

# The Conservative.

Nebraska City, Thursday, July 14, 1898.

**RICHES AND CAPITAL.** Some years ago William Graham Sumner, professor of political and social science in Yale college, published a small volume entitled "What Social Classes Owe to each Other." There never has been any volume of its size printed during the last ten years which contains so much of the essence of economic truth as it contains.

On page 44 of the Sumner book referred to is found the following:

"A good father believes that he does wisely to encourage enterprise, productive skill, prudent self-denial and judicious expenditure on the part of his son. The object is to teach the boy to accumulate capital. If, however, the boy should read many of the diatribes against 'the rich' which are afloat in our literature; if he should read or hear some of the current discussion about 'capital'; and if, with the ingenuousness of youth, he should take these productions at their literal sense, instead of discounting them, as his father does, he would be forced to believe that he was on the path of infamy when he was earning and saving capital. It is worth while to consider which we mean or what we mean. Is it wicked to be rich? Is it mean to be a capitalist? If the question is one of degree only and it is right to be rich up to a certain point and wrong to be richer, how shall we find the point. Certainly for practical purposes we ought to define the point nearer than between one and five millions of dollars.

There is an old ecclesiastical prejudice in favor of the poor and against the rich. In days when men acted by ecclesiastical rules these prejudices produced waste of capital, and helped mightily to replunge Europe into barbarism. The prejudices are not yet dead but they survive in our society as ludicrous contradictions and inconsistencies. One thing must be granted to the rich: they are good-natured. Perhaps they do not recognize themselves, for a rich man is even harder to define than a poor one. It is not uncommon to hear a clergyman utter from the pulpit all the old prejudice in favor of the poor and against the rich, while asking the rich to do something for the poor; and the rich comply without apparently having their feelings hurt at all by the comparison. We all agree that he is a good member of society who works his way up from poverty to wealth, but as soon as he has worked his way up we begin to regard him with suspicion, as a dangerous member of society. A newspaper starts the silly fallacy that 'the rich are rich because the poor are industrious' and it is copied from one end of the country to the other as if it were a brilliant apothegm. 'Capital' is denounced by writers and speakers who have never taken the trouble to find out what capital is, and who use the word in two or three different senses in as many pages. Labor organizations are formed, not to employ combined effort for a common object, but to indulge in declamation and denunciation, and especially to furnish an easy living to some officers who do not want to work. People who have rejected dogmatic re-

ligion, and retained only a residuum of religious sentimentalism, find a special field in the discussion of the rights of the poor and the duties of the rich. We have denunciations of banks, corporations, and monopolies, which denunciations encourage only helpless rage and animosity, because they are not controlled by any definitions or limitations, or by any distinctions between what is indispensably necessary and what is abuse, between what is established in the order of nature and what is legislative error. Think, for instance, of a journal which makes it its special business to denounce monopolies, yet favors a protective tariff, and has not a word to say against trades-unions or patents! Think of public teachers who say that the farmer is ruined by the cost of transportation, when they mean that he cannot make any profits because his farm is too far from the market, and who denounce the railroad because it does not correct for the farmer, at the expense of its stockholders, the disadvantage which lies in the physical situation of the farm! Think of that construction of this situation which attributes all the trouble to the greed of moneyed corporations! Think of the piles of rubbish that one has read about corners, and watering stocks, and selling futures!

Undoubtedly there are, in connection with each of these things, cases of fraud, swindling, and other financial crimes; that is to say, the greed and selfishness of men are perpetual. They put on new phases, they adjust themselves to new forms of business, and constantly devise new methods of fraud and robbery, just as burglars devise new artifices to circumvent every new precaution of the lock-makers. The criminal law needs to be improved to meet new forms of crime, but to denounce financial devices which are useful and legitimate because use is made of them for fraud, is ridiculous and unworthy of the age in which we live. Fifty years ago good old English Tories used to denounce all joint-stock companies in the same way, and for similar reasons.

All the denunciations and declamations which have been referred to are made in the interest of 'the poor man.' His name never ceases to echo in the halls of legislation, and he is the excuse and reason for all the acts which are passed. He is never forgotten in poetry, sermon or essay. His interest is invoked to defend every doubtful procedure and every questionable institution. Yet where is he? Who is he? Who ever saw him? When did he ever get the benefit of any of the numberless efforts in his behalf? When, rather, was his name and interest ever invoked, when, upon examination, it did not plainly appear that somebody else was to win—somebody who was far too 'smart' ever to be poor, far too lazy ever to be rich by industry and economy?"

In view of the foregoing from Professor Sumner, the reader is asked to imagine 250 citizens of Otoe county each having in the bank a thousand surplus dollars for which he has no immediate use. The possession of this money finally becomes known to all of the 250. Together they are the masters of a quarter of a million of dollars. Separately they are unable to establish a bank or to build

a needed railway to connect the Nebraska City stock yards and packing houses with the Rock-Island railroad to the southwest of us. But, incorporating themselves as a railway company, instead of turning their attention to the banking business (which is vastly overdone in Otoe county, where money is begging to be borrowed at 6 per cent per annum on good farms), these 250 citizens become a moneyed corporation and are competent to build the line of railroad. Prior to their combining their capital—as private citizens—they were generally regarded as superior types of self-reliant and self-denying men. All their neighbors spoke well of them and of their accumulations. But the moment their money becomes corporate capital it is assailed by small-bore politicians, demagogues, communists and walking delegates of every shade and variety. Every day newspapers in Nebraska and eructatory orators denounce capital; and yet capital is as essential to the development of Otoe county, to the upbuilding of Nebraska City and for the advancement and exaltation of the productive capabilities of the whole commonwealth, as steam or water is to run machinery.

Millionaires are singled out for special anathemas every day and yet the incoming and settling at Nebraska City of a couple of dozen millionaires with the intention of building up the tile works, erecting great flouring mills, constructing beet-sugar manufactories, building a vast glucose establishment and projecting numerous other enterprises, would be hailed with great acclaim and satisfaction by all of the intelligent members of this community.

On the other hand, if we may believe their vaporings, there is another class of professional millionaire-denouncers and vilifiers, who would organize a military company for the purpose of keeping them all on the other side of the Missouri river. These assailants of capital, these condemners of thrift, are, as a rule, not gifted with any intense desire for productive employment. As a rule, they sit at street corners and whittle and damn everybody who does not also whittle and condemn thrift wherever it appears.

There never has been any international legal tender since commerce first made its exchanges across seas and oceans. Balances between Europe and the United States are not settled by any international, legal tender money. If the commerce of the world and the interchanges of all the nations thereof can be conducted without a universal legal tender, why can not the business of the United States also be conducted by a currency which shall have no legal tender quality.

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