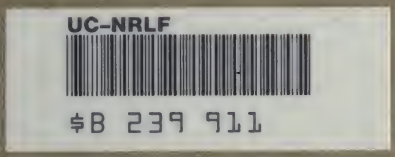

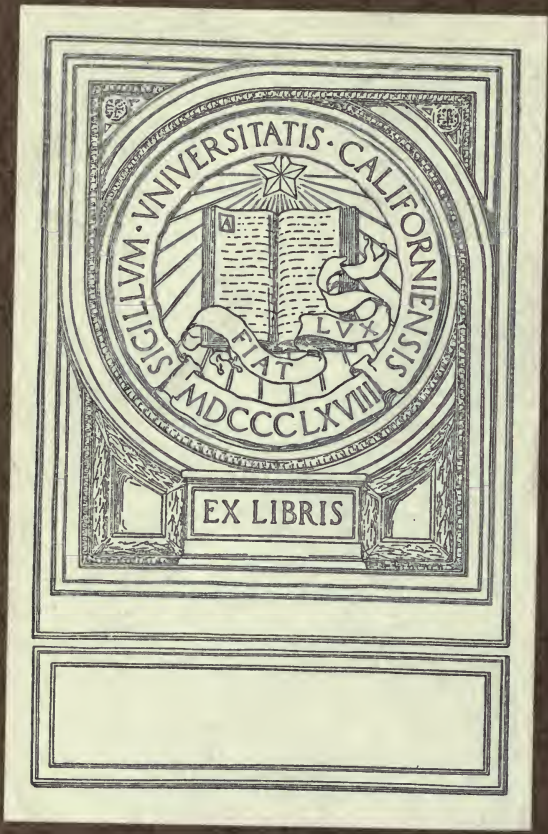
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Progress or Revolution?

A Letter to a Labour Friend

BY

GOLDWIN SMITH

TORONTO
William Tyrrell & Company
1906

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My Labour Friend,—

All round the industrial horizon there are signs of continuing storm; and with industrial strife a good deal of social bitterness and class hatred is evidently mingled. If anything can be done by amicable discussion to conjure the storm, now apparently is the time.

Old age is proverbially conservative, though its interest in the present state of things is reduced. But I do not think my opinions or feelings have been greatly changed since in England I defended with my pen the unions, under the fire drawn on them by the Sheffield outrages, and stood on the platform of the National Agricultural Union by the side of Joseph Arch. If a good Labour candidate has presented himself at an election, I have voted for him, mindful of Pym's saying, "the best form of government is that which doth actuate and inspire every part and member of a state to the common good." With Louis Blanc, when he was

in exile, I cultivated a friendship and heard with sympathy, though not with agreement, his advocacy of national workshops. Were my old friend Jacob Holyoake, whom I lost the other day, still alive, to his testimony also I might appeal.

I address you as my "Labour" Friend, but with a caution that the title, now happily honoured, almost privileged, belongs as much to those who labour with the brain as to those who labour with the hand. Labourers with the brain as well as labourers with the hand have their sufferings and their grievances, feel weariness, would like shorter hours and are liable to being underpaid.

Besides the natural forces, there are two factors in production: Capital and Labour. All that is not labour is capital. The labourer's outfit is capital. The fruits of money laid out in preparation for any skilled calling, as in training for a profession, are capital and entitled to share under that head. Capital specialized and spelled with a large letter has been erected into an industrial tyrant the mortal enemy of labour. If capital could be killed or scared away, in what condition can we suppose that labour would be left? Karl

Marx, borrowing his theory from William Thompson, maintains that all production is the fruit and the rightful property of labour alone. Let him put labour without any capital, with nothing but its bare sinews, on the most fertile land or amidst the richest mines and see what would be the result. The union of the two elements in production is as necessary as that of oxygen and hydrogen in the composition of water. Without capital we should be living in caves and grubbing up roots with our nails. Such in fact was the state of primitive man. The man who first stored up some roots was the first capitalist; and the man who first loaned some of his roots on condition of future repayment with addition was the first investor.

Labour, we are told, adds value to the raw material. Undoubtedly it does, and it receives the price of the value added in the form of wages.

It is not between capital and labour generally that the present war has broken out, but between the capitalist employing a body of workmen, and those whose wages he is supposed to determine. The capitalist, besides the money which he risks, contributes labour of

an indispensable kind as organizer and director, and is entitled to payment for that labour as well as to the interest on his capital. Labour is entitled to such wage as the capitalist, allowing for his risk, can afford to give. A strike is a legitimate engine for enforcing the concession of such a wage, though not for any exaction beyond. Further exaction must break the trade. It has been questioned whether, if the employer increases his profit by adding to his risk of capital or by an improved policy, the fruit of his own brain, the wage-earner becomes thereby entitled to an increase of wage, supposing his part in the production to remain the same; though wise policy as well as good feeling would lead the employer to give his men an interest, as some employers do, in the prosperity of the concern.

The labour contributed by the employer in the shape of direction is indispensable. Lack of direction appears to have been the cause of the ill-success of co-operative works fully as much as the lack of funds for their support while they are waiting on the market. Nor does the admission of the men to the councils of the firm appear to have been generally a success. There is too

little identity of interest as well as disparity of acquaintance with the market.

It is urged that capital is a monopoly and as such controls wages. I fail to see how capital is a monopoly as a general fact, or otherwise than as skilled labour may be called a monopoly. At all events I do not understand how the argument bears on the question of wages. Corners, which are seldom successful, can hardly affect that question. We do not hear that the wages of the Standard Oil Company are particularly low.

There is nothing strange or invidious in treating labour as a commodity the value, and consequently the wages, of which must be regulated by the market. This is the case with all labour, that of the statesman, the man of science, the writer, as well as that of the artisan; though the statesman, the man of science, and the writer may draw their wages in a different form. The right of an artisan to a living wage cannot be asserted unless value in labour is given for the wage. Nor can the right to employment be asserted, when no employment offers, in the case of an artisan any more than in that of a lawyer for whom there are no clients or a

physician for whom there are no patients. Another market must be sought. This is the common lot.

The capitalist, it is important to observe, though the organizer, director and paymaster, is not the real employer. The real employer is rather the purchaser of the goods, who cannot be forced by any strike or pressure to give more for the goods than he chooses and can afford. Carried beyond a certain point, therefore, pressure for an increased wage must either fail or break the trade.

That capital can be rapacious and unjust to those in its employ is too certain. It can be worse than rapacious and unjust, it can be terribly heartless and cruel. Proof of this may be read in the reports recording the treatment of children in factories and of men, women and children in coal mines which horrified the British people and compelled the interference of the British Parliament. The men who are guilty of such things may have been humane and even amiable in other walks of life. The lust of gain hardened their hearts. One of the great mine-owners was a wealthy peer who deserved to be sent to work in his own mines.

The masters are naturally combined in the effort to keep down wages. In England the men were forbidden by law to combine. They had to negotiate singly with the employer who had breakfasted, while they had not. Seven Dorsetshire labourers were sentenced to transportation for administering a combination oath. Liberalism coming into power in England repealed the Combination Laws. The Unions were formed and took the field for the rights of the employed. Manufacturing districts, where the employed were gathered in masses, were the chief field of Unionist effort. But the National Agricultural Union was formed and wisely guided to a peaceful victory by Joseph Arch whose practical motto was, as it ought to be that of us all, Peace with Justice.

Unquestionably a large measure of justice in the way of rectification of wages has been won by Unionist effort, though at a terrible sacrifice of peace as well as of money and of the products of labour. Yet a dispute about wages threatens this continent for the second time with a deprivation of coal which would stop the wheels of manufacturing industry, besides bringing privation and suffering into our homes.

Organizations formed for an aggressive purpose are naturally apt to fall into the hands of the most aggressive and least responsible section. There would perhaps be fewer strikes if the votes were taken by ballot and every married man had two. There is also a danger of falling into the hands of aspiring leaders whose field is industrial war; and this danger increases with the extension of the field.

Power newly-won and flushed with victory seldom stops exactly at the line of right. From enabling the wage-owner to treat on fair terms with the employer, the Unions seem now to be going on to create for themselves a monopoly of labour. To this the community never has submitted and never can submit. Freedom of labour is the rightful inheritance of every man and the vital interest of all. The defensive forces of the community are slow in gathering to resist usurpation. But they will gather at last, and when they do the end is certain. I see it announced, with apparent complacency, that a man has lost his trade because he sold goods without the Union label. A Union is a self-constituted power. If a man could be ruined by the

edict of self-constituted power for doing that which the law sanctions him in doing, where would commercial liberty or the general principle of liberty be? No community can permit a self-constituted authority to arrogate to itself powers beyond the law.

That age has made me conservative, I have owned. But apart from conservatism or liberalism, there are principles of natural and civil right to which I should be utterly disloyal if I failed heartily to deprecate the use of violence, insult, persecution or annoyance of any kind for the purpose of deterring any man from making his bread and that of his family by such honest calling as he may think fit, and under any employer that he may choose, or from making for that purpose a perfectly free use of all his powers. Persuasion is, in all its forms, of course, open to the promoters of Unionism, and it surely has a good text in the advantages of union, which are by no means confined to the mere question of wages. Refusal to work with non-union men is lawful, though far from kind.

Strikers should remember that they are consumers as well as producers, buyers as well as makers. A striker in extorting increased wages makes the article dear to

his own class as well as to the other classes. He may raise the price of his own product to himself. The long strike of the building trade raised the price of artisan dwellings.

Society is rebelling against trusts and combines. Use of political power to enforce a great monopoly of labour is surely what we cannot be expected to bear.

Labour, if it is tempted to be unmeasured in its demands, will do well to bear it in mind that formidable competition may be coming on the scene. In China there is a highly industrial population reckoned at four hundred millions to which these troubles apparently are unknown. The influence may not be directly felt, but it is likely to work round. Besides, Capital has wings.

Desire of shorter hours of work is natural on the part of the artisan and would not be less natural in other callings, which also feel fatigue. Nor is it unlikely that in callings which tax the strength, the work of eight hours may be worth as much as that of ten. Improvement in this line has been already made. Every man may shorten his hours of work if he thinks fit;

but no man can expect or in the end will have power to draw pay for work which is not done. In lands where socialism prevails Unions seem inclined to vote themselves more and more freedom from work and leisure for sport at the expense of what is called "the State," that is practically the tax-payer or the class of tax-payers which has most money and fewest votes. It is impossible that to progress in this direction there should not be an end.

The State is constantly invoked as a sort of Supreme Being with paternal duties and a fund of its own for their fulfilment, while in reality it is either a mere abstraction or nothing but the Government of the day, without any fund for its paternal bounty but that which it draws by taxation from the community and on which no class can have a special claim.

We were told to look for the cure of industrial war and the end of strikes in judicial arbitration. The result appears to have been disappointing. It seems impossible for a court to forecast the changes of the market on which the value of labour and the just rate of payment for it must depend. While the market is

rising and the court has only to register the fair demand for a proportionate rise in wages, to which the employer readily consents, all goes well. But when a fall in the market calls for a reduction of wages, trouble, it would seem, is sure to begin. Can any court by its award compel the employer to carry on business at a loss, or the artisan to go on working for less wages than he could get elsewhere? Has there been any clear case of practical enforcement of such an award? Mediation may, of course, be useful in bringing disputants together and inducing reflection on both sides. The famous agreement between the coal-owners and the men appears not to have been a case of arbitration properly speaking, but of mediation, though brought about and morally enforced by public authority. It was not the award of a court of law.

There has seemed to me sometimes to be a needless air of peremptoriness in the demands for increase of wages or other terms, and generally a needless air of mistrust and hostility towards employers which must enhance the difficulty of concession. The best of tempers can hardly fail to be tried by the intrusion of

a walking delegate. Why aggravate by discourtesy the perils of the industrial situation? Capital and Labour must settle down in harmony at last, or both must be ruined.

Still more to be deprecated is the habit of giving the question between employer and employed the aspect of a war between classes and representing the artisan as "a slave" ground down by the tyranny of the class above him. No one in his cooler moments can believe that a man who is perfectly at liberty to dispose of his own labour and has full political rights is a slave. Let just claims be asserted and redress sought for real wrongs; but no good can be done by malignant exaggeration.

It would be hard to require the employer to live in the smoke and din of his works. But the complete separation of dwellings and the absence of personal intercourse between the owner of the works and the men has probably contributed to estrangement. The factory-hand takes his Sunday stroll to the suburbs and sees, perhaps not with the most pleasant feeling, the mansion of the wealth which Karl Marx or a disciple

of Karl Marx has told him ought to be his own. Often the master is a corporation. There is no help for this, but perhaps something might be done to soften personal relations. Artisan villages under paternal care and regulation, such as Saltaire and Pullman, do not seem to have been successes. I can answer for it that Saltaire was not, though all that benevolence could do was done. The people feel that they are not free.

It ill becomes those who are themselves living in the enjoyment of opulence to preach prudence and self-denial to those who are not. The grinding monotony of factory work, making of the worker a human hammer or spindle, with its unlovely surroundings, inevitably disposes to expenditure on sensual pleasures and excitements. But there is probably little doubt that wages might be practically increased by judicious expenditure.

Class feeling, as I have said, blends its bitterness with that of industrial war. This is a manifestly imperfect world. No man of sensibility can have failed to reflect with sadness on the terrible inequalities of the human lot. Why is the life of one man a life of

opulence, ease, and refinement, that of another man so sadly the reverse? Why are the gifts of nature, health, strength, brain power, good looks, long life, so unequally bestowed? Why is one man born in a civilized and happy, another in a barbarous and unhappy age? There is not only "something," but a great deal, in the world that is "amiss," and may, and we hope will, be "unriddled by and by." Meantime, the cottage, so long as it has bread and domestic affection, might, if it could look into the mansion, see that which would help to reconcile it to its lot.

Progress surely there has been, and its pace has been greatly quickened during the last three generations, notably in all that concerns the position and welfare of the wage-earning class. Wages have risen, while improvements in production and increased facilities of traffic have added greatly to their purchasing range and power. Education has been made free to the people in England and elsewhere. Class legislation, such as the Combination Law, has been swept away; with it has gone the class iniquity of the old penal code. Factory laws, mining laws, and other laws for the protection of the labourer's life, health, and interest, have

been passed. Philanthropy has been active in providing means of health and enjoyment, such as public parks, and the facilities for innocent pleasure have largely increased. The political franchise has been extended to the artisan, who is no longer a ward of the State, suing to it for paternal care and protection, but is a part of the State himself. "Labour" has become a title of distinction. Unionism has had its share in this, but so assuredly have good feeling and the sense of duty in other quarters. Greater way would have been made but for wars and protective tariffs, of neither of which can the artisan say that he has himself been entirely guiltless. Artisans, not a few in England, voted for the Boer war; and the Alien Labour Laws and the Manufacturing Clause of the American Copyright Act are due to the pressure of the same class.

The author of "Progress and Poverty" assumes that poverty has increased with progress. He wrote in the country in which the progress has been the greatest and the poverty least.

In estimating the rate of progress, we have to allow for an immense, in some cases reckless, increase of

population as well as for the retarding influence of faults and vices which have not been confined to the moneyed class.

There can be no use in venomous exaggeration. There can be no use in applying to a whole class epithets of abuse which only the worst members of it can deserve. There can be no use in saying that any set of men have been "stealing from another set their right to health, home, and happiness." This is not the road to reform, it is the road to class-hatred, which indeed some of the most violent Socialists do not shrink from avowing; it is the road to social strife; it is the road, if an attempt is made to despoil and destroy a powerful class, to civil war.

For opposition on the part of the class which he hates and seeks to despoil, the leveller must be prepared. Nor would the opposition be merely that of class-interest. Levelling, so far as we can see, would be the end of progress. It would be at once the end of all trades which supply the wants and tastes of the moneyed class and of the livelihoods of the artisans of those trades.

Still we cannot help feeling that this is a very imperfect world. Even changes happy in their permanent effects often bring temporary evil in their train. Machinery kills the cottage loom and introduces the drawbacks, physical and social, of factory life. Departmental stores, the offspring of the changed conditions of distribution, while they increase cheapness and convenience, must bring ruin to many ordinary tradesmen. Consequences of the same kind attend most of the improvements on a large scale.

All the time, too, there is the sight, galling to the poor and weary, of idle wealth, revelling, as they think, in the products of their toil, while the hope of compensation in a future life which religion held out is growing faint. The heirs of wealth, if they tender their own safety in these troublous times, will try to make their privilege less invidious, at the same time elevating themselves and enhancing their enjoyment, by mingling with the cup of pleasure some drops at least of social duty. Let the owner of wealth which he has not earned count it wages for service due from him to the community.

Socialism is a natural growth; and, so far as it has abstained from revolutionary methods or incitements to violence, may have been not only deserving of sympathy but useful as a lesson to us all. There has been a succession of utopian visions from Plato to Sir Thomas More, and from Sir Thomas More to Bulwer and Bellamy. We have had socialistic experiments. Those set on foot or originated by the excellent Robert Owen failed mainly, it seems, through the disintegrating action of the family on the community. Celibate communities under a religious dictator, such as the Oneida Community, had a transitory success, but taught us nothing. There has been a variety of socialist organizations; Saint-Simonians, Fourierists, Icarians, differing from each other in their plans of universal regeneration, holding together in themselves for the destructive process, but when it came to the constructive, splitting and passing away. The last-born of the series, Nihilism, by its name proclaims itself destructive and has been presenting impressive proof of its character to the world.

The French Revolution, however volcanic, was not so much socialistic or communistic as political, saving

the frantic episode of Babeuf. Its political object has been gained, though at a price which should warn us against hasty resort to violent revolution. The other element showed its character in the terrible Days of June and the more terrible war of the Commune. The relations between the capitalist and the wage-earner in France do not seem to have been much improved. There has just been another shock of industrial earthquake, happily far milder than the last.

Human society in its general structure and features appears to be an ordinance of Nature, and while it is capable of gradual improvement and is being greatly improved, not to be capable of sudden and violent transformation.

The term Socialism is very loosely used. It is applied to the assumption by the public of the railways, telephones, and street cars, hitherto in the hands of private companies. That policy would be evidently good where the public administration is honest. This, however, is merely a matter of particular policy involving no general change of fundamental principle or of the constitution of society. But when the services have been

left to private enterprise and private capital has been embarked, confiscation, to which some extreme reformers seem disposed, would be like robbery of any other kind, worse indeed than robbery of any other kind, since it would make the Legislature a robber.

We have had some more limited schemes of universal beatification. One reformer proposed to turn all private holders of land, even those who have recently purchased from the State, out of their holdings and restore the title of nature; a rather alarming undertaking, considering the chance of resistance, to say nothing of the injustice; while it does not appear by whom the land is thenceforth to be tilled. Other reformers have proposed to make us all rich by the issue of an unlimited amount of paper currency, which they take for money. They fail to see that a paper dollar is not money but a promissory note, payable by the bank of issue, at which, when the note changes hands, gold passes from the credit of the giver to that of the taker. But both nationalization of land and paper currency have fallen probably into a long sleep.

Socialism has never told us distinctly, if it has tried to tell us at all, what its form of government is to be.

Can it devise a government which shall hold all the instruments of production, distribute our industrial parts, regulate our remuneration, yet leave us free? Without freedom and personal choice of callings, how could there be progress, how could there be invention, how could there be dedication to intellectual pursuits? Can the Government pick out inventors, scientific discoverers, philosophers, men of letters, artists, set them to work and assign them their rewards? By what standard will it measure remuneration? The products of manual labour it might conceivably measure; but apparently those alone.

Competition, of which the ardent Communist hopes to get rid, has no doubt its harsh aspect; and we should be glad to change it for universal co-operation. But it has been hitherto and so far as we can see is likely to remain the indispensable spur. After all, there is more of co-operation already than we commonly suppose. Let the Communist take any manufactured article and trace out, as far as thought will go, the industries which, in various ways, and in different parts of the world, have contributed to its production,

including the making of machinery, shipbuilding, and all the employments and branches of trade ancillary to these; let him consider how, by the operation of economic law, under the system of industrial liberty, the price, it may be a single penny, is distributed justly among all these industries, and then let him ask himself whether his government or his group of governments is likely to do better than nature.

Co-operative stores in England have been a splendid success, and a success unalloyed by strife or antagonism of any kind, so that they form an exceptionally pleasant incident in the chequered course of industrial evolution. But they are founded on no new principle, so far as economical laws are concerned. They buy goods and hire service in the cheapest and best market, recognizing thereby the ordinary principle of competition.

It would seem, then, that there is something to be said for acquiescing provisionally at least in our industrial system, based as it is on the general relation between capital and labour, and trying to continue the improvement of that relation in a peaceful way, without class war and havoc. Progress, in a word, seems

more hopeful than revolution. When the Socialist ideal, perfect brotherhood, is realized, there will be social happiness compared with which the highest pleasure attainable in this world of inequality, strife, and self-interest would be mean; but all the attempts to rush into that state have proved failures, some of them much worse. It is conceivable, let us hope not unlikely, that all who contribute to progress may be destined in some way to share its ultimate fruits; but there is no leaping into the millennium.

Yours faithfully,

Goldwin Smith

Toronto, May 12th, 1906.