

## XI.

*WHAT CAPITAL HAS DONE FOR THE LABORER.*

WE have all heard a great deal of talk about the great conflict between labor and capital. We have discussed this conflict so ardently as to forget all about the actual facts of the case; and, indeed, I doubt if one man out of twenty who engages in the discussion ever stops to think what capital really is. If one would only stop to study out the question he would see that no such conflict could have any sound reason for going on, and, in fact, could hardly arise among sensible men. In saying this I do not deny that there is always a kind of contest in progress. Laborers want, and rightfully want, the highest wages they are able to command. Employers want, and rightfully want, to induce them to work as cheaply as possible. But the efforts to which the two parties are thus led do not differ, in their original nature, from those which have been going on ever since men began to make prog-



ress, and which must continue as long as humanity exists under its present conditions. Everybody who sells goods wants to get as much as he can for them, and everybody who buys wants to get them as cheaply as he can. Sellers are on the search for good buyers, and buyers are on the lookout for good bargains. In the same way, laborers are on the lookout for good employers, and employers are seeking for cheap and efficient laborers. To call a contest thus arising a conflict between labor and capital is as great a misnomer as it would be to call a higgling and dispute between a man and his butcher a conflict between money and beef. It is not the beef the man is quarreling with, but it is the owner of the beef. It is not the money the butcher is dealing with, but the man. In the same way the laborer is dealing, not with capital, but with the owner of capital. This misuse of words is, really, a source of great drawback to clear thinking, because it leads people to mistake the interests of society, and to engage in efforts which can do nothing but harm to all. To avoid this evil, let us see how capital and capitalists arose.

In our colonial times there was very little that we should now call capital; only such

things as the horses, ploughs, and farm-buildings, the implements of the farmer, the stock in trade of the shop-keeper, and the tools of the mechanic. How does it happen that we have any more capital now than in colonial times? We can readily imagine everything to have gone on, up to the present time, just as it did in those times, without railways, steam machinery, great warehouses, paved streets, fine furniture. Why did things not continue so? I reply, it was because certain people were not satisfied with what they had, but wanted to get rich, and knew how to do it. Now, when a man wanted to get rich, how did he have to go to work? Robbery and gambling aside, there was but one possible way; he must do something that his fellow-men wanted to have done, and which they wanted so badly that they were willing to pay a great deal of money to get it done. No man could earn a dollar except by doing something for his fellow-men which they were willing to pay a dollar to have done, and hence something which they valued at more than one dollar.

Such, I say, was the problem presented to every man who wanted to make money. Now, if a man was only a common laborer, and could

do nothing more for his fellow-men than hundreds or thousands of fellow-laborers could do, he could not possibly get rich very fast, although he might make a comfortable living. Hence, in order to attain his end, the man who wanted to get rich must make, buy, or borrow some kind of appliances, implements, or machinery which would enable him to do more work for his fellow-men than he could do without the appliances. For example, some of these men found that, by establishing a line of stages between two towns, they could render valuable services to hundreds or thousands of their fellow-men who wanted to travel, or to send goods from one city to another. So they bought horses and stage-coaches, built houses of entertainment, and set to work carrying passengers, materials, and goods. The horses, coaches, stables, and houses of entertainment were then the capital of these men. By the aid of that capital they rendered their fellow-men services many times greater than they could have rendered without the capital. If they planned their work with judgment and skill, so as to take people just when and where they wanted to be taken in the greatest numbers, they made money, and thus many of them got rich.

Now notice certain necessary conditions of these enterprises. It was impossible to get the money to buy the horses and coaches and build the stables unless some one saved up money which he could have spent had he chosen to do so. A man who spent all his income in food and clothing could never have got money to buy a coach. True, he might have borrowed the money from his neighbor. But then the neighbor must have saved the money up, and not spent it on food and clothing, else he never would have had any to loan. Possibly the owner of the coach might have bought it on credit; but, in this case, the maker of the coach must have been able to save the money necessary to buy the material and pay the wages of his workmen. We thus reach two great conclusions:

Firstly, without capital we should all now be in as poor a condition as our forefathers were in colonial times.

Secondly, we would never have had the capital unless men had wanted to get rich, and had saved up money to expend in making or buying things with which to render greater services to their fellow-men than they could render without them.

If, from these small beginnings of capital, we come down to the present time, we shall see that exactly the same principles are now at play as were at play when the first line of stages was set agoing. Our great railway managers were the successors of the early stage-drivers; but, instead of dealing with a few hundreds of men, they are dealing with millions. They could never have built their railway unless the stockholders had saved up money to invest in the shares or bonds, which money was necessary to pay the wages of the men who built the road. Another important point is, that they did this of their own free will, and not because any law compelled them. No law could ever have been passed compelling Mr. Vanderbilt to build and run steamboats, or requiring the builders of the great railways to invest their capital in such enterprises.

What, then, is capital? I answer, capital means the houses we are living in, the farms and farming implements which produce our food, the cattle on the plains from which we get beef, the warehouses which hold our great stocks of food and clothing, the machinery which makes us clothing to wear, and the rail-

ways which bring things where we can get them. Talking about the oppressiveness of capital is the same thing as talking about the oppressiveness of food, clothing, machinery, and locomotives; that is, it is pure nonsense. All that capital can possibly do for us is to supply our wants. It can no more be used to oppress the masses than a wagon-load of bread can be used to starve them. It is impossible for the capitalist himself to get any benefit from his capital unless he uses it to benefit his fellow-men.

I now fancy the reader to ask, Do you then claim that we are in no danger at all from the powers of great corporations, whose operations extend over the whole country? Can the whole population of a city or a state afford to depend upon a few powerful and compact organizations for its supply of the necessaries of life? If the consolidation of capital goes on for fifty years as it has for the past twenty it is possible that a few great establishments will do nearly all the manufacturing for the land. Can we afford to leave them entirely unrestricted? To all this I reply:

Firstly, granting that we are going to subject these corporations to legislative control,

the very first prerequisite of such action is a clear perception of the functions of the capitalist and of his relation to the rest of the community, as I have tried to set them forth. Hence, if you choose, you may consider me a believer in some such control, and you may consider that I have uttered these talks in order to promote intelligent control. At the same time I freely admit that I am not wise enough to plan any system of state regulation of industry, nor to foresee what form such a system will take if it is wisely adopted. To repeat once more what I have already said, I am no theorist, have worked out no system, and make no pretension to doing anything more than apply the common-sense of a common man to the study of the subject.

Secondly, as things just now look, it seems to me that the interests of the public, and therefore of laborers, who make up the greater part of the public, are in greater danger from labor organizations than they are from capitalists. Whatever may be the faults of the latter, their influence is essentially conservative. It will always be directed towards keeping the mills, machinery, and railroads on which we all depend in good working order.



That these appliances should be kept in good working order is as important to us as that a ship in which we are crossing the ocean should be kept properly trimmed.

Thirdly, I think that whatever restrictions may be placed upon great corporations will come by judicial decisions, following each other so slowly, and each looking so small in itself, that the public will hardly notice them. I doubt whether we shall get much effective legislation either from Congress or the states; but on this point I am not at all dogmatic. I am willing to let the future keep its secrets.