

USES OF THE MILLIONAIRE.

It is not an uncommon thing for the people of an undeveloped country, especially those who own its resources, to wish that some millionaire might come among them and improve it. This is one of the errors into which our upside down industrial system leads men. Pray what could a millionaire do in developing a country? If he worked with his hands, he could at most do no more than any other able-bodied individual. If he had ability as an organizer, he could do no more than any other organizer of equal ability, not a millionaire. In either case he would have to bring men to the place. The men and not he would do the developing. Where, then, is the peculiar power of the millionaire?

That the millionaire has peculiar power no one can deny; but in what does it consist? How can the man who cannot or will not do manual labor, who has no organizing ability, or if he has does not use it, who has nothing whatever but millions of dollars—how can he develop a country? There is but one answer. He does two things. In the first place, he buys local working opportunities; and, in the second, he supports the workers while they are making improvements, by turning over to them part of the earnings which he confiscates from others of their class.

Take for example a country rich in undeveloped resources. These resources are monopolized by people who are patiently waiting like a boy at a ground hog hole, for men to mortgage themselves for a chance to develop them. The millionaire serves the purpose of releasing those resources to labor so that they may be developed. Then it may be that expensive structures are necessary. Here again the millionaire comes in. He is a millionaire because by virtue of some institution or law he is able to draw tribute from labor. For instance, he may be an Astor, owning one-ninth of all that rock known as Manhattan island. He did not make the rock, and he does not improve it; but he is allowed a "rake-off" from the earnings of those who do improve it. It is this "rake-off" that makes him a millionaire. Devoting some of the

"rake-off" to the development of the undeveloped country, he exchanges it for the labor of men who make machinery, railroads, and so on, which he allows the developers to utilize in development. Owing to restrictions upon trade they could not get this otherwise. Thus the undeveloped country comes to be developed, and everyone praises the millionaire. But after all, what essential service does he perform? Could not all the necessary exchanges be made and the undeveloped natural opportunities be availed of by the very men that make the exchanges and develop the opportunities, if there were no millionaires? What more is necessary than that all trades should be unshackled and all undeveloped opportunities be free?

PLUTOCRATS AND SOCIALISTS.

The difference between socialists and honest plutocrats is like that of the silver-gold shield over which the two knights fought till set of sun. Says the socialist: "The profits of the capitalist are made out of unpaid labor!" and forthwith he lays right and left against capitalism. Says the plutocrat, on the other hand: "The profits of the capitalist are not made out of unpaid labor!" and he sails into the socialist. If the plutocrat would but go a step further and try to explain whence the profits of the capitalist do come, he might remove the confusion. For the truth is that neither the socialist nor the plutocrat is wholly right upon this point, nor is either wholly wrong.

There are interests called capitalistic which do make their profits out of unpaid labor. So there are interests called capitalistic which do not make their profits out of unpaid labor. The confusion is due to the careless use of the same term for two different things. To illustrate: A storekeeper is called a capitalist; he uses capital in his business. But his profits are not made out of unpaid labor. If he paid any more for his labor than he does, he would go to the wall. The conclusion, therefore, is unavoidable that though his laborers may be underpaid, he gains nothing by that. No sane socialists pretend that such a man's profits are made out of unpaid labor. Yet they assert that it is out of

unpaid labor that the profits of capitalists are made. Clearly their generalization is too broad; they do not mean all capitalists. To illustrate on the other hand: A Vanderbilt or an Astor is called a capitalist. These men do indeed own capital—buildings, locomotives, etc.; but the most important part of their wealth is not at all like these things. The Vanderbilts own railroad franchises; the Astors own choice sites in a great city. And from these privileges they do make profits, great profits, out of unpaid labor. So it appears that some so-called capitalists make their profits out of unpaid labor, and some do not; or, to put it more accurately, so-called capitalists make profits out of unpaid labor in connection with some of their property which is called capital, and they do not make profits out of unpaid labor in connection with other of their property, which is also called capital. It is in not recognizing the difference, the radical, the significant difference between the two kinds of capital—that which does not make its profits out of unpaid labor, and that which does—that the honest plutocrat and the socialist come to blows over the proposition, asserted by one and denied by the other, that capitalists make their profits out of unpaid labor.

The distinctive qualities of these two kinds of capital, qualities which both sides to the controversy ignore, are easily understood. Capital which does not make its profits out of unpaid labor, is produced by labor; that which does make its profits out of unpaid labor, is a privilege conferred by government—a monopoly.

For the sake of more distinctly defining the issue between socialists and honest plutocrats, let us vary the terminology, giving distinguishing names to essentially different things. Let us give to that kind of capital which labor can and does produce, the name of "capital;" and to that which government confers, the name of "monopoly." Then we can tell to what extent the socialist and the plutocrat respectively are right, and to what extent wrong. With this distinction in terms, we can readily see that the socialist is wrong when he says that the profits of the capitalist are made out of unpaid labor. The