

**LABOUR AND
CAPITAL: A LETTER
TO A LABOUR FRIEND**

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Labour and capital: a letter to a labour friend by Goldwin Smith

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BY

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LABOUR AND CAPITAL

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 too evidently mingled. The outlook is threatening, not to industry and commerce only, but to the general relations between classes and even to the unity of the commonwealth.

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, ever 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 friendship and listened with sympathy, though I could not listen with agreement, to 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. Of the foremost among the intellectual benefactors of mankind not a few, in fact, have been greatly underpaid.

There is no denying that the wage-earning system applied to large works and great bodies of workmen has brought its evils and its perils. So has almost every great economical change;

departmental stores, for instance ; which, while they retrench the expense of distribution by eliminating the middleman, kill the small store. In my boyhood I saw the sky in England red with the burning of threshing machines which, in the crisis of transition, were taking the bread from the threshers. The interest of the village weaver in his own work is lost. The sharp separation, industrial and social, between employer and employed is another evil attendant upon the introduction of production on the large scale.

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 have 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. Saltaire was not; though I can answer for it, that all that benevolence could do was done. The people feel that they are not free. Would it be possible that each trade should have a standing conference with a joint representation of the two orders for the settlement of questions common to the interests of both? Would this, besides its direct purpose, serve to soften the general relation and render negotiation on points of difference less bitter? I have been told that there is in England an example of something of this kind.

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