

1892

C. J. Davis
St. Louis

Salutatory,
Cooperation of Labor and Capital.

In behalf of the class of '92, I greet and welcome you, dear parents, schoolmates, and friends, to these closing exercises of our school life. We know and appreciate that you have watched our work from the beginning, and we desire to thank you for your presence at these, our graduation exercises.

Although we have reached the goal that for twelve years we have been striving to gain, and have tried to carry out our motto, "Perseus Nungquam," "Backward, Never!" we beg to be excused from whatever deviations we have made from that course, for we now know that we have but taken the initiatory step into learning; that our school course has only

started us on the pursuit of knowledge; that from now on we shall have to maintain our position in the race of life; and that like explorers in a dangerous country we may meet both disappointments and successes, and under the guidance of hope, attain victory at last.

The pleasures and trials of our school life are over. We shall never again, as scholars, enjoy the helpful instruction of teachers, and the kind greetings of schoolmates, but we shall ever hold pleasant remembrances, that will encourage us, and urge us on to be worthy of recognition and respect.

Many persons believe that labor and capital are antagonistic to each other; and that there is no harmonious union between them. But these persons

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are at fault. Capital is the fruit of past labor saved; labor is the voluntary exertion of human beings put forth to attain some desired object, and in the production of wealth each is necessary to the other, each is helpless without the other, and any antagonism between them is unnatural and injurious to the interests of both.

In the production of capital, labor must be spent in ways that promise no immediate return. Capital is the result of labor and waiting, but people differ very much in power and willingness to wait for good things. Such waiting is much more irksome to the eager and passionate, than to the cool and sedate; some are willing to take matters easily, and let the future take care of itself, while others naturally

thriftily and anxious to increase their possessions, are always willing to forego present enjoyment for the sake of future advantage; those who only look out for tomorrow, lead a life of dependence on whatever other men may offer in exchange for labor, as is the case with so many laborers in all countries.

Considering labor and capital abstractly, they stand on an equality with each other, and if there is any difference between them, capital is the more helpless of the two. A person may have a very large amount of capital, but if he does not put it into productive industry, it becomes but mere wealth, and a dead matter on his hands, and having nothing to live on, and nothing to work with.

he can but pine away and die, whereas labor is a vital force, which can move itself and procure the sustenance of nature in the form of flesh, fruits, and vegetables.

When industry is directed to a particular employment, the act is spoken of as applying capital to employment; when land is improved, applying capital to farming; when a factory is set up, applying capital in manufactures. In all such cases, labor is the thing applied, but the phrase is very naturally used, because it is understood that capital is an indispensable condition of the proposed industry. But capital limits labor, because in any community with a given amount of capital any increase of laborers must diminish the rate

of wages, and any increase of rate must diminish the number of laborers. In general it is true, that when there is a small amount of capital, only a small amount of labor can be advantageously employed.

Nature has provided for a steady increase of both capital and labor and there is no danger of a surplus of either, for the whole world, or any country, if only the passage for the outflow and inflow, and the joint products of both, are open and free. Let a country produce ever so much, if its annual expenditure is as great as its production, its capital will never increase. But even if a country produce but very little, if its expenditures are less than its productions, its capital will

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accumulate.

Since labor can earn nothing without capital to work with, and capital can yield no revenue unless labor be applied to it in actual use, each is entitled to its share of the product of their union.

There are certain things essential to insure to each this certainty of reward.

First, there must be division of property, personal ownership in everything in which labor can be made an object of value, and be appropriated. When property is held in common, every individual has a right to take his undivided portion of the products, and may take as much as he likes, and labor as much or as little as he pleases.

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There is therefore, under such an arrangement, no connection between labor, and the rewards of labor, and it is doubtful if there is any labor, as such circumstances are more apt to offer a premium to indolence rather than to industry; and what is still worse, even the scanty spontaneous productions of the soil, in nature, are frequently gathered before they are ripe, since everyone fears, that if he does not take them now, he may not be able to enjoy them at all. The forest of an Indian tribe, held in common by a few hundred families; barely yields enough for them to subsist upon, which if it were divided and tilled, would support many thousands of civilized men. On the other hand, when

property is divided, and each individual knows that he, and not some indolent neighbor will reap the benefit of his labor, he begins to create a regular supply of annual product, and with increased skill, this product increases, and he begins to convert it into fixed capital. Thus division of property lies at the foundation of all accumulation of wealth and of all progress in civilization.

There must be also security to all property right, by both prevalent moral sentiment, and just laws equitably applied and faithfully executed. This is violated by the individual who cheats, robs, steals, and violates contracts. And, universally, just

as these crimes prevail, production languishes, industry diminishes, and the richest soil fails to support its few impoverished inhabitants. The feudal oppression of Europe was such a case, when there was no encouragement to anyone, because he did not know whether he or some baronical tyrant would reap the fruit of his toil.

Then again there must be for both capital and labor, perfect freedom, unrestricted by monopolies or special legislation. A man's possessions are, his talents, faculties, and skill, and the wealth and reputation that these have enabled him to attain. By allowing every man to employ his la-

for as he chooses, every man will be employed about that for which he is best adapted; the production of all, and the happiness of each will be greatly increased.

General education of a people which tends to increase and diffuse knowledge, is an essential condition of the most effective union of labor and capital for the production of wealth.

Still the moral culture of a people is more important, for on it depends the justice of the laws, and the the force of public sentiment which sustains them, respect for individual ^{right} security to property, and individual and social virtue which alone can make wealth a source of happiness. No nation can rapidly

accumulate, or long enjoy the means of happiness, except as it is persuaded by the love of individual and social right; but the love of individual and social right will never prevail without the practical influence of the motives and sanctions of religion; and the motives and sanctions will never influence men, unless they are, by human effort brought to bear upon the conscience.

Just as a nation becomes intelligent and rich, its wants are multiplied, and the means for supplying them are provided.

After centuries of wrong and mischief, the world is opening its eyes to the fact that the business of governments respecting the relations of capital and labor is simply to

protect the rights of each and to hold
other things in even balance for the
free working of natural law, - to let
both alone, giving no advantage to
either, but the utmost freedom to
both.