

CAPITAL AND LABOR

THAT ALONE WHICH IS PRODUCED BY LABOR IS CAPITAL. MONEY IS MERELY THE MEDIUM OF EXCHANGE.

CAPITAL is the result of labor which has been accumulated and which serves as an aid to production. All products which, instead of being consumed immediately, aid in the production of subjects of consumption, are capital. Cotton and wool are products to the farmer; they become the capital of the spinner and weaver, who transform them into muslins and cloths; cloths become capital for the tailor, who makes them into garments.

The capital of society is composed of all the products, implements, materials, and knowledge which aid production.

Gold and silver are at present the legalized representatives of value, and consequently these alone are the medium of exchange of all other values. It follows, therefore, that to possess gold is to possess the means of procuring capital, without which it is impossible to produce; to be without it is to be compelled, in order to live, to become dependent upon those who possess it. Those who possess gold and silver are at present the only capitalists, truly speaking, for all those who require capital are compelled to apply to them. It is this fact which has given rise to the belief that capital is nothing but the result of saving. Let us consider as capital, not merely gold and silver, but all that which aids and assists production, and we shall see that savings, gold and silver, far from being capital, are in themselves sterile and unproductive.

How can man increase the extent of his knowledge—agricultural, industrial, artistic, or scientific—other than by working? Can he create, perfect, invent unlimited implements and machinery which aid him in production, in any other way than by labor? He cannot cultivate and improve the land without labor, nor can he construct roads and canals, build railroads and steamships without work. Capital is formed and increased by labor, and by labor alone.

When man performs labor he has two distinct ends in view; first, to satisfy his daily wants; second to create and augment capital. The less labor required for the first, the greater is the amount remaining for the second. The more industry develops, the less is the labor required to satisfy the daily wants of man, and the more time has