



Now, if that third monkey who reached the water over the bodies, and by the aid of the other two, were to claim the whole of the apple as his! would you call that *fair*?

It is just as unfair as it is for an author or an inventor to claim fame and fortune as the just reward of "his own industry and talent." Think of these things. They may not strike you as "practical," but they are true.

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## CHAPTER X.

### INDUSTRIAL COMPETITION.

Competition gluts our markets, enables the rich to take advantage of the necessities of the poor, makes each man snatch the bread out of his neighbour's mouth, converts a nation of brethren into a mass of hostile, isolated, units, and finally involves capitalists and labourers in one common ruin.—*Greg.*

Now, my friend, pull yourself together, and remember that you are a practical, hard-headed man. I want to ask you some questions.

Of a country where the idle men were rich, and the industrious men poor, where men were rewarded not for useful-

ness or goodness, but for successful selfishness, would you not say that its methods were unjust and that its Government was bad?

But of a country where the workers got more than the idlers, and where useful and good men were honoured and rewarded, would you not say that it was a just and well-governed people?

You would. You would call that a false society where the good and useful suffered while the bad and the useless prospered. And you would call that a true society where every man enjoyed the fruits of his own labour and where the best men were at the head of affairs. Well John, we have seen that in this country the greatest share of the wealth goes to those who do nothing to produce it; that industrious men are generally poor and rich men chiefly idle, the best and the most useful men are not the best paid nor the best rewarded, and that very often the greatest enemies of society reap the most benefit from society's labour.

In short, English society is not a just society, nor is England a well-governed nation.

Now, what is the cause of this? How does it come to pass that Industry and Self-sacrifice are often poor, and that Idleness and Selfishness are often rich? How comes it that laziness and greed reap honour and wealth, whilst poverty and contumely are the lot of diligence and zeal?

By what means do the rich retain their riches; and by what means are the poor deprived of the wealth they create?

There are two causes of this injustice, John. The first is "prerogative," and the second is "competition."

The instrument by means of which our landed aristocrats wrest their riches out of the hands of the workers is "prerogative," or privilege.

Noblemen have had their estates given to them by the Crown—often for some base or cruel deed—and they keep them by means of laws made by a parliament of landlords. The English Parliament of to-day is a Parliament of privilege. It is not a democratic body. Abolish election fees, pay your members, pass acts for granting universal suffrage, second ballot, and one man one vote, and you will have a

Parliament elected upon democratic lines. At present there are not a dozen workmen amongst the six hundred and sixty members; and *then* there is the House of Lords.

So much for the great realm of Rent. Outside that we come to the still greater realm of commerce. Here there is not much prerogative, but there is a more deadly thing, there is competition. Competition is the instrument by which, in the commercial world, one man possesses himself of the fruits of other men's labour.

In the world of commerce there are two chief classes. The employers and the employed. Both these classes are engaged in competition. One employer competes against another, and one worker competes against another. The result being that the workers always suffer.

Let us, then, examine these two kinds of competition; and let us examine them as they affect:—

1. The middleman, or employer.
2. The producer, or worker.
3. The consumer, or user.

The rule of trade throughout the entire commercial world is that every seller shall obtain as much as he can get for the thing he has to sell, and that every buyer shall give as little as the seller will take for the thing he has to buy.

Suppose I were cultivating a plot of land with a wooden spade and that with an iron spade I could do as much work in one hour as with a wooden spade I could do in two hours. The value of an iron spade to me would be the amount of labour saved until the spade was worn out.

Now if there were only one iron spade to be bought, it would be worth my while to give for it almost the full amount of the advantage I should gain by its use.

That is to say, if with the iron spade I could raise 20 bushels of wheat in the year, and if with the wooden spade I could only raise 10 bushels of wheat in a year, and if the iron spade would last two years, then I could give 18 bushels of wheat for an iron spade and still gain a bushel a year. So the iron spade would be *worth* 18 bushels of wheat to me.

But now, suppose instead of one iron spade there were a million of iron spades to sell. Would an iron spade be worth less to me? No. It would still do double the work

of the wooden spade, and I could only use one iron spade at once. To the buyer the abundance or scarcity of an article makes no difference in its value. A thing bought is worth what it will bring.

On the other hand, what is the value of the spade to the man who makes it? Its value is regulated by the time spent upon making it. If in the time it takes the man to make a spade he could have raised 20 bushels of wheat, then the spade must be sold for 20 bushels of wheat or he had better give up making spades and stick to his land. But if, in the time it would take him to raise 20 bushels of wheat he can make ten spades, then to him each spade is only worth two bushels of wheat. That is to say that to the seller the abundance of the thing he has to sell does make a difference in its value. A thing sold is worth what it has cost.

Now let us see in what relations this buyer and seller of spades stand to each other as just men, and as traders.

In justice, the day's work of the farmer should be sold for the day's work of the smith. So if a smith can make ten spades whilst a farmer is raising 20 bushels, then the just price of spades is two bushels each.

As traders, it will *pay* me to give 18 bushels of wheat for one iron spade, since that spade will bring me 20 bushels extra.

Therefore, if there is only one smith, and if he will not sell a spade for less than 18 bushels, I shall certainly pay that price.

Under these circumstances the smith will soon grow rich.

But there is my side of the bargain as well as his. I may refuse to pay that price, knowing that he can only buy wheat from me.

In that case he must lower the price of his spades, or dig his own wheat. In the end we should probably come to a fair arrangement.

But suppose there are two men growing wheat, and only one making spades. Then the two farmers are in competition and the smith may raise the price of his spades.

Or, if there are two smiths and only one farmer, then the price of spades will fall. Why? Because it will pay the smith better to take three bushels for his spades than to

grow wheat; therefore each smith will drop his price, so as to secure the order of the one farmer, down to the point where making spades ceases to pay better than growing wheat.

But, now suppose that not only are there two smiths, and only one farmer, but that the one farmer owns the whole of the land. Then the smiths are obliged to sell spades or starve, and they will farther drop their prices down to the lowest point at which they can manage to exist.

What does this mean? It means that in the commercial world, where prices are ruled by competition, buyers do not pay for an article the price it is worth to them, but only the price which the seller is in a position to demand.

Let us now consider the effect of competition amongst the workers.

The worker has nothing to sell but his labour, and he must sell that to the middleman. Now, suppose a middleman wants a potato patch dug up; and suppose there are two men out of work. Will the middleman pay one of the men a just price, and charge the labour to the consumer of the potatoes? No. He will ask the men what they will do it for, and give the work to the man who will do it at the lower price. Nor is that the end of the mischief. Say one man gets the work at 3s. a day. The other man is still unemployed. He, therefore, goes to the middleman and offers to do the work for 2s. a day. Then the other man is thrown out of work and must go in for 1s. 6d. a day—or starve.

And so we see that competition amongst the workers reduces the workers' wages, and either increases the middleman's profits or lowers the price of potatoes.

It would pay the workers better to combine. Then they might force the middleman to pay one of them 5s. a day, which they could share. By this means they would each have 2s. 6d. a day, whereas competition between them would result in one of them working for 1s. 6d. a day and the other getting nothing. This is the idea of the trade unionist.

Consider next the effect of competition amongst the middlemen. There are two farmers growing potatoes. Each farmer wishes to get all the trade. Both know that the public will always buy the cheapest article. One farmer

drops his price. This *compels* the other to drop his price, for if he did not he would lose all his trade. And when he drops his price the first drops his still lower, and so on, until neither farmer is making any profit. And *then* they compel their men to work for less wages.

And so we see that competition amongst middlemen reduces profits, reduces wages, and cheapens potatoes.

This, of course, applies to all trades, and not only to the potato trade.

Now, your friends the capitalist members of Parliament, and *their* friends the stupid and dishonest men who farm the newspaper Press, will tell you that wages are regulated by the law of supply and demand, and that it is to the interest of the worker that the prices of all things should be low.

Both these statements are lies.

Wages in this country are not regulated by the law of supply and demand. They are regulated by competition, and it is not to the interest of the workers that commodities should be cheap.

We will now deal with this law of supply and demand.

Many people have got muddled over this law of supply and demand. Their confusion is caused by a failure to understand the difference between natural and artificial cheapness.

Suppose we have a community of two men. One of them grows wheat, the other catches fish, and they exchange their produce.

If the fisherman has a bad catch and gets less fish than usual, then he cannot give so much fish for so much wheat as he is wont to do. That is to say, fish is naturally *dear*. If the farmer has a bad harvest then wheat is naturally dear. If the fisherman has a great haul of fish, then he can give, perhaps, ten times as many fishes as usual for a loaf of bread. Fish is naturally "cheap." That is to say, it is justly cheap, because a greater quantity than usual has been got with no more labour than usual, and the *just* basis of exchange value consists in the amount of labour embodied in the things exchanged.\*

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\* Coal is dearer than water because there is more labour involved in getting it, and because it is not so easy to take from place to place. When we buy coal we do not pay for the *coal*, but for the *labour* used in getting the coal and bringing it to our cellars.

But now suppose we have a community of three men. One is a farmer, and claims the land as his. Another is a fisherman who owns the only boat. The third is a labourer, who owns nothing but his strength. He cannot grow wheat, for the farmer will not let him use the land, nor catch fish, for the fisherman will not lend him his boat.

He goes then to the farmer as a labourer, for wages; and the farmer gives him, as wages, just as much wheat as will keep him alive.

The result of this arrangement is that as there are now two men working on the land there will be twice as much wheat.

The farmer now gets two shares of wheat, but as he only pays the labourer half a share, and keeps a share and a half for himself, he can give more wheat to the fisherman for his fish. That is to say that wheat is now unjustly cheap. It is cheap not because of the bounty of nature, but because the labourer has been swindled out of his rights.

Something of the same kind would happen in a community consisting of one farmer and two fishermen. The two fishermen would want wheat, and would undersell each other. So fish would become cheap to the farmer, not because of the law of supply and demand, but because of competition. That is to say, because of the disorganisation of industry.

One of the most flagrant instances of blundering on this subject was the speech of Mr. Thomas Burt, M.P., when he told the Durham miners they were wrong to strike, because "they might as well try to resist the force of gravity as try to keep up wages in a falling market." Mr. Burt does not seem to have thought of such a thing as preventing the market from falling. For there must be a demand for coal. Coal is a necessary article, and the consumption is rising yearly. The public want coal. They must have coal. Turn back now to what I said about the exchange of corn for spades. The same rule applies to the purchase of coal. The public will pay for coal up to the limit of its value to them—if they cannot get it at a lower price.

It was not, therefore, a decrease in the demand for coal

which caused the falling market. What was it? It was *competition*.

A few months before the Durham strike one of the Durham firms took a contract for 280,000 tons of coal at 2s. 6d. a ton below the Yorkshire prices.

I said then that the Durham coal owners would try to reduce wages, and so they did.

Their excuse was a "falling market." The market *was* falling. But it was falling because they, in their greedy desire to steal the Yorkshire trade, had lowered their prices.

Take the case of the Cheshire salt trade. There was a falling market there. Salt went a begging. The salt manufacturers made no profits; the men got low wages. Why? Because one firm kept undercutting another. And I suppose Mr. Burt would have said that it would be as easy to resist the force of gravity as to keep up the price of salt in a falling market.

But when the salt syndicate was formed the market rose. Why? Because all the salt was in the hands of one firm, and there was no competition. So the price of salt went up, and remained up until private firms were formed outside the syndicate and competition began. Then, of course, the price came down.

The history of the Standard Oil Trust in America shows the same thing.

If all the coal mines in England belonged to one man, we should hear nothing about falling markets. Coal would rise in price.

Put the mines into the hands of two men, and the prices would come down because one owner would undersell the other.

The present code of commercial ethics is, in my opinion, opposed entirely to reason and justice. Nearly all our practical economists of to-day put the consumer first, and the producer last. This is wrong. There can be no just or sane system which does not first consider the producer and then wisely and equitably regulate the distribution of the things produced.

And here is an exposition of the reason and justice of my position. The community is worked by the division of



labour. That division of labour ought to be equal and fair. If a collier or a tram-guard is overworked or underpaid, he is being unjustly dealt with by the community whom he serves. Take an illustration. Reduce the complex community to a simple one.

There are one hundred families in a small state. Ten are wood-cutters, ten hunters, ten shoemakers, ten tailors, ten fishermen, and so on. Suppose the wood-cutter works fifteen hours a day, and only receives half as much food and clothing in return as is received by the rest of the community who work ten hours a day. That means that fuel is cheap to ninety families, but that all other things are dear to ten families. It means that ten families are suffering for the advantage of ninety families. It means that the public of that state sweat and swindle the wood-cutters.

In short, wood is unfairly *cheap*.

Take the case of a tram-guard working, say, sixteen hours a day for £1 a week. That man is being robbed of all the pleasure of his life. His wife and children are being deprived of necessary food and comfort. Now there ought to be two guards working eight hours at £2 a week. If the tram company makes big dividends the increased cost should come out of those dividends. If the dividend will not pay it, the fares should be raised. If the public cannot afford to pay bigger fares they ought to walk. At present supposing the dividends to be low, the public are riding at the expense of the tram-guard's wife and children.

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