

## CHAPTER I

### THE PRODUCTION OF INCOME

IN the conditions of exuberant productivity of the soil which characterised the dawn of human society, individual labour, employed for a time varying according to the vigour, the inclination, and the technique of the labourer, and employed either without technical capital or with a cellular technical capital,<sup>1</sup> furnishes produce largely exceeding the subsistence required by the producer and his family. This is the economic phase of *spade-culture*, in the hands of isolated labourers without ploughs or domesticated animals, which is none the less able to yield a notable product.<sup>2</sup> Thus, it is recorded that in New Spain, in the days of Humboldt, one hundred square metres of land, cultivated with the aid of very little capital or none at all, gave an annual yield of bananas containing more than two thousand kilograms of nutritive substances, that is to say a yield largely in excess of the individual requirements of the worker for his subsistence. Even to-day the indigens of New Guinea and those of German Africa, and the settlers of Santa Fé or Cordoba in Argentina, produce by isolated labour, and with very moderate exertion, much more than they need for their own consumption.<sup>3</sup>

In such conditions, the producers, inasmuch as by isolated labour they obtain a subsistence, have no motive to associate

<sup>1</sup> In the following investigations the author will follow a different course from that adopted in his earlier works, and will admit that labour is always employed in association with technical capital, thus excluding the hypothesis of pure labour, which is met with only in the very earliest phases of economic development, so that considerations relating thereto are hardly applicable in a study of universal and constant economic phenomena.

<sup>2</sup> Hahn, *Die Haustiere, in ihre Beziehungen zur Wirtschaft des Menschen*, Leipzig, 1896, pp. 33, *et seq.*

<sup>3</sup> Humboldt, *Essai politique sur le royaume de la Nouvelle Espagne*, Paris, 1811, III, pp. 28-9.—[*The Colonial Policy of Germany*], in the "Russkaia Müssl," August, 1906, p. 72.