

AMERICAN SYSTEM

Abraham Lincoln: 'labor is prior to capital'

On June 7, the administration's Council on Wage and Price Stability derided the new contract between United Airlines and the highly skilled International Association of Machinists as exceeding the "voluntary" wage limits. It also condemned a labor agreement covering electrical workers in Portland, Ore. on the same grounds.

Aping the Thatcher government in Great Britain, the Carter administration seems intent—despite a court ruling to the contrary—to enforce its "7 percent solution" to inflation and gouge the living standards of America's most highly skilled labor force.

What America's policy toward labor should be was clearly enunciated in 1861 by then President Abraham Lincoln in his annual address to the second session of the thirty-seventh Congress which is excerpted here.

It is not needed, nor fitting here, that a general argument should be made in favor of popular institutions; but there is one point, with its connections, not so hackneyed as most others, to which I ask a brief attention. It is the effort to place *capital* on an equal footing with, if not above *labor*, in the structure of government. It is assumed that labor is available only in connection with capital; that nobody labors unless somebody else, owning capital, somehow by use of it, induces him to labor. This assumed, it is next considered

whether it is best that capital shall *hire* laborers, and thus induce them to work by their own consent, or *buy* them, and drive them to it without their consent. Having proceeded so far, it is naturally concluded that all laborers are either *hired* laborers, or what we call slaves. And further it is assumed that whoever is once a hired laborer, is fixed in that condition for life.

Now there is no such relation between capital and labor as assumed; nor is there any such thing as a free man being fixed for life in the condition of hired laborer. Both these assumptions are false, and all inferences from them are groundless.

Labor is prior to, and independent of, capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor is the superior of capital, and deserves much the higher consideration. Capital has its rights, which are as worthy of protection as any other rights. Nor is it denied that there is, and probably always will be, a relation between labor and capital, producing mutual benefits. The error is in assuming that the whole labor of community exists within that relation. A few men own capital, and that few avoid labor themselves, and, with their capital, hire or buy another few to labor for them. A large majority belong to neither class—neither work for others, nor have others

working for them.... Men with their families work for themselves, on their farms, in their houses, and in their shops, taking the whole product to themselves, and asking no favors of capital on the one hand, nor of hired laborers or slaves on the other....

Again: as has already been said, there is not of necessity, any such thing as the free hired laborer being fixed to that condition for life. Many independent men everywhere in these States, a few years back in their lives, were hired laborers. The prudent, penniless beginner in the world, labors for wages awhile, saves a surplus with which to buy tools or land for himself; then labors on his own account another while, and at length hires another new beginner to help him. This is a just, and generous, and prosperous system, which opens the way to all—gives hope to all, and consequent energy, and progress, and improvement of condition to all. No men living are more worthy to be trusted than those who toil up from poverty—none less inclined to take, or touch, aught which they have not honestly earned. Let them beware of surrendering a political power which they already possess, and which, if surrendered, will surely be used to close the door of advancement against such as they, and to fix new disabilities and burdens upon them, till all of liberty shall be lost.