

CHAPTER VI.

Competition.

Now, Doctor, I come to a moot point between you and me, a vexatious one, and you must be patient. I don't ask so much that you give an attentive ear to what I may say, for you are always attentive, but that you reflect upon its relation to the two social service laws we have considered.

You know the two laws I mean: the law that men naturally "go for" easy money, that is that they naturally seek to gratify their desires in what seems to them to be the easiest way; and the law that the direction of general demand for social service determines the direction in which the supply of individual services will tend. Another thing. I must ask you to remember in connection with those laws, that every person who renders service by producing what others desire and swapping it for what he desires, virtually produces for himself what he so obtains.

And now, when I say "competition," you needn't interrupt with your "tooth and claw" argument. That simile from the jungle is no doubt very apt as an illustration of some of the manifestations of competition in pathological conditions—"jug-handled competition," as I like to call it; but it doesn't apply to competition in normal conditions. Quite the reverse, my dear Doctor, quite the reverse.

In normal conditions, competition and co-operation are convertible terms. Abolish competition?

It couldn't be done without abrogating the social service laws we have just been considering. If they are laws, you can't abrogate them, as nobody knows better than yourself; and if they are essentially beneficent, as I think they are, then normal competition must be beneficent, as I believe it to be. Even if we could abolish competition, to do so would be, as Professor Ross says, with no less truth than wit, "like pouring out the baby with the bath."

You realize clearly enough, don't you, that any scheme for organizing the production and distribution of wealth—that is, for the systematic adjustment and distribution of social service—which did not conform to those two laws we have talked about, would be a hopeless botch? Well, that is what is involved in every scheme for abolishing competition. What we need, Doctor, is not a scheme to abolish competition, but one to rid ourselves of its pathological conditions. In your studies of the "white plague," you don't look forward to abolishing the lungs, do you? Isn't it to relieve them of something abnormal? And doesn't that illustration, even if it is crude, suggest to you my attitude toward competition?

As I look at the matter, it is the automatic processes of competition, and those alone, that can determine for the social service market what on the one hand is the normal demand for service, and how on the other it can be the most easily supplied. Most easily for everybody concerned, I mean, and not for privileged persons. For let me remind you again that when I say "competition" I do not mean "jug-handled competition," which so often seems to be your conception, and which really does make these great industrial disparities that you and I both abhor. What I do mean is competition, or emulation, on

the basis of equal opportunities and a square deal all around.

Impossible? Well, if a square deal under competition in the social service market is impossible, I am for knocking out whatever governmental adjustments there may be that make it impossible. I shan't assail competition itself, which is as natural as breathing, so long as there are unnatural legalities to account for industrial disparities. I shall at least look for a rift in the lute before I condemn music.

Competition seems to me to be the only guarantee of a square deal that we have in this world of selfish impulses. It is to social service somewhat as gravitation is to physics—Nature's device for maintaining an equilibrium. Individual services flow in the direction of the easiest opportunities for satisfying desire, as persistently as water flows down hill. That fact is both the cause and the necessity for competition. There is no other test of fair dealing. Everybody has to measure labor energy by its irksomeness to himself.

Whenever any kind of social service product sells for more money than will hire men to make other products like it, individual services tend toward the making of products of that kind, which tends to bring down their price by the special over-supply. You see that, don't you? Well, let's analyze it.

The fact that a product sells for more money than before, shows that the demand for service of that kind is in excess of the supply. Competition has spoken from one direction. Under one of our two social service laws, therefore, individual services tend toward bringing demand and supply in that respect to an equilibrium. Competition has now spoken from another direction. And so matters oscillate until the increased sup-

ply of that kind of service equals the demand for it, which is indicated by a decline in the price of such products to the old level. Competition has then had its last word, so far as that particular disturbance of values is concerned. But it continues to operate as potential competition—that is, as a social force which must be taken into account regarding any possible variation in demand and supply. Producers and consumers—who in normal conditions are the same persons, you remember—are then restored to an equality in the interchange of services; and so long as the pressure of competition remains the same on all sides, this equality cannot be disturbed.

Reflect upon it, Doctor, and you will see that competition is the equilibrating force of the social service market. Why, I would as soon think of regulating physical equilibrium by some legislative substitute for natural forces, as to regulate or abolish competition by legislation.

You won't see any of this very clearly, of course, if you think of what you call "laborers" as responding to demands for service, and of a leisure class as making the demands. But it will be clear enough if you include in your idea of service all classes of laborers—from boss to apprentice, from statesman to errand boy—co-operating to serve one another. You must reject altogether the notion of a leisure class; for which, indeed, as you must already realize, there is no normal place in the social service market. Its existence is one of the marked symptoms of social disease. A leisure class that lives in luxury on the fat of the land is socially worse than one that begs.

Oh, certainly, any reversal of the experience in supply and demand with which I have just illustrated would be due to the same two laws

that we have been overhauling and examining. That is to say, just as competition would cause greater production in response to higher prices so it would cause less production in response to lower prices. If, for example, a product begins to sell for less than the money necessary to get service in reproducing products of that kind, competition begins to draw individual services away from the production of that kind of product until from scarcity its price has risen sufficiently to restore the equilibrium of service for service. Don't imagine, however, that in normal conditions there would be any appreciable interval of slack employment. Human desires are so greedy that if they are oversupplied in any direction they soon catch up unless some extraneous force interferes, and so varied that if they decline or become stationary in any direction they increase in other directions. The demands of men for the services of their fellow men are as insatiable as their demands for air.

I am assuming, of course, that the alterations in price I have mentioned are not due to any fluctuations in the value of money. Bear in mind that when it is money that falls or rises in value, all products tend to rise or fall in value accordingly. The equilibrium is not disturbed except as to debts. But I am considering cases in which only one or some products or forms of service rise or fall.

But now, Doctor, remembering that money is only a medium for swapping, and not after all the thing we really want, isn't it plain that the whole matter which I have been considering, comes down to the question of human irksomeness? You think it comes down to the question of value? Aye, but isn't value due to irksomeness? Divest human nature of its proneness to

become weary with work, and no such thing as value could arise, could it?

I reckon you recall our talk about value, but what you say now shows the necessity for considering it a little further. We got only to the point that value results from desire for scarce objects. But we didn't consider that scarcity may be modified; and you doubtless see now the necessity for further consideration. For anything that modifies scarcity, as related to desirability, must modify value. Isn't that obvious? Suppose, then, that we analyze value a little more minutely.

Take any labor product you please: bread, cake, cigars, coffee, umbrellas, whiskey, poisons, houses, hymn books, locomotives, domesticated dogs, trained horses, machinery—anything that can have no existence beyond the form and place of natural raw material, except as it gets it from human exertion, from human art; take anything, in brief, that may properly be called artificial, either as to place, or as to shape, or as to both. How could that product possibly have value if nobody desired it? Of course it couldn't. We have already satisfied ourselves of that, haven't we? No object is valuable unless it is desired in exchange for another desired object or a wearisome service. Here, for example, is this half-decayed acorn that I pick up in our path—but no, this acorn is not a labor product, and we are talking about labor products now. Ah, here is a dilapidated willow whistle that I made last Summer for my grandson. He has got tired of it and chucked it into my overcoat pocket. Now who would give any thing desirable in exchange for that voiceless whistle? Probably nobody. Upon that supposition, then, it has no value. So we may put in a pin right there—the same pin that we used when we talked of value

before. No labor product is valuable unless it is desirable.

But then there is the supplementary consideration. No matter how desirable a labor product may be, it wouldn't be valuable, you know, unless it was scarce. Very good, but what is it that makes labor products scarce? Well, for one thing I guess we can safely say that the natural limitations upon human productiveness have something to do with it; for they wouldn't exist at all without human productiveness, which would be absolute scarcity. Now for relative scarcity, which is the practical thing.

Since desire for labor products appears to be without limitations, and human power to produce them is very decidedly limited, there is of course a resultant condition of scarcity relatively to desire. This condition is continuous, and would alone give value to labor products. If we can never catch up to demand for labor products, we can never eliminate value; and whoever owns a desired product will always be able to swap it for some other desired product, or for some measure of social service yet to be performed.

But that isn't all, Doctor. Even if productive power could possibly be so far extended as to overtake desire for products, nevertheless there would be scarcity if the necessary degree of work were irksome. And wouldn't it be irksome? Well, "I should smile," as the boys used to say. No matter how delightful any work may be, it does make us tired if we keep at it and does become irksome if we have to keep at it, doesn't it? Consequently he who possesses a desired product of labor, can swap it for other desired products of labor whenever the owner of each prefers the other to his own.

And what is more to the point, since it is con-

tinuous labor that keeps the world a-going—what is much more to the point, he can swap his product for services yet to be performed. Any one will weary himself to render a service for what he desires, if what he desires cannot be duplicated without weariness.

How much, then, will he weary himself? how much service will he render? As much as, on the whole, men would rather do, its irksomeness considered, than go without the object of their desire. Doesn't that seem sensible? In other words, the exchange equilibrium which is known as "value" in the social service market, is brought about by an adjustment of desire to irksomeness. And this is essentially the same thing—don't you see?—as an adjustment of demand to supply.

It is this adjustment of demand and supply that regulates the scarcity of desirable labor products, and consequently their value. For convenience we express it in terms of money. And that is what is meant, Doctor, when we say that "labor is the measure of value," or that "labor determines value," or that "value is the labor cost of production." It is the reason, also, that the values of products fall with labor-saving invention. Invention tends to decrease irksomeness in production. That is, it enables us to get a greater supply with less effort. And decrease of irksomeness, making for plenty, lessens the scarcity of supply relatively to demand, and thereby lessens value.

Values of land? Yes, you are right; "land value" is due to the same principle as "labor value." No matter how desirable any spot on earth may be, it has no value unless spots known to be of that desirability are scarce—that is, scarce where they are desirable, for you can't move land, you know. Here you have again, don't you see, the conjunction of desirability and

scarcity in order to make value? But there is this difference. Scarcity of land cannot be modified by human labor. Something analogous does indeed happen when land previously so inaccessible as to be undesirable, comes to be accessible and desirable. But land is not a product of labor. It cannot be made to order, as labor products can be. It is a gift of nature.

Abstruse? Yes, you always speak of this as abstruse, and perhaps I don't explain it very well. But you will find it clearly enough as well as briefly stated in that copy of Henry George's "Perplexed Philosopher" which you have in your pocket. Allow me to read a few sentences instead of risking a botch by trying again to make the explanation myself.

Here at page 38 George says that value with regard to the greater number of valuable things, "is simply an expression of the labor required for the production of such a thing"—of such a thing, Doctor; not of those identical things, but of "such a thing," of things like them,—which means that the value that those things have depends in the last analysis upon the degree of weariness the co-operators in the social-service market will endure rather than do without them. That is what I have been trying to explain. Well, to get back to the book, George then goes on— I shall omit some passages, for they are not necessary for our present purpose, and you can read them at your leisure. He then goes on to say at page 39:

But there are some things as to which this is not so clear. Land is not produced by labor; yet land, irrespective of any improvements that labor has made on it, often has value. And so value frequently attaches to the forms of the economic term "land" that we commonly speak of as natural products, such as trees in their natural state, ore in the vein, stone or marble in the quarry, or sand or gravel in the bed

Yet a little examination will show that such facts are but exemplifications of the general principle, just as the rise of a balloon and the fall of a stone both exemplify the universal law of gravitation.

To illustrate: Let us suppose a man accidentally to stumble on a diamond. Without the expenditure of labor, for his effort has been merely that of stooping down to pick it up, an action in itself a gratification of curiosity, he has here a great value. But what causes this value? Clearly it springs from the fact that, as a rule, to get such a diamond will require much expenditure of labor. If any one could pick up diamonds as easily as in this case, diamonds would have no value. . . . In the naturally wooded section of the United States trees had at first not merely no value, but were deemed an incumbrance, to get rid of which the settler had to incur the labor of felling and burning. Then lumber had no value except the cost of working it up after it had been felled, for the work of felling had for object the getting rid of the tree. But soon, as clearing proceeded, the desire to get rid of trees so far slackened, as compared with the desire to get lumber, that trees were felled simply for the purpose of getting lumber. Then the value of lumber increased, for the labor of felling trees had to be added to it; but trees themselves had as yet no value. As clearing still proceeded and the demand for lumber grew with growing population, it became necessary to go farther and farther for trees. Then transportation began to be a perceptible element in the labor of getting lumber, and trees that had been left standing began to have a value, since by using them the labor of transportation would be saved. And as the requirement for lumber has compelled the lumbermen to go farther and farther, the value of the trees remaining has increased. But this value is not inherent in the trees: it is a value having its basis in labor, and representing a saving in labor that must otherwise be incurred. The reason that the tree at such a place has a value, is that obtaining it there secures the same result as would the labor of transporting a similar amount of lumber from the greater distance to which resort must be made to satisfy the demand for lumber.

Turn back a page, Doctor, and you will see

that George has qualified this last statement by saying: "Or, to speak exactly, to get the last amount of such lumber that the existing demand requires." Now let me read on a little farther:

And so with the value which attaches to ore or sand or gravel. Such value is always relative to the labor required to obtain such things from points of greater distance or of less abundant deposits, to which in the existing demand resort is necessary. We thus see the cause and nature of land values, or, to use the economic term, of rent. No matter how fertile it may be, no matter what other desirable quality it may have, land has no value until, whether by reason of quality or location, the relation between it and the most advantageous land to which labor may have free access gives to its use an advantage equivalent to the saving of labor. . . . Thus the phenomena of value are at bottom illustrations of one principle. The value of everything produced by labor, from a pound of chalk or a paper of pins to the elaborate structure and appurtenances of a first-class ocean steamer, is resolvable on analysis into an equivalent of the labor required to reproduce such a thing in form and place; while the value of things not produced by labor, but nevertheless susceptible of ownership, is in the same way resolvable into an equivalent of the labor which the ownership of such a thing enables the owner to obtain or save.

There's your book, Doctor. Read what I have omitted and what follows, and the idea will grow upon you.

If you care for other illustrations, recall the story of the Dakotas. When you and I were boys, Dakota lands weren't worth much of anything. That was because nobody desired them. But those same lands now have a value—a great value. Their possession gives a very great advantage to labor over lands that are no more desirable than Dakota lands were in our boyhood. They are consequently much desired and scarce, and the advantage expresses itself in terms of money as land value.

Moreover,—and here is the point I wish you to

concentrate upon in connection with our subject, which is competition, you know,—moreover, the scarcity of these lands cannot be modified by labor as the scarcity of labor products can be. As scarcity of desirable products attracts labor to their reproduction, it lessens their scarcity and therefore their value; but as desirable land attracts labor to its utilization, its scarcity increases, and therefore its value. This is what is meant by the difference between those two loose terms, "labor values" and "land values."

Now, if you notice, Doctor, you will see that land values shade off from hundreds of thousands and even millions of dollars an acre in our New Yorks and Chicagos, to almost zero in remote farming districts. Why? Evidently because the dear land is for some reason very desirable and very scarce, whereas the rest is progressively less desirable and less scarce. And if you notice further you will find that it is where service is most specialized and consequently most productive that land is scarcest relatively to its desirability, and therefore most valuable. Don't you see now that while labor holds the value of products in check, it increases the value of land?

What is the reason? Shouldn't you say that it has to do with our old friend Mr. Irksomeness? Seems to me so. If I have a machine that will enable you to produce what you want with less irksomeness than without it, you will serve me in exchange for that machine, or will give me some of your products in using the machine, and consequently the machine will have a value. How much value? A value in proportion to its capability of saving the work necessary to produce a machine like it. Isn't that true? Well, the same thing is true of land, just as George explains in his book. If I have a building lot in a location that will enable you to satisfy your

desires with less weariness than a lot in another place, you will give more service for the one than for the other. Both the lot and the machine have value because their possession will in some degree save weariness in satisfying our wants, and more or less value according to the degree of that saving.

But, Doctor, note the vital difference to which I have alluded—the difference between the value of the machine and the value of the land, notwithstanding that the value of each is determined by the labor its possession will save. Machines can be reproduced practically without limit through interchanges of service, but land cannot. Consequently—and mark me now—if there were no obstructive legal regulations no one who owns a machine could get more service for it, either directly or indirectly, whether by sale, by rental, or by deductions from the products of the workers who use it, than it costs in social service to make one like it.

In other words, in the absence of obstructive legal regulations, owners of machines could get no more service of others than they give of their own service, though their absolute ownership of the machines be fully recognized. But not so with the owners of land. If their absolute ownership be fully recognized, and there be no obstructive legal regulations, those that own land will get more service than they give.

Don't you see the reason? Why, the land is both desirable and scarce. No, no, Doctor, not physically scarce; you can neither decrease nor increase the area of land, and in fact there is plenty of land in the physical sense. What I mean is, scarce in the market—difficult to buy because owners are loth to sell. Nevertheless, there are physical considerations. It is the fixed amount of land naturally that makes the market

scarcity when demand sets in. Ah, yes, that old notion about the "indestructible powers of the soil" which Professor Rutley used to talk to us about—yes, yes, quite natural that it should heave up in your memory. But that isn't what I mean by fixed amount of land. Though the powers of the soil are truly enough indestructible, this doesn't make the differential values of land—not to any important extent, at any rate. Location is the main thing—not natural fertility, but location. Well, any how, the point here is that land tends to rise in value so as to give land owners more service than they render, whereas machines do not tend to rise in value so as to give machine owners more service than they render. The reason is that men cannot make more land, but they can make more machines.

The value of land rises in direct opposition to the value of services. As land tends upward, services tend downward—as a proportion always, and as an absolute quantity often. He who owns desirable land of a given degree of scarcity finds it so valuable that he can get service from others without giving service of his own—either past or present or future service of his own,—just as old Sampson wants to do, and expects to do, and will do with that vacant lot of his over yonder.

But with machines, if they become more desirable, they do not become more scarce and therefore more valuable unless their multiplication is arbitrarily restricted, which is pathological. On the contrary, if the social service market is free, as it must be to be healthy, machines become more and more plentiful as they become more and more desirable, and consequently they become more and more cheap. As their increasing desirability tends to increase their market value, social service, drawn in expanding volume to their production by improved and improving

methods of co-operation, not only holds their rising value in check but turns it downward.

Why, think, man, of the strides that have been made in a few years in automobile manufacture, for instance. If it were not for patents, you could get automobiles much cheaper than ten years ago. If it were not for various forms of taxation that obstruct the manufacture, sale and operation of automobiles, you could get and use them still cheaper. Even as it is, in spite of all obstructions, automobiles can be had now for less than they could be had for ten years ago; not as good ones by present standards, may be, but as good, I guess, as by the standards of ten years ago, and probably better.

Don't you see now, how radical the difference is between absolute property in machines and absolute property in land? Don't you see how competition tends to reduce the value of machines, to the enrichment of everybody; and how it tends to increase the value of land, to the enrichment of—well, of land owners as things are under monopoly of land, but of everybody as things would be under equitable adjustments of rights to land. And doesn't this show you what the natural function of competition is?

In normal conditions, competition maintains the equilibrium of service between machine producers and machine users; but monopoly, the antithesis of competition, disturbs this equilibrium. Competition tends to diminish scarcity with reference to desirability; it tends to make plenty for all. But monopoly tends to diminish plenty with reference to desire; it tends to perpetuate scarcity for all but the privileged.

The doctrine of "all the traffic will bear" is after all a true expression of the force that governs the social service market. This doctrine has a bad name? Yes, truly; but that is because

it has always been applied to pathological symptoms. Railroad companies get authority from government to set up a carrying monopoly, and then charge "all the traffic will bear." In such a case "all the traffic will bear" means all that the social service market will pay rather than go without the carrying service. It is a monopoly price, based upon a monopoly privilege. But if there were no monopoly privilege, would "all the traffic will bear" mean all that the social service market will pay rather than go without? Nary, Doctor, nary! It would mean all that the social service market would pay rather than turn to and reproduce that particular kind of service,—which is a very different thing, I can tell you.

Under monopoly, the limit of what a social servitor can get, is what other social servitors will give *rather than go without* such service as his; under competition, the limit of what a social servitor can get, is what other social servitors will give *rather than turn more social service energy into his field of service*. A vast difference, Doctor, a vast difference.

When sellers of services demand the most they think they can get, and buyers offer the least they think sellers will take, it makes a tremendous difference whether the sellers monopolize that kind of service or have to compete. If they monopolize it, they will get more than equal service; if they have to compete, they can't get more. The rule of "all the traffic will bear" is only a slang expression of the law that men seek to gratify their desires with the least exertion. If this law operates in monopolistic conditions, it will tend to produce pathological symptoms; but if it operates in competitive conditions, it will tend to produce and maintain social health.

In competitive conditions, as in monopolistic, the seller of services may desire the most service

of the kind he wants in exchange for the least of the kind he offers, and the buyer may incline to offer the least of what the other wants in exchange for what the other offers; but in competitive conditions, other buyers and other sellers compete, and this produces and maintains an equilibrium of value at the point of equality of exertion.

To put the same thing in another way. Everyone who pays his way in this world is both a buyer and a seller of services—a seller of his own services, and a buyer of the services of others. As buyer, each seeks the most; as seller, each would offer the least. This is natural, Doctor, according to a law of human nature which can no more be abrogated than any other phase of the law of self-preservation. In emergencies some men will act contrary to all such laws, and so we have martyrs. But to act in contravention of those laws in ordinary conditions is to disturb the social equilibrium. If some of us were to offer the most in exchange for the least, we should become victims to those who insisted upon giving the least in exchange for the most. The thing would be unworkable unless all of us were angelic enough to offer most for least. And this isn't heaven, Doctor, as you have found out on more than one occasion, and I too. Maybe we have both done our share toward keeping it unheavenly; maybe we have, maybe we have. At any rate, if nothing more could be said for competition than that it is "God's law of co-operation for a selfish world," that alone would be enough.

If competition were untrammelled, it would produce an equilibrium of values in buying and selling at the point of equality of serviceableness. Isn't that fair? Yet we hear objections to competition—and you yourself have made some of them—as if it were something morally wrong

and economically unbalancing. For instance, there is Vida Scudder's "Social Ideals in English Letters," one of the most genuine and delightful books I have ever read—even that book turns aside to take an occasional "fall" out of competition. Come into the house and sit down a few minutes while I get it and read you a passage. Here you are, and here's the book. Let me read you this paragraph: "The competitive system, dimly felt by some people to be at the basis of the evil"—the evil against which "the love of man and freedom" would hurl its weapons, mind you, Doctor,—"was as irresponsible as it was mighty. From one point of view, moreover, it was a very safeguard of personal liberty. 'Laissez faire,' in economic phenomena, corresponded accurately, if rather grimly, to Emerson's poetic theories of the right of every man to shape the universe according to his powers. Unrestricted competition seemed not only sternly just, according to the ideas current, but inevitable as a law of nature. Society, possessed by fresh and often crude perceptions of evolutionary principles, felt helpless before it; for it did but carry out impersonally, inexorably, the struggle for existence and the survival of the fittest. Even to-day many people feel that it is either sentimental, criminal, or at best hopeless, to seek to disturb by conscious effort the action of so-called natural law in civilization."

Of the competitive system that criticism might be rightly made, I suppose. But what is loosely called the "competitive system" is not competitive. It is honeycombed with privileges and all manner of institutional, arbitrary, and legalized unfairness. And it always has been, historically speaking. The competitive system is to competition much as a ship covered with barnacles is to a ship with a clean hull. It is a system of competition

between the privileged and the unprivileged. In so far as it is competition at all, it is jug-handled competition. The legally strong though industrially useless, enter into "free" contracts with the legally weak but industrially useful!

Do away with such a system? Of course. But you can't do away with it by "conscious effort" to disturb "the action of so-called natural law in civilization." It is just such efforts that make the most fertile soil for monopolies. To do away with the competitive system is a very different thing from doing away with unrestricted competition.

Doesn't unrestricted competition mean to let everybody alone? That depends upon what you mean by letting alone. It does not mean to let everybody or anybody alone to *interfere* with production, with rendering service, with industry. Such interferences, whether by government or by highwaymen, are precisely what ought to be stopped in the interest of unrestricted competition. Unrestricted competition does mean that everybody should be let alone in production, in trade, in service, in usefulness to his fellows, in making the world better and richer, and in securing a fair distribution of service among those who render service.

Truly enough, "laissez faire" is the word—"let alone," that is the watchword of competition. But it isn't all of it. As the old democratic economists of France put it—those preceptors of Adam Smith—it was "laissez faire, laissez aller." Now, how would you translate that, Doctor? Don't you think that George's free translation of "a fair field and no favor" will do? Or we might make it "a square deal and no odds," or best of all, maybe, "equal rights and no privileges."

There is no competition in the policy of "let alone," unless you abolish privileges. But with

equal rights and no privileges, can you imagine anything fairer or squarer or juster in industry, in trade, in social service, than the policy of "let alone"? This doesn't mean a "struggle for existence and survival of the fittest" in the sense of survival of the strong at the expense of the weak, nor even of survival of the more productive at the expense of the less productive. It means fair distribution in proportion to production. It means that he who renders the most and the best service in his specialty shall get the most and the best service from other specializers, while those who render the least and the poorest shall nevertheless get the equivalent of what they do render. And it leaves the decision to those who in equal freedom make the deal for the service.

Competition is the natural regulator of the law of the line of least resistance. Without such regulation that law might stimulate the strongest—not the strongest in rendering service, but the strongest in extorting service—to get service without giving an equivalent service of his own. There is your savage "tooth and claw" condition, Doctor. But under free competition this would be impossible, for free competition restrains the individual desires of each by the opposition of the individual desires of others. In other words, competition tends to produce an equilibrium of the self-serving impulse at the most useful level of social service.

It is a word of confusing connotations, this word "competition," as are all living words; and it may not be the best word for conveying my idea. But I can't manufacture words, Doctor. All I can do is to make unto myself a definition, and always to use my word in that sense; and all I can ask you to do is to adopt my definitions when you try to understand my discourse.

Though competition may not be quite synony-

mous with natural co-operation, it is closely related to it, and in such a manner as to justify me, I think, in characterizing it as the life principle of natural co-operation.

Monopoly, on the other hand, whether its purpose be malevolent or benevolent, is the death principle of natural co-operation.

So it seems to me that you will grasp the significance of competition best by contrasting it with monopoly.

To sum it all up, there are only two ways of regulating co-operative service, that social service which springs from individual desires for self-service. One way is by monopoly; the other is by free competition. Monopoly is pathological, and socially destructive; competition is natural, and socially creative.