

LESSON XI.

PROFITABLE AND UNPROFITABLE LABOR.

1. LABOR IS PROFITABLE ONLY WHEN THE PRODUCT EXCEEDS IN VALUE THAT DESTROYED.—As all production involves some change in some object, it necessarily destroys the value which the object had under its previous form; as the making up of a sheep-skin or a calf-skin into shoes destroys the value which it previously had for covering trunks. Now, when the article produced by such a change is greater in value than it was before the change, the labor has been profitable, and the excess in value denotes the gross gain. But when the article produced is only equal in value to what it was before, the labor of making the change has been lost; and when it is less, there has been an actual loss of so much besides the labor. In both these latter cases the labor has been unprofitable. So, also,

there is a loss in all those cases where the change produced merely ministers to the gratification of the senses or the taste, and not to the ability or the disposition to labor, so as to insure in the end a greater value; such as dramatic exhibitions, fireworks, and other shows. Such displays may be well paid for at the time, and, as a means of improvement, may, or may not, be of real value to those who witness them; but as they end in a mere show, and do not materially contribute to further production, they are in violation of the great economic law, that no value should be destroyed without terminating in the production of a still greater value. As far as such shows are not necessary for the relaxation and recuperation of the jaded powers of body or mind, they are economically useless, and generally hurtful.

2. PROFITABLE LABOR REQUIRES INTELLIGENCE.—The object of labor being to produce some useful change in a substance, it must require intelligence to do this with success. Any change at random will not effect what is desired. Only changes of a

particular character are useful; all others are either useless or destructive. And as nature, as we have seen, really does the most of production, all labor on our part, in order to be productive, must be in accordance with the laws of nature,—must, in short, be employed in supplying the conditions according to which she works. Any amount of labor will not make a fire burn in the water, nor wheat grow upon a rock. If, then, we would work effectively, it is necessary that we should be acquainted with the laws of nature, and work in accordance with them. Many of these laws, to be sure, are quite obvious, and are learned from common observation and experience; but many of them, on the contrary, are unobvious and recondite. The most ignorant farmer knows that grass and grain will not grow without soil, moisture, and warmth; few farmers, however, are capable of determining the kinds of soil and manures best adapted to particular kinds of grain, fruit, etc. Much less are men generally acquainted with the laws of the mechanical forces, and the best combinations of matter for applying these forces to particular operations.

So, too, but comparatively few are acquainted with the laws of trade and the functions of money. And yet all higher success depends upon a competent knowledge of these matters. One may blunder along, to be sure, and get a living without it; a natural tact and shrewdness may in many cases measurably make up for the deficiency, but one can never be a complete master of his business unless he understands the principles which control it. This alone will keep him from those wild and foolish experiments in business which are so ruinous to success. Hence the importance of a thorough and widely diffused education in the arts and sciences.

3. PROFITABLE LABOR REQUIRES ECONOMY AND FRUGALITY.—The net gain in any business is what is left after deducting the outlay for materials, tools, labor, and expense of living. If the materials, tools, and labor are dearly purchased or wastefully used, this decreases to the same extent the profit. But even where these means are used with the greatest economy, there may still be a great want

of economy in the habits of the business man himself. His personal expenses and those of his family may eat up all the profits. Hence the great importance of frugality as one of the social virtues. Profuse expenditures, to be sure, are not in all cases so much property entirely thrown away, since they furnish employment to certain persons for the time being. Even where it is all consumed, some persons are employed in preparing it for consumption, and in various ways assisting in the process. A feast which consumes thousands of property must be prepared and superintended by numerous caterers and servants, just as elegant dresses must employ in their making numerous hands and needles. But if the food and drinks and dresses are more expensive than is for the real good and comfort of those who use them, all this excess of expensiveness is a total loss to them. And as extravagance in one is apt to beget extravagance in others, those who profit by such profuseness are likely to become themselves profuse in turn.

As a matter of fact, all know that those whose business it is to pander to the vices and ex-

travagance of others are not among the most virtuous and worthy classes of the community. Indeed, the economist and the moralist alike can not but look upon their occupation as not only useless, but hurtful. True frugality, on the contrary, enables the possessor of property to employ all that is not really for his good in the legitimate business of producing more property, thus giving employment to honest industry; or to bestow it as a gift upon worthy objects and institutions designed to promote the higher interests of society. If all that is uselessly and viciously squandered were carefully husbanded and judiciously bestowed, it would well-nigh banish suffering, and want, and ignorance from the world. The dollar that is expended in riotous living, or in costly dwellings and equipage, or in vain shows, is entirely used up on the occasion; whereas, a dollar saved is an investment at compound interest for the support of labor in all coming time.

4. LABOR TO BE PROFITABLE MUST BE ENTITLED TO ITS REWARD.—Men do not generally work for the

good of others, but for their own. Members of the same family will indeed work for each other, because they regard their interest as the same, and a sympathetic feeling will often prompt good men to do something for the destitute and the suffering; but systematic and sustained labor can be elicited only by the prospect of reward. Hence it is that there is so little productive labor in countries where the right of property is not enforced. For though the laborer should receive his reward, yet, being liable to have it taken from him at any time, it is all the same as though he did not receive it. Men like not only to receive a reward for their labor, but to retain it also, and make such use of it as they please. Property is what is one's own, and if one does not feel secure in its possession, it is not property to him. Hence it is, too, that slave labor is so unprofitable. Slavery not only discourages and renders labor disgraceful among all except slaves, but takes away from the slave himself all stimulus to labor except that of punishment. He is lured on to toil by no prospect of reward. He is not at work for himself,

but for his master, who, he feels, has no right to his services; and hence he does as little as possible, and that little as poorly as possible. For a similar reason, every Community System of labor has been found unprofitable and proved a failure. Members of a community having a common treasury and a common table, have not the stimulus of individual reward to labor for. No member can ever have any property of his own, but merely share in the common stock with the other members—the ignorant, the indolent, the unskilful, being placed on a par with the intelligent, the active, and the skilful. Co-operation in labor is all-important for the success of industry; but what is technically called “communism,” which makes all things common, can but prove ruinous to it.

LESSON XII.

BUSINESS.

1. THE VARIOUS KINDS OF BUSINESS.—One's business is what he *busies* himself about; and as every one has wants to be supplied, every one has to be busy about something. This is specially so in a civilized community, where the wants are numerous and imperative, and the arts at the same time, in consequence of an improved knowledge of the laws of nature, are in a correspondingly advanced state. In such a case, society presents a scene of wonderful and almost bewildering activity. In the cities, where all the lines of business converge and meet, men are rushing to and fro in endless confusion, but each intent upon some object. Of this mass, while all are consumers, some are producers, some traders, and some professional men; some are tillers of the soil, who have

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brought their produce to market; some mechanics, employed in erecting buildings and preparing household furniture; some manufacturers or dealers in cloths, furs, boots, shoes, or other articles of wearing apparel; some import articles from foreign countries and send home-productions abroad; some "go down to the sea in ships and do business upon the mighty waters;" some are jewelers, and some musicians; some costumers, and some caterers; some hod-heavers, and some common carriers; some are students, and some teachers; some expound the law and some the Gospel; some minister to the body and some to the soul. In these and numerous other forms, the ceaseless activity of a civilized community embodies itself, flowing through all the channels of society and giving rise to all the avocations of life.

2. CHOICE OF BUSINESS.—In determining what business to follow, we should first take into the account our own qualifications and aptitudes. By nature and education, every man is better fitted for some one kind of business than for any other;

and it is all-important to his happiness and success that he should hit upon that kind of business. Some have the copiousness of thoughts and words which fits them for becoming orators, and some the perception and love of beautiful forms, that point them out for artists; some have the strength of arm and muscle required in the farmer or the mechanic; and some the agility and quickness of perception which fit them for trade and the lighter employments. Men do not, indeed, always find their affinity in business any more than they do in their social relations, though it is vastly important that they should. But, besides their own qualifications, men should be guided in their choice of an occupation by the nature of the employment itself. Some occupations are injurious to the interests of society, and hence disgraceful, such as pandering to the vicious appetites and lusts of men; and some are of doubtful utility in their effects both upon the community and upon those engaged in them. Such occupations ought to have no existence, and no person having any regard to his own real good and the good of others should ever think of en-

gaging in them. In short, in a politico-economic point of view, those occupations are the best which do the most to supply the real and substantial wants of men. Getting a living by the vices of others is infamous, and getting a living by cheating them is not much better. Earning money by honest industry is always honorable, but getting it by speculation and the various tricks of trade is of doubtful credit to one—as, indeed, it is, on the long run, of doubtful utility to him. Property easily and suddenly obtained is rarely permanent. “Easy comes, easy goes,” says the proverb. Besides, such strokes of good luck are apt to corrupt the character and turn the head, begetting a recklessness of expense and of risks which ends in ruin. On the contrary, habits of honest industry promote frugality and sober views of life, which are the surest guaranty of ultimate success.

3. THE RELATIVE PROFITS OF DIFFERENT KINDS OF BUSINESS.—Where there are no restraints upon capital and industry, but each one is allowed to

devote his means and his energies to any business which he prefers, there can not be permanently any material difference between the profits of different kinds of business. Energy and skill, to be sure, will give one greater success than others in any kind of business, and superior knowledge and means may enable one to open up some new kind of business more profitable than those in which others are engaged; but this can not long remain so, since capital will combine to create a competition in the business, if individuals have not the means of doing it. Thus the different kinds of business are sure to attract capital and industry just in proportion to the profits they yield, and hence will always take care of themselves without any special legislation or interference of the government. Still, the gains are slower in some kinds of business than in others. Thus, farming and some of the mechanic arts do not yield so rapid a remuneration as commerce and some branches of manufactures and trade; but, on the contrary, they are not attended with so great risks. They do not require the employment of so much capital,

and furnish a better security for the permanence of that which is employed. There are but few failures among farmers or mechanics compared with what there are among manufacturers and merchants. So that if one or ten years do not bring in as large a reward to the farmer or the mechanic as to the manufacturer or the merchant, twenty or fifty years may. Besides, perhaps trade, manufactures, and commerce attract to themselves a higher order of energy and talent, which of course should receive a higher reward.

4. IMPORTANCE TO A NATION OF VARIETY OF EMPLOYMENTS.—As already stated, different men are fitted for different employments. At the same time, the wants of men are various, demanding different employments. Now it is vastly important to any people both that these various talents should be employed, and that these wants should be supplied, as far as possible, among themselves. The intercourse of men is more agreeable and improving to each other where their occupations and experience differ somewhat, than where they

are the same. Hence society is much better under such a state of things. But more than this, the ends of true economy are much better met by such an arrangement. In this way a people, while they give employment to their own industry, supply to the best advantage their own wants. No one kind of industry can prosper alone. If all were engaged in commerce there would be nothing to export or to pay for their imports. If all were farmers there would be no one to consume or export their surplus products. And if all were traders or manufacturers there would be an utter want of all means of purchasing their goods, as well as of all material to manufacture. Each kind of industry stimulates and promotes the others, and when as many kinds as possible are carried on in the same community or country, they all prosper the best. The soil, climate, and other circumstances, it is true, place a limit to the kinds of business which can be profitably pursued in any given country; but there can be no doubt that it is best for every nation to have as great a variety of avocations among its inhabitants as possible. This is one important

advantage enjoyed by our own country over most others, where the great extent of territory, and the great variety of soil, climate, and natural facilities promote the greatest variety of employments, while the laws of the land allow each one the greatest freedom in the choice of his business, and protect him in its pursuit.

5. FLUCTUATIONS IN BUSINESS.—As production is the basis of business, business must vary as this varies. Some seasons are more favorable to agricultural and manufacturing pursuits than others, and hence more favorable to business generally. Propitious and bountiful seasons make all kinds of business good; since large products make large transportation and exchanges, and, bringing in large returns, diffuse money through the country, and enable the people to employ mechanical and other labor in making improvements, to travel, trade, and set all kinds of business in motion. Unpropitious seasons, on the contrary, produce a general dearth and stagnation of business. Business varies, also, with the stimulus applied. A sudden rise in prices,

from the imposition of a high tariff, from the demands of war, of great migrations, of the opening of new countries to trade, the discovery of mines, and the like, always adds new intensity and activity to business. But such periods of intense activity are pretty sure, by over-production, to be followed by a general stagnation. Thus, from natural causes in man and in nature, there is a continual flux and reflux in the business of every country.

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LESSON XIII.

EXCHANGE.

1. EXCHANGE IN KIND.—One of the great departments of productive industry is exchange. One can obtain nothing which he does not produce himself, except by exchange. Without exchange, therefore, every article of this kind is just as useless to him as though it were not produced. It may be near the one who wants it, or it may be far off, but it is of no avail to him unless it is his, and in his possession. And were there no accepted medium of exchange,—*i.e.*, some article which all are ready to receive and pay out at a fixed value for other articles,—the only way in which one could obtain what he wants for what he has to spare, would be to look up some one who has what he wants, and at the same time wants what he has. To do this literally, he might have to go five, ten, a hundred, or even