

COMPETITION—TRUE AND FALSE

From an Address by W. R. Lester to the City Business Club, Glasgow, April 22nd, 1920)

After showing by biological illustration that Competition is no arbitrary invention of man, but an inherent necessity throughout all life, without which progress to a higher type is not possible. Mr. Lester said it might come as a surprise to them were he to say that competition is not now, and never has been, allowed to work freely in any business community. In industrial arrangements we have no experience of competition allowed to take its course. Look where we may and we will find it distorted by legalised monopoly or special privilege, and this parody of the competitive system is almost universally accepted as the genuine article. The competitive system as designed by nature is enjoyment of equal opportunity and reward according to usefulness. It is nature's machinery for making benefits received precisely proportionate to services rendered. Under these conditions the most efficient producer must of necessity emerge, and every man get his due. But this true and beneficent competition is to-day perverted into channels which lead to very different results. Equality of opportunity the counties of nature being denied, reward is not proportional to service rendered. In absence of "a fair field and no favour" the competitive machine in countless ways operates so that many who render no service to industry receive much, while others whose services are great receive small benefit.

In absence of this "fair field and no favour" competition works its way in conditions that are little better than a jungle fight, the aim of each competitor is to put down his business rival where he cannot make a deal with him.

For, working as we now do on a basis of monopoly, with the sources of production owned (and often withheld) by a section of the population, while the rest is landless, free competition is utterly suppressed, work is made scarce by the withholding of land and the fear of going under is always present.

These are the results which accrue when the rendering of service does not imply the return of service, and they obtain wherever monopolistic conditions give rise to privileged classes protected from the levelling action of true competition.

But in the name of common sense, do not let us attribute these evils to the action of "unlicensed competition" when they are in reality due to interferences with competition.

Natural competition being service *from* others on condition that service of equivalent value is rendered *by* others, is it not clear that it is identical with co-operation despite the very generally assumed conflict between these things in the minds of some reformers? Regarded in this light it is at once seen that what divides society into groups of clashing interests is not competition—for that unifies—but the powers of privilege possessed by favoured classes which enable their members to command services from others without the rendering of equivalent service.

This is not grasped by those who attribute present-day evils to "unbridled competition." Their reasoning seems to be: "industry is now carried on under the competitive system: grave evils result: therefore let us replace competition by State control." The reasoning may be sound enough, but the major premise is false. For the competitive system is not now permitted to operate freely. We do all we can to prevent its operation by denying equal chance for all. Having divided our society into landowners and landless—those who control nature's bounties and those who exist only on sufferance—how can competition be said to exist?

This is monopoly in its most vicious form, and it is the parent of countless lesser monopolies. We actually invite the withholding of land from use by exempting owners of withheld land from taxation—no matter what its value—and when work is thus made scarce, both employing and employed classes seek to shelter themselves from the resulting unnatural struggle for markets and for employment, by hiding behind tariff walls or forming themselves into Trusts, Rings, Combines and Trade Unions, thus erecting a whole series of further obstructions to the free play of competitive industry.

Grant power to some to exact from their fellows payment for access to the earth, and competition with all its benefits ceases to exist.

But to rail at the failure of competition to secure to each member of the community his due reward, when that failure is due to *interference* with competition, is pure childishness. Still more childish is it to prescribe as a remedy still further interferences with competition as do our Tariff Reformers and State Socialists. The true remedy is to retrace our steps where we have gone astray. Abolish the dam of State interference with men's equal rights and let competition perform its appointed function. Competition restored to its normal condition will then distribute the fruits of industry to the door of everyone who takes part in it in proportion to the services he renders. It will then raise the reward of each to the highest point which the existing skill, knowledge and industry of mankind makes possible.

SOME PRODUCE AND OTHERS ENJOY

Address by Colonel Josiah C. Wedgwood, M.P.

The Wimbledon Labour Party have organised and held a series of weekly meetings in the Elite Picture Palace, Wimbledon, which have been attended by crowded audiences averaging 2,000 each night. Mr. Andrew Maclaren had addressed three of these meetings. On the 25th, Colonel Josiah C. Wedgwood was the speaker, who took as his subject: "Is Labour Fit to Govern?" Col. Wedgwood said that the people had been governed by robbers long enough, and now they were going to have the people who had been robbed governing in the future. The present system was unjust, and it was no use trying to make it a little more comfortable; it only annoyed people. The prime injustice was that the workers produced the wealth of the world and other people enjoyed it. Therefore politics ought to aim at putting an end to that injustice, and not making the injustice a little bit more tolerable. The worker did not get the full reward of his labour at the present time. They must find out what prevents him getting the full reward. There was always in operation the iron law of wages; that was an economic law, not an Act of Parliament. As long as there were two men after one job those men had no alternative except to get that job or starve. As long as that was the condition they would undercut wages, and wages everywhere in spite of trade unions would tend to sink to subsistence level. That law was in operation to-day. All round the labour market there were a mass of half-employed or unemployed men and women all anxious for jobs, all cutting the throats of the men and women who were at work. It was the presence of the unemployed that deprived those who were employed not only of their full reward of their labour, but also of the freedom to bargain.

Col. Wedgwood described how at Ermelo when he was Resident Magistrate, men were allowed to go and work on the surrounding crown lands. They were