

## THE ACCUMULATION OF WEALTH.

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Why do men accumulate wealth? I shall dismiss without consideration the motive of avarice. Some men become so perverted in their intellectual and moral processes that the mere possession of wealth is for them an absolute end in itself. With them wealth ceases to be a means, an instrumentality, and becomes an ultimate good. But I think that such men are comparatively few and may be treated as a negligible quantity. Material wealth is a means to other ends, and is so considered by normal men. We speak of a "man of means." The phrase indicates that in the general thought the real good of wealth lies not in itself, but in that which it procures or promotes. It has instrumental value only.

What, then, are those ends which normally function as motives in wealth accumulation?

(1) First, accumulation may have as a motive the desire to fortify one's self and one's loved ones against future want; a surplus is needed as a safe-guard against unforeseen accidents, unexpected turns of the wheel of fortune, or against the bite of poverty in inevitable old age. Certainly, under the present economic system, the accumulation of a reasonable sum as an insurance against possible future want is entirely ethical; indeed, is a social duty if it be done without interfering in any way with the privilege of others to do the same. Manifestly, however, this motive alone would stimulate one only to the laying up of a moderate surplus. Beyond a certain point all reasonable apprehension of future want for one's self or family disappears. The vast accumulations which are so characteristic a feature of our times cannot be attributed to this normal and entirely justifiable desire.

(2) Again, men are moved in much of their business activity by the desire to achieve, to *do* something. It is a normal and healthful motive. It is a powerful incentive to activity along all lines—business, politics, art, literature, social reform, religion. It is doubtless less effective among “laboring men” than any other class of workers, not because they are less normal than others, but because the conditions under which they toil and the kind of work they have to do affords less scope for the satisfaction of the desire for distinctively personal achievement. But it is probably true that this motive is more widely operative in stimulating activity in our present-day life than it ever has been before, because of the broader freedom of personality and the wider scope for the putting forth of individual energies in creative action—boons which the democratic movement has brought in greatly increased measure to all classes of men, with the exception of the “laborers,” whose opportunities for personal self-expression through their labor are narrowed by the vast extension of machine processes.

This, however, while it is an extremely important incentive to activity in the economic as in all other spheres of life, is really of secondary importance as a motive to accumulation *per se*. It may be abundantly satisfied without the accumulation of wealth. It finds its satisfaction in creative activity itself. It stimulates to accumulation of wealth only when, under the influence of other motives, accumulation has been chosen as the end. If, for some other reason, a large fortune has been selected as the end of one’s activities, the desire for achievement, of course, impels one toward its accomplishment. But it would be equally stimulating if some other end should be aimed at in economic activity.

(3) I shall pause only to mention a third motive which, without doubt, plays a large part in the lives of many business men—the love of the game. The gaming instinct is deep in us. It is, the psychologists tell us, the

weakened survival of the habits of deadly conflict bred in man in the distant ages of his primitive state. And when it is too powerfully stimulated leads not to *play*, but to a revival, on the economic level, of the relentless struggles of that savage past. The sharp competition of business life affords it powerful stimulation and abundant opportunity; and it needs to be continually held in check, lest it precipitate us into economic barbarism. All that is innocent in this motive may be brought into play without a mad rush for accumulation.

(4) A fourth motive is the desire for power. The possession of a large quantity of wealth has always given an individual great power over one's fellow-men; but never was this so true as in the highly organized industrial society of our day. In the period which preceded the great industrial revolution, the men of wealth owned the greater part of the land, whence, in the last analysis, all must derive their living; but they did not own it all. There were communal lands which the poor could use for their own benefit; and the few and simple tools required for land cultivation and manufacture were usually owned by the laborer. But, in the highly differentiated system of today, there are multitudes who own neither land nor tools and who sell their labor for a living. Over these the possession of large capital, either in the form of land or industrial plants, gives one extensive power—the power of the employer and of the landlord. If, through combination, the possessors of large wealth obtain, as they so often do, a practical monopoly of the production of some important kind of goods, they may, to a very large extent, control prices; and this gives them a far-reaching power over the public at large. Whoever can, to any large extent, control the means of life exercises a sway over men as effective and as absolute as the cruder forms of military or despotic power.

Furthermore, since nearly all cultural institutions today need to be financed on a large scale, the possessors

of large wealth have a control over the cultural—especially the religious and educational—life of the people which is startling when one stops to measure its full significance. Nor is this all, by a great deal. Many public servants are venal; many who are not directly venal have a wholesome fear of a power which reaches out in so many directions; the press, which usually requires large capital and therefore falls into the hands of those who have it, exercises a very potent sway over the public mind. One may therefore say, speaking conservatively, the rich men exercise a control over public opinion and especially over governmental activities, legislative, executive and judicial, a thousandfold more potential than they are entitled to simply on the ground of their intelligence and character. I do not in this connection emphasize the social menace involved in this situation; but simply point out how strong a motive the accumulation of wealth is for those who are actuated by the desire for power. More than anything else which a man can acquire, it places in his hands a direct, material, non-moral power over his fellow men.

(5) Another motive which plays a great role in the activities of men is the desire for distinction for one's self and one's family. Every man of normal constitution has it, and with many natures it is the transcendent motive force. It may be satisfied in many ways; but in the present economic organization of society no path leads so surely to this coveted goal as the accumulation of great wealth. Our standards of appreciation, developed on a basis of unregulated economic competition, cast a halo of social distinction around the heads of financial magnates. The possession of a large fortune lifts him and his family out of the ranks of "the people"; it differentiates him from the common herd by the standard of living it enables him to maintain. To the unspiritual masses he is an object of envy; to growing youth, whose standards of life are formed in the atmosphere of the

competitive struggle for material values, he is an ideal; to those who have an adequate sense of the power which he holds in his hands, he is an object of awe, which may be seasoned with other emotions according to one's conception of character. It inevitably gives him a kind of distinction which is most obvious to the perception of all men for the reason that it is based upon a material and not a spiritual foundation.

The actual motive which in any given case impels to the accumulation of wealth is evidently not possible to determine by others, and doubtless is often not clearly defined in the man's own consciousness; but it is almost certain to be one or, more likely, a combination of some of those mentioned. All of these desires are, in themselves, honorable and may be realized in harmony with the highest ethical standards; but the significant fact is that so many men are impelled by them in the direction of wealth-seeking; and the fact that so many seek the satisfaction of normal social desires in wealth-accumulation rather than by other means is due to the social environment in which they live, the ideals that are rooted in the present economic organization of society. The responsibility for this environment both in its material and moral aspects, rests upon us all. Our ideals act as a selective influence, developing and directing the activities of men along this line, bringing to the front and establishing in positions of power and distinction those who are expert in the arts of accumulation; and the moral responsibility for the situation rests not alone upon them, but upon the community at large.

What are the methods by which large individual accumulations are secured? Space will not permit detailed discussion. There are two general ways:

(1) The laying by of values created by individual effort. First, he may, by the labor of his own hands, change material things into the forms in which men desire them. Secondly, he may bring objects of utility from places

where they are not available to places where they are available, and thus add to their value. Third, he may, by his intelligence, organize and direct the labor of others so as to make it more productive and thus create values.

(2) He may, by some arrangement or process, appropriate the values created by others. There are three ways in which this may be done—ways that are socially approved, at least not prohibited. First, he may inherit wealth which has been accumulated by his ancestors or relatives, wealth in the creation of which he had no part whatever. Second, he may receive the increase in the value of land which is due not to any labor of his own, but solely to the growth of the community—wealth which in the last analysis is produced indirectly by the activity of other people. Third, he may be the possessor of capital, no matter how acquired, and employ laborers to whom he pays as wages less than the increment of value which that labor actually creates. There is needed but a limited insight into the actual processes of modern industry to assure one that these methods of appropriating the values created by others have played a large part in the present situation.

These methods of securing control of wealth created by the labor of one's fellow men are all legitimate in the present organization of our economic system; and this economic organization has been considered the best practicable social policy and is supported by law. It is obvious, of course, that the appropriation by one of values created by others renders it impossible to assure to every one the possession of the values which he himself creates; but according to the social policy under which we live this is regarded simply as one of the unavoidable evils, due to the extreme difficulty of regulating our industrial relations and methods in such a way as to draw the line clearly between the wealth which one man produces and that which others produce. Production is, for the most part, social and not individual. This is true not only of

corporations, but of productive enterprises which are owned and administered by single individuals who employ labor. It is even true in many cases when the labor is not "employed" but is performed by the individual for himself; because in an increasing number of instances his labor does not create the whole, but only a portion of the total value.

From this fact of collective production, springs the fundamental difficulty in distribution. How can we tell, for instance, just what part of the total out-put of a factory is due to the labor of each of the many individuals who co-operated in the course of its production? But while production is, for the most part, co-operative and while it is difficult to distinguish with any approach to accuracy just what each of the co-operating individuals contributed to the total value, that value is nevertheless divided and appropriated individually; and that division is made by whom? It is not made collectively by all those who co-operated in its creation. The division is made by the capitalists. The portions that go to those who do the manual labor and the management are paid them as wages and salaries by the capitalists, who take the rest as dividends and profits, after the deduction of a sufficient amount for keeping the plant in order. My purpose is not to discuss all the implications of this inconsistency, but simply to point out the difficulty of an equitable division and the very great advantage which the capitalist, as the actual divider of the joint product, enjoys under the present system. The very difficulty of determining with accuracy the share of the jointly created value which should be assigned to the co-operating individuals increases the opportunity of the capitalist to secure for himself an undue proportion. It is morally certain that ordinarily under such an arrangement he will secure far more than his rightful share. It is difficult to avoid it, even when he is large-minded and benevolent, because the system lends itself so easily to it; and

when he is not dominated by benevolent considerations, but is bent primarily upon large accumulation, we should not be surprised that flagrant injustice should occur.

If this is true in industrial operations it is even more obvious that under our system of land ownership there is a wholesale appropriation by individuals of collectively created values. It is not easy, even in the matter of land values, to draw the line with certainty between that which is the result of one's own efforts and that which is the result of the work of others. But it is perfectly patent that the present land system lends itself most easily to the appropriation of wealth which the appropriators did not create. Sixty-five per cent. of the millionaires in this country, it is declared on good authority, owe their fortunes more or less to increase in land values.

If it be granted that our economic system is the best practicable one, the fact nevertheless stands out with boldness before all thoughtful eyes that the great individual accumulations of wealth consist in large part of values created by others. It is possible, of course, for a man on grounds satisfactory to himself, to deny this, or to justify his appropriation of a disproportionate share of jointly created wealth. Indeed, as things are, it is not easy to see how the appropriation of values created by others is to be altogether avoided. But an honest man who contemplates the matter conscientiously must feel disturbed by it, is bound to avoid this inequity as far as it is practicable to do it; and he will surely feel that those portions of his wealth which are not created by his own efforts have for him an ethical significance different from those portions which he himself has produced. If he is not deeply concerned as to the sources from which his wealth is accumulated he exhibits a density of ignorance and an obtuseness of perception which are deplorable and can hardly be innocent, or he displays a moral insensibility which is wholly inconsistent with a Christian standard of ethics. A healthy conscience does not rest

easy in the sense of being the possessor of wealth created by others. The only exception is as to the wealth which one inherits; and there is a growing uneasiness as to the ethical validity of this.

The right of inheritance has its origin assuredly in the primitive times when there was little personal responsibility, when the kinship group was the significant and responsible social unit and the individual was merged in it. That conception was supreme in all ancient and is yet in all backward societies. It has prevailed until recent times in the more progressive societies and recedes slowly before the advancing conception of the individual person as the significant and responsible social unit—a conception which is so pervasively and profoundly modifying ethical ideals in modern life. This tendency to place emphasis upon the individual as the ultimate unit of social value, responsible primarily to society as a whole, is ever increasing in strength, and under its pressure the old notion of the kinship group as an economic, social and religious unity which persists from generation to generation is slowly disintegrating, and with it the notion that a man's children or nearest kin have a natural right, upon his decease, to take possession of the wealth which he has left. How far this development is to go, we cannot say; and there are differences of opinion as to whether it is a legitimate application of the Christian conception of man and society. The drift of enlightened opinion today is to discredit the conception of the kinship group as an economic unit which involves the natural right of inheritance, and to substitute for it the individual standing in responsible relationship to the whole community. The right of inheritance is coming to be regarded as having a basis only in statutory law, as a social policy which can be justified only if it can be shown to be expedient and conducive to justice in the general distribution of wealth. The ethical validity of the right is, therefore, seriously challenged by many thinkers. The

intelligent conscience of our time is looking with critical concern into this and into all the sources from which accumulations of wealth arise; and herein lies one of the chief causes of the social unrest which is so pronounced a feature of present-day life. No man who is engaged in the accumulation of wealth can escape this questioning, nor face it without having his equanimity considerably disturbed.

Certainly a profound transformation is taking place. The moral climate is changing. Our ideals and standards of appreciation are undergoing a radical criticism and extensive reconstruction. With increasingly clear and comprehensive intelligence the question is being pressed, is there not something fundamentally wrong both as to our methods and our motives of accumulating wealth? The motives, as we have seen, are not in themselves wrong. It is not wrong to seek self-expression in creative activity; nor to desire independence and competency for one's self and one's family; nor to obtain power to influence the lives of one's fellow men; nor to achieve distinction both for one's self and one's family. But the question will not down, can these proper and potent incentives to action be called into play in the economic sphere only by the prospect or hope of piling up great individual fortunes, which are secured so largely by the appropriation of values created by others? In a word, can economic activity and development be secured *only* at the cost of economic injustice and social injury? In the other spheres of action we are not reduced to any such alternative; why should it be so in the economic sphere?

But let us ask more pointedly the question, Does the individual accumulation of large fortunes as it goes on under present methods lead to injustice and injury? No one can look at the present situation with unprejudiced eyes and deny that social injustice on a colossal scale has actually resulted. The fortunate and gifted few have piled up vast accumulations, more than they and their

families can possibly use in legitimate satisfaction of legitimate wants. The selected few among this limited number have massed holdings which they cannot, by any human possibility, wisely administer either in their own interest or the interest of the world. The man who is reputed to have amassed the largest individual fortune of this age has given a convincing and impressive demonstration of his consciousness of this fact, in offering to turn over a considerable portion of his stupendous wealth to be administered for the public good under a national charter. The only living American who can contest with him the financial primacy of this generation seems destined to die rich—rich beyond the dreams of avarice—despite his own declaration, no doubt honestly uttered, that it is a disgrace to die rich, and despite his manifold and lavish efforts to dispose of his wealth in ways helpful to the world. But these and other examples of benevolent rich men do not by any means indicate that all or even a majority of the extravagantly rich are striving to get rid of their accumulations and thus disburden their souls. Rather the process of accumulating goes on by leaps and bounds, and creates a problem, a menace, that stirs the nation from center to circumference. The standards by which individual wealth is measured rises continually and the scramble for it shows no abatement, but rather an increasing intensity of madness. Meantime, while the situation of the unfortunate and ungifted many may be said to show some improvement, it is slight. Poverty, desperate and debilitating, shutting out the light of hope and chilling the springs of courage in the heart, still spreads its cold and dismal shadow over millions of men. In the midst of rapidly rising standards of living and rapidly rising prices of the necessaries of life, the millions of laboring men must live and secure their families against beggary on an average of not more than \$500 a year. By their side stand the thousands who have devoted themselves to ministering to the cultural needs of

humanity; and who also must feed upon the crumbs that fall from the richly laden social table. This situation is made portentous by the fact that these same multitudes are coming to see, what they have been slow to realize, that the great accumulations of wealth have been created in large part by themselves; that they have been enabled to enjoy only a portion, and a small portion, of the values which they have created; that those values, created by their dull and uninspiring toil, have in large part gone to build those mountains of gold on whose summits the rich sit so far above the reach of any ungratified want which material things could directly or indirectly satisfy. It is as vain as it is grotesquely foolish to deny that injustice is writ large upon the open page of our social life today.

In view of the situation, along what line must we advance toward the solution of the difficulty? We should seek by all means in our power to promote the application of the ethical principles of Jesus to economic methods. Attention has been called to the atmospheric change now going on in our ethical life. To intelligent observers of current events this is the most inspiring aspect of our social development in this generation. We should encourage this change until transforming public opinion crystallizes into the definite and imperative public conviction *that honor and power must be based upon and measured by service and service alone.* Business men must learn in all seriousness and perfect good faith to consider their various forms of business activity as forms of public service. The men of ability who can organize and direct great enterprises must cease to demand and appropriate for themselves the lion's share of the joint product of collective labor and seek rather through the regular channels of business to effect the largest possible diffusion of wealth. The business man has no more *moral* right, according to the Christian standard, to accumulate a great and disproportionate mass of wealth as a re-

ward for his activity than a preacher or a teacher. The Christian law of service should apply to the man who puts into industrial channels his intelligence and energy, just as truly and as thoroughly as to the man who puts his intelligence and energy into preaching the gospel or into teaching the young, or into social uplift, or into any other form of activity now recognized as distinctively public service. Why should this seem to be a strange doctrine? It is the absence of this altruistic social spirit in business enterprise—this setting aside of economic activity as a sphere in which the god, Mammon, alone has the right to reign—which has precipitated the crisis which so threateningly confronts our modern civilization. This menace can be averted only by subjecting all industrial activity to the Christian law of service. The business man must change his mental focus, and aim not at the largest possible individual accumulation, but at securing for his employees the largest possible share in the products of industry and for the public the lowest prices for those products, consistent with the continued operation of the business. In a word, *the time must come, sooner or later, when the holding and controlling of capital by individuals will be permitted only on the condition that it shall be held and administered strictly as a public trust. To deny that this is practicable is to deny that Christianity is practicable in the present industrial organization of society and to affirm that we must move steadily and probably with increasing momentum towards forcible industrial revolution.*