

A FREE-TRADER'S VIEW OF THE LABOUR QUESTION.

I.

WHAT a blessing it must be to have a clear head, unclouded by any Socialist nonsense! Here have I been for the last seven or eight years looking with increasing attention at the great Labour Question, sometimes one side and sometimes another, under the impression that it was a sort of polygon or many-sided figure, if not rather an innumerable number of radii, each leading to Socialism as a centre, with many lines drawn across, like a mysterious but beautiful cobweb. But it seems all that is to be changed now, for a thinker has come forward in the person of Mr. Edward Atkinson, of Boston, U.S.A., and (thanks to an article about him in the *Pall Mall Gazette*) we have at last seen that after all there is no real ground for any labour difficulty, it being merely a question of comparisons to be solved by measuring two or three straight lines (drawn *parallel*, as if typical of how they will never bring you to the *point*), one long one to represent the share the workers get of the proceeds of a business, and one little short one for the profit of the capitalists, with a few others to make it look pretty and even and business-like. All that you want besides is a rule to measure and compare the lines with, and having done that the result will be the answer required, namely, that "the present division of profits between labour and capital is just," *Q.E.D.*, and so we need not trouble ourselves further about it. What could be more simple? Truly Mr. Atkinson deserves to be boss of the Hub of the Universe for this discovery! If only he would settle religious questions in the same way, how many poor souls might be saved from eternal perdition!

Nevertheless, I can't all at once clear the Socialist cobwebs out of my brain, and should like to trace two or three of the most important radii that seem to me to run across these beautiful parallels from Boston, like trees across a railway. I must first, however, give a few more details about Mr. Atkinson's argument.

The whole case is founded on an imaginary example, chosen probably for convenience of reckoning and measuring. Mr. Atkinson imagines three capitalists owning a cotton-mill built at a cost of 1,000,000 dols. They would employ 950 hands, who would produce in a year 17,500,000 yards of cotton cloth, which would sell for 1,100,000 dols. A diagram, drawn out to scale, shows how this sum is divided. I will take the three most important items, viz., 575,000 dols. paid for raw material, 285,000 dols. for mill-labour, and 60,000 dols. for the final profit of the capitalists, or 6 per cent. on the cost of the mill. Three other diagrams with descriptive letter-press deal respectively with the other expenses, the "spending of the profits," and with what is "consumed and saved" by capitalists and labourers. It is with the first, however, that we have most to do.

To begin with: to my prejudiced Socialist judgment a doubt occurs whether this 60,000 dols. can accurately represent the share of the produce which the capitalists would receive. For this amounts (as is pointed out to us) to 6 per cent. on the cost of the mill, and Mr. Atkinson's case therefore imagines that the three capitalists will invest nearly three-quarters of a million dollars in raw material, etc., and not require any interest on it—a thing quite against the nature of capitalists to do. Wherefore I think it just possible that the whole thing is founded on a false hypothesis. However, not being in the cotton trade myself, I will try to believe that the supposed case is a true example of facts as far as cotton-spinning is concerned. But if so, I must demur to its being taken as an example of "the present division of profits between capital and labour." 60,000 dols. is about 5½ per cent. of the total 1,100,000 dols. proceeding from the business, which is by no means the average percentage of proceeds which is taken by the exploiters of labour. For instance, Mr. Atkinson's second diagram shows that the total profit made by the exploiting classes out of the manufacture of 17,500,000 yards of cotton is, for farmers, merchants, mill-owners, and all, 145,000 dols. out of the 1,100,000 dols., or 12½ per cent.; whilst we have only to turn to the accounts of English railways to find dividends of 50 per cent. of the gross receipts. Five and a-half per cent. is therefore far below the average share taken by the capitalists.

Not that I mean to admit that the capitalists have the least right to even 5½ or any percentage whatever of the proceeds, merely as interest on capital. It is plain that the shares of the capitalists and labourers consist of the value added to the raw material in the mill. To create this value, capital was necessary and labour was necessary, and if any one likes to amuse himself guessing how much is due to capital and how much to labour, I don't much object, provided he does not go on to confuse the labourer with his labour, and the capital with the capitalist, as Mr. Atkinson has done. For I beg to submit that capital and capitalist are not synonymous, and that when it is said that such and such a share of the proceeds of business should go to capital, it by no means follows that that share belongs to a capitalist, even though he is said to be the owner of the capital. In the first place I should question his means of acquiring the capital, and his right to retain it; and even supposing that could be established, it should be asked what part the capitalist took in producing the proceeds of which he claims a share, though it was other men's labour which called forth the uses of his capital. If he managed the business, he deserves wages for what necessary or useful work he has done in that capacity; but it is not necessary to suppose that a capitalist takes any share in production, for though we cannot have labour without a labourer, we can (and will) have capital without a capitalist.

Again, Mr. Atkinson's black lines make it look as if the three mill-owners were very moderate in their demands, and the labourers in the mill had the best of the bargain; 285,000 dols. amongst 950 workmen is 300 dols. (about £60) each. But 60,000 dols. amongst three capitalists is 20,000 dols., or £4,000 each. A considerable difference here! considering that the whole of the extra value (60,000 dols. included) was added by the labourers, and that the only part the capitalists took in the production was the easy task of lending to the labourers capital they could not if they would have used themselves. Clearly the 60,000 dols. belongs to the labourers who produced it just as much as it would do if there were no capitalists to levy taxes on the use of the capital. Mr. Atkinson's simple diagram might be improved and still further simplified by eliminating altogether the share of the proceeds which the capitalist claims, since he, being useless, should receive no share of the gains.

It is probable that in opposition to this, Mr. Atkinson would argue that even if what I have said is true, the 60,000 dols. divided between 950 men would only give them a paltry 62 dols. (or about £12) extra all round, and that by driving away the capitalists this is all we should gain, instead of all the advantages promised by Socialism. We are told, "The poor are not poor because capital takes a bigger share than it ought. The poor are a great deal less poor . . . than they would be except for the service of capital, of which they enjoy the greater part of the benefit." (Please observe how the writer dare not put "capitalist," though he means us to understand it.) Therefore, since capitalists are not the cause of poverty, the nationalisation of capital would do us little or no good, and some other remedy must be found. Such I take to be the train of thought which Mr. Atkinson's article is intended to suggest, and his pretty parallels seem to be the lines he has prepared for the train of our thoughts to run upon.

GEORGE STURT.

(To be concluded).

THE NORTH OF ENGLAND SOCIALIST FEDERATION.

WE have received the following Principles and Programme of the North of England Socialist Federation:

PRINCIPLES.

The North of England Socialist Federation has been formed to educate and organise the people to achieve the economic emancipation of labour.

While fully sympathising with and helping every effort of the wage-earners to win better conditions of life under the present system, the Socialist Federation aims at abolishing the Capitalist and Landlord class and forming the workers of society into a Co-operative Commonwealth.

An employing class monopolising all the means of getting and making wealth, and a wage-earning class compelled to work primarily for the profit of these employers, is a system of tyranny and slavery.

The antagonism of these two classes brings about fierce competition—for employment amongst the workers and for markets amongst the capitalists. This gives rise to class hatred and class strife, and destroys real independence, liberty, and happiness.

The present system gives ease and luxury to the idlers, toil and poverty to the workers, and degradation to all; it is essentially unjust and should be abolished.

Our aim is to bring about a Socialist System which will give healthy and useful labour to all, ample wealth and leisure to all, and the truest and fullest freedom to all.

All are invited to help the Socialist Federation in this great cause. Adherents shall acknowledge truth, justice, and morality as the basis of their conduct towards each other and towards all men. They shall acknowledge NO RIGHTS WITHOUT DUTIES: NO DUTIES WITHOUT RIGHTS.

PROGRAMME.

The Socialist Federation seeks to gain its ends by working on the following lines:—

- (1) Forming and helping other Socialist bodies to form a National and International Socialist Labour Party.
- (2) Striving to conquer political power by promoting the election of Socialists to Parliament, Local governments, School Boards, and other administrative bodies.
- (3) Helping Trade Unionism, Co-operation, and every genuine movement for the good of the workers.
- (4) Promoting a scheme for the National and International Federation of Labour.

All Socialists will wish the new society success; to which wishes I must add for my part the hope that our friends will find out the futility of sending (or trying to send) Socialists or any one else to Parliament before they have learned it by long and bitter experience. They will find their work cut out for them in carrying out Nos. 3 and 4 of their programme, and useful and necessary work it will be. At the same time I heartily congratulate them on not holding out the bait of a long string of "stepping-stones"; measures which no bourgeois Parliament would pass, and which yet would be out of date in the very first days of a Revolution; promises not capable of fulfilment, nor worth fulfilment.

W. M.

Socialism proposes scientific, intelligent, enlightened government, or free co-operation on the basis of liberty, equality, fraternity, and solidarity.

Socialism would perfect the educational system by entirely abolishing the present lack of system. The state would educate every child thoroughly, and, as they advanced, give them an opportunity to master any science, art or mechanical pursuit for which their tastes or abilities adapted them. Hence there would be no uncongenial pursuits or employments, as each would choose that in which he would be most likely to excel. Hence there would be very few bad mechanics, unskilled workers, or quacks at anything.