

new substance with startling properties—be they useful or only curious and rare—has almost immediately a value, whereas the manifold transformations by which it was discovered, invented, or produced escape general notice, and are accordingly of secondary interest. This interest grows in proportion as another factor of equal commercial importance gradually and slowly asserts itself, namely, the factor of cost of production, the property through which not only the material itself, but also the labour bestowed upon it, and the most intricate transmutations and secret manipulations, gain a place and definite figure in the ledger of the accountant. Those of us who entered into practical life about the beginning of the last generation of the century know well by experience how then for the first time was being established the great system of statistics, of cost of production, which now governs every well-conducted industry and manufactory, though in general this department is still but little understood. Now, in proportion, as with progressing civilisation we come more and more to use artificially prepared products in the place of natural ones, the cost-figures become more complex: there is not only the raw material and the labour of getting it, not only the general economy of arrangement and administration by which we save labour and avoid waste—there is the whole aggregate of changes and processes, manual, mechanical, and chemical, through which the raw material has to pass. These must all have a common measure by which they possess a figure of value in the ledger of the book-keeper, otherwise the latter could not produce a statement of cost. Watt,

36.
The factor
of "cost"
in industry.