeditions, geological surveys, meteorological and astronomical observations, etc. (*d*) The promotion of popular education. (*e*) The support of the poor, and relief of the afflicted. (*f*) The national defence.

**2.** It would scarcely be possible to lay down any very definite general rule respecting the expenditures economically allowable for any of the above purposes. Still some limitations may be indicated.

As to the compensation which an officer of the govern-

ment should receive, there has been some difference of opinion. On the one hand, it has been urged that it should be large and liberal; on the other, that it should be of such a moderate amount as would in itself be no temptation to any to seek the office. Some claim that the honor and respect which is attached to a position of public trust is in itself a considerable remuneration. No doubt there is, in a certain sense, something in this. In Great Britain, members of Parliament serve without pecuniary reward. But it has been well said, that to require men who by education, character, and experience are competent to serve the public gratuitously, or with no other reward than the honor and respect attached to the office, is to throw all such offices into the hands of the rich and those who are able to give their time to the public. In this way some, at least, of the best talent for the direction of public affairs would be excluded from participation in the government. The men who are pecuniarily able to render gratuitous public service comprise a comparatively small class, and the number of them possessing the highest order of ability is not likely to be sufficient for the duty required.

What has been said on the question of any salary is applicable to that of a large or a small salary. The compensation should at least be such as the same ability would command in any other equally important business. But it must also be considered, that a man in a public office, especially if it be a prominent one, is obliged to adopt a somewhat more expensive style of living than one in a private station. There is a dignity appropriate to such a situation, with which the expenditures of the incumbent will properly enough be expected to correspond. Under a republican form of government, the demand for this is less imperative than under a monarchy; and, under any form of government, it is liable

to be carried to excess. Still some consideration is due to it. There should be neither meanness on the one hand, nor extravagance on the other. There should always be such salaries as will command the best abilities; and these should be secured on their own account, and the officer held to the same accountability as a person in any other responsible position.

What shall be the limit of expenditures in the construction of public buildings? About one point, there can be little dispute. There should be the least possible expense compatible with the largest possible advantage. One extreme would be the cheapest structures which could be made to answer for the transaction of the public business. They would be built in the plainest style, and with no regard to art or beauty. The opposite extreme would be to make them extravagantly costly and magnificent, till the main design would be lost sight of in the splendor of the adornments. There is a mean somewhere between niggardliness on the one hand and expensive ostentation on the other. It is for a nation, as well as for an individual, to make a reasonable use of art; and it is not essential to public economy that the public expenses should be only in the line of the necessary and the ordinary.

3. The propriety of public expenditure for the purpose of general education has been incidentally but pretty fully discussed in its relation to production. It is evident, if there is to be to any considerable extent an education for a large proportion of the people, the expense of it must be borne by the community as a whole. It is scarcely possible to consider the subject in any of its bearings except, in part at least, under this aspect. The duty of the government, as the agent of the whole society; the necessity of education to the existence and permanence of popular

government; the moral consequences, on the one hand, of its encouragement, and, on the other, of neglecting it; and the vast economical benefit resulting from it, — are so universally recognized among us, that it is unnecessary to add to what has been said.

Closely connected with expenditures for education are those for the promotion of scientific discovery and the diffusion of intelligence. Very many of the expeditions, investigations, and other measures for these purposes, are of a character which would prevent their being carried forward by private parties. The results which come from them are of vast benefit, not merely to some particular class, but to the community as a whole. Our own government sometimes, through these agencies, performs services the value of which to our own country is a hundred-fold greater than that consumed in their maintenance.

4. The question of *pauperism* is one of serious interest in all our modern communities. It is true that the theories of certain writers imply that it is not a matter pertaining to political economy at all, but rather one of benevolence and charity, such as a nation, in its corporate capacity, cannot be supposed to exercise. Some hold that the public support of the poor who are made so by the increase of population beyond the increase of capital, or who have become so by improvidence, is an interference with the laws of nature and the Divine appointments. But, however positive these teachers are in asserting such theories, few of them would be forward in putting them in practice. For they are not inhumane men: it is only one instance among many where men are better than their creeds.

But it is not difficult to show, that, to a certain extent, the public support of those who are not able to support themselves is a matter of *economy*, as well as of charity. In any case it is certain that no civilized community can be found

in our day, where, whether prompted by humanity or by some other impulse, help will not be forthcoming to the unfortunate. Since this is so, the question is, how to make the provision as effectual as possible, and at as little cost. In many nations, there is no general arrangement by the government for the relief of the needy. There mendicancy takes the place of pauperism, and is unquestionably far more expensive as well as far more deleterious. In these nations, as in most others, there are various eleemosynary institutions, whose object is to relieve the needy. Provision is also made, to some extent, by churches and mutual-aid societies and benevolent associations. But after all that private beneficence can do, even when most efficiently organized, there will still be many cases which it cannot reach.

Of the method of relief, a few words must suffice. It is obviously better that the system of caring for the poor should be local; that is, it should pertain to the cities, towns, or counties, rather than to any larger political divisions. It is hardly possible for the government of any extensive territory to ascertain, and properly treat, the poor of every locality. But the authorities of a town or of a city ward can more easily comprehend the wants of those within their own limits, and relieve their wants with better adaptations and greater economy, than could be done by a general government.

5. The greatest and most ruinous consumption that takes place, in a palpable way, is that which is implied in *war*. If there is not more actual and ruthless waste of wealth in this than in any other way, it is at least more direct and obvious here than elsewhere. Without taking time to discuss the methods by which wars may be prevented, it may be admitted, that, in the present moral condition of humanity, war is a possibility to which any nation is liable. Self-defence is

a law of society, as well as of individual being. Hence all nations are expected to repel foreign invasions, and to repress domestic insurrection. All force used in the execution of the laws is war in embryo. It follows, then, that the vast expenditures for war are not in every case uneconomical. When forced upon a nation by the alternative of subjugation or vigorous self-defence, the expenditures for this purpose are as legitimate as those of the government for any other purpose.

The liability to such a condition, too, implies the propriety of a constant preparation for it. Indeed, this is one of the means of preventing it. This implies military defences, as forts and fortifications; also, collections of all sorts of arms and materials in arsenals and military depots. There must be at least the nucleus of an army, if not a considerable number of armed men, even in time of peace; and, in any case, such an enrolment of able-bodied men, and such encouragement of military training, as will furnish the elements of an effective soldiery. To this end, too, there must be military and naval schools for the education of men competent to become officers and engineers. There must be vessels of war, navy-yards, and the armament and material implied in these. The costliness is very great: it forms an important part of the expenditure of every government.

But while so much is admitted, there is in many countries an expenditure in this respect which is almost incredibly uneconomical. In the five great nations of Europe, the number and cost of the standing armies, as gathered from the statistics of a few years ago, are about as follows. In Austria the army consists of 280,000 men, and costs \$45,000,000 a year. France has an army of 430,000, at a cost of about \$100,000,000. The German Empire maintains a force of 420,000, at a cost of nearly \$90,000,000. Great Britain has

200,000 men, costing \$70,000,000. Russia has 800,000, at a cost of about \$117,000,000.

Here, then, we have in five nations, and *in time of peace*, more than 2,000,000 men, comprising, of course, the most vigorous and valuable men in their several communities, taken from the ranks of productive industry, and, instead of adding to the wealth of the community, subtracting from it by large unproductive consumption. Four of these nations support heavy naval establishments, involving additional vast expenditures, and the absorption of many men.