NATIONAL SECULAR SOCIETY

Thomas Illingworth

DISTRIBUTION REFORM.

DISTRIBUTION REFORM.

The Remedy for Industrial Depression, and for the removal of many Social Evils.

BY

THOMAS ILLINGWORTH.

"They helped every one his neighbour; and every one said to his brother, 'Be of good courage.' So the carpenter encouraged the goldsmith, and he that smootheth with the hammer him that smiteth the anvil."

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" Charge them that are rich in this present world that they be not high-minded, nor have their hope set on the uncertainty of riches, but on God, who giveth us richly all things to enjoy ; that they do good, that they be rich in good works, that they be ready to distribute, willing to communicate, laying up in store for themselves a good foundation against the time to come, that they may lay hold on the life which is life indeed."

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PRELIMINARY REMARKS.

In the autumn of 1884 my attention was arrested by the announcement of "The Industrial Remuneration Conference Committee," and the proposed holding of a conference for the discussion of the following question :—

"*Is the present system or manner whereby the products of Industry are distributed as between various classes and persons of the community satisfactory?—or, if not, are there any means by which that system could be improved?*"

The Committee was composed of the President and other representatives of the Statistical Society, members of the Political Economy Club, representatives of Trades Unions and the Co-operative movement, capitalists, and well-known friends of social and industrial reform—a sufficient evidence of the importance of the question and its many-sided aspects and influences.

The question is one which for some time had engaged my thought and consideration, for in the everyday experiences of a commercial life I saw many inequalities and injustices in distribution. The greater the consideration I have given to the subject, the more I have become convinced that it is in the injustices existing in the distribution of the products of industry we find the greatest of all the causes of our social evils—evils so serious and so much fraught with disaster, all classes of society now admit they must be remedied.

It was at one time my intention to prepare a paper for

reading and discussion at the Conference which was held in January, this year. I had some correspondence and an interview with my friend Mr. Cunningham, of Trinity College, Cambridge, the hon. secretary to the Committee, but eventually I withdrew. I, however, wrote a pamphlet entitled "Unregulated Competition and Distribution," and also a shorter paper entitled, "Distribution Reform; the remedy for Industrial Depression," each of which had their origin in a humble desire to forward the discussion and consideration of the problem stated by the Conference Committee above referred to.

The pamphlet and shorter paper were printed and distributed for private circulation only; by one means or another out of the small number circulated, copies found their way into the hands of eminent political economists, leading statesmen, and leaders of many movements for social reform, and practical business men. I was somewhat surprised at the almost unanimous expressions of approval that reached me, and have been much gratified with the friendly associations that have sprung up therefrom with men whom it is a pleasure and an intellectual profit to know.

The present work is a larger and more elaborate treatment of the subject than was attempted in the pamphlet and paper referred to. It is to the kindly encouragement of Sir Thomas Farrer, Bart., Mr. Thorold Rogers, M.P., the Right Hon. G. J. Goschen, M.P., the Right Hon. W. E. Forster, M.P., the Marquis of Ripon, Mr. Thomas Hughes, Q.C., Mr. Lloyd Jones, and the General Secretary of the Central Co-operative Board, Mr. Vansittart Neale, and many others I might name, but more especially to Professor Bonamy Price, Professor of Political Economy in the University of Oxford, the present work has been written.

Although I make mention of these names, I by no means wish to imply that any of them will act as sponsors for everything contained in these pages; doubtless there will be some things that one or another will disagree with. I merely refer to them as an evidence that the subject and the treatment of it are worthy of serious consideration.

In the estimation of Professor Bonamy Price "This question is one which really rivals, in interest and importance, Free Trade." Many sound economists and practical men of business share this opinion. I am quite sure that when the subject has been fully discussed and ventilated there will be a consensus of opinion that, without a reform in distribution, free trade, so called, will be only half a blessing.

It is a noteworthy fact that the most ardent advocates of the free trade policy have also been the most devoted adherents of the doctrine of individual liberty and freedom; it is also noteworthy that, contemporary with the adoption and continued adherence to the policy of partially free imports, which we call Free Trade, labour has more and more been concentrated in large establishments, under the rule of an ever-growing and accumulating capital.

Free trade was necessary for the collective good of the community, individual, and class interests, said its advocates, must not stand in the way of reforms in our fiscal policy, which would benefit the people collectively. In this they had a powerful argument. But benefits which have come of the free trade policy, and the concentration of labour under the factory system, have not been distributed for the collective good, so much as they have been monopolised for individual aggrandizement and wealth. The most serious charge that can be brought against the free trade policy is that it has brought about greater extremes of wealth and poverty than previously

existed. Forty years ago the advocates of free trade pointed to protective customs duties as the cause of the dearness of commodities, and consequent bad trade and wretched condition of the people; to-day the lowness of prices, the cheapness of commodities, are pointed to as the cause of the present and long continued depression. The opposites of causes cannot bring about like results. So gross an anomaly as the one I refer to could not have existed if free trade had been accompanied by just and economic distribution.

Another serious charge that must be made against the ardent advocates of Free Trade is, that they justify or seek to explain the extremes of wealth and poverty, on an erroneous conception of the function and teaching of political economy and the true meaning of individual liberty. True political economy knows no such brutal law as the fittest surviving, of buying in the cheapest and selling in the dearest market. Political economy cannot be separated from sociology; it is but the application of common sense in the making of laws and in the organization of industrial and social institutions, which will minister to the collective good of a community. Political economy teaches of the laws which govern the production and distribution of wealth; long practice and the use of common sense have made us proficient in producing wealth, but we are sadly remiss in the art of its distribution. Social science teaches of the laws and social organisms which conduce to the happiness of the greatest number. The science, if science it may be called, which deals with the production and distribution of wealth, is therefore inseparable from the social science which treats of collective happiness and well being. Individual freedom is the most precious of all liberty, but individual freedom is most assured when collective liberty, prosperity and well being, prevail; individual freedom in the

obtaining of wealth becomes tyranny when it refuses a like freedom to others, and when it is unjust in distributing the proceeds of industry to capital, intellect, and labour, in proportion to the relative amount each of these factors has contributed to wealth creation.

Distribution Reform will be the corollary of the Free Trade Movement; the latter without the former will remain imperfect and incomplete. Distribution Reform must be of a two-fold nature, it must deal with the distribution of the products of industry in productive enterprise, and, therefore, with the relationship and association of capital and labour as well as with the distribution of goods, the necessaries of life, food and clothing.

The work has been written in the leisure hours of a business life, a life which, under present day customs of speed and competition, is not calculated to leave much time nor inclination for philosophical or scientific study. A great want of the times is that the masters and students of economic and social science should have a more practical knowledge of every day business life and organizations, and that practical business men should know more of the laws which govern the creation and distribution of wealth, and true social science. The active contact of the two—the theoretical with the practical—would be of incalculable good.

The subject is outside the domain of party politics, it is social rather than political; I have not attempted a scholarly or scientific treatment of it, but have written as a business man to business men, using every day phraseology and illustrations. In so doing I trust I have made what otherwise might be considered dry economic questions interesting to all. The subject is the Alpha and Omega of practical life, whether we look upon life from the mere worldly point of view of buying and selling

and getting gain, or upon life as a great trust with high and noble aims and serious responsibilities and duties; this subject of distribution sooner or later forces itself on our attention, the prosperity and happiness of a people is to be measured by the extent to which the community has conformed to the infallible truths of equity and justice of which it teaches.

If what I have written should in any way be the means of arousing a more earnest interest and inquiry into the important subject of which I treat I shall be amply rewarded.

THOMAS ILLINGWORTH.

Ashburnham Grove,
Bradford,
September, 1885.

DISTRIBUTION REFORM.

CHAPTER I.

Introductory—The true Social Science—The Social Problem—Extremes of Wealth and Poverty—Mr. Samuel Morley, M.P., an Alarmist as to the Future of England—The great Want of the Day, some Mode of Bridging over the Gulf between Rich and Poor—Lord Thurlow on re-Peopling the empty Villages of England—Mr. Gladstone on the intoxicating Increase of Wealth and the Extreme of Poverty—The late Professor Fawcett, M.P., on Pauperism—Pauperism in Manchester—Karl Marx, the German Socialist, points to Wealthy England for an Example of the Miserable Condition of the Labouring Classes, and bases his Statements on the Official Reports of Drs. Smith, Simon, and Hunter—Dr. Westcott on the Causes of Suicides—The Report of the Royal Commission on the Housing of the Working Classes a Revelation of a Condition of Things full of Disgrace and Danger to the Country—The Bishop of Manchester on the Decadence of Practical Christianity in England—A Greater Knowledge of Physical Science and the Use of Machinery has vastly increased the Production of Wealth—We have retrograded in the Art and Economy of its Distribution.

To arrive at a correct estimation of the constitution of a patient, the physician seeks to know something of his family history, of what build and temperament his parents were, the number of his brothers and sisters, the nature of the diseases with which they may have been afflicted, the length of days of his grandparents, of his father and mother. The student of social and industrial problems, ere he can rightly understand them, and properly estimate their force, must learn something of history, primitive, mediæval, and modern, "for the roots of the present lie deep in the past, and nothing in the past is dead to the man who would learn how the present comes to be what it is." More than this, he must be a bold man, indeed, who can approach the subject without a feeling of reverence, of awe and

wonder, and of faith; reverence for the Almighty power that laid the foundations of the earth, awe and wonder at God's mighty works, and faith and confidence in God's promises.

In these latter days the discoveries in various sciences have been truly marvellous, but science has not yet discovered the origin of life, nor unravelled the mystery of what is this breath of life. Social history throughout all the ages is but the record of how man has fulfilled, or failed to fulfil, the Divine laws. In the Mosaic account of the creation, we are told that "God created man in his own image, in the image of God created he him; male and female created he them. And God blessed them, and God said unto them, be fruitful, and multiply, and *replenish the earth and subdue it;* and have dominion over the fish of the sea, and over the fowl of the air, and over every living thing that moveth on the earth. And God said, Behold, I have given you every herb bearing seed, which is upon the face of all the earth, and every tree, in which is the fruit of a tree yielding seed; to you it shall be meat."

Scientific research, discovery and invention, sometimes called the triumph of mind over matter, are only the fulfilment of this Divine command to subdue the earth; as the psalmist puts it, "Thou madest him (man) to have dominion over the works of thy hands, thou hast put all things under his feet." Aristotle, the pagan philosopher, says, "It is evident then that we may conclude that plants are created for the sake of animals, and all other animals for the sake of man; the tame for our use and provision, the wild, at least the greater part, for our provision also, or for some other advantage—as in order to furnish us with clothes, and the like purposes. Since, therefore, nature makes nothing either imperfect or in vain, it necessarily follows that she has made all these things for the sake of man." *

The true social science is the right conception and understanding of the laws and just ways of making this dominion over God's creation, over nature, minister to man's true happi-

* Politics, Book i., chap. viii. Bohn's Library.

ness. We cannot have dominion without laws; laws to be true and just, must be truth themselves, injustice cannot be made to square with truth, as this domination and subjugation of the earth is to be wrought out by man, it can alone be perfectly wrought out on lines of perfect truth, justice, and morality; therefore, the true social science to be perfect must be a science founded on morality and duty.

It is a law of nature that man must work before he can eat, but it is also a law of nature that all animals immediately on their first birth have the power of providing themselves with food; man is no exception to this law, the moment the babe has a separate existence, that moment nature supplies its craving and its little strugglings for food. The bountifulness of nature yields to man's labour, ten, twenty, thirty, sixty, ay, even a hundredfold, it is thus also a law of nature that whilst man must work, his work will bring him enough and to spare; time for rest, and time for the cultivation of his higher nature, his mind and reason, the faculties which make him higher than the brute, and but a little lower than the angels.*

The social and industrial problems now so pressing for a solution can only be solved by the natural and moral law. What are these problems?

Side by side with an accumulation of wealth, such as the world has never before witnessed, in this wealthy England we have the greatest misery and want. One in thirty-five of our population are paupers supported by the State; at least three in thirty-five scarcely know how to-morrow's meal is to be provided. They are living hand to mouth, many debarred from their natural right, the right to work for their daily bread. A country's real prosperity and happiness is not to be estimated by its accumulated wealth nor by the aggregation of its capital. No doubt the condition of the people of this country

* Messrs. Carter have for three or four years been making experiments in the direct fertilisation of wheat and other corn. They mention that one of their new hybrid wheats has produced no less than sixty developed ears from one grain. These average fifty grains per ear; so that the one plant gives a total of 3,000 grains—*i. e.*, three-thousandfold.

is no worse than it was before the repeal of the corn laws, doubtless it is better. The question is, have we made the best use of our opportunities, is the condition of the masses as good, are the means to happiness as great, is the burden as light, as our high privileges afford. It is poor consolation to one when ill, to be told that his suffering is not so great as those who have been like afflicted. Thirst is not quenched, hunger is not satisfied, nor is the downcast heart made glad, the thinly-clad form made warm, the cheerless home made bright, by such miserable comfort.

If we were to set about a comparison, we should not choose the first half of this century as a fitting one wherewith to compare the present with the past condition of the people, rather would we take the early feudal system of the middle ages, with its patriarchic interests, when the bond of common ties drew class closer to class, and competition, as now pursued, did not depress labour unduly, and leave it to starve when lack of employment came. In the middle ages, with all that seems dark, no man willing to work was without enough for his wants, and to spare.

That there is something radically wrong in our social condition is an admission made on all sides, by the rich as well as the poor, the middle class man as well as the labouring operative. Mr. Samuel Morley, M.P., in a speech reported in the *Daily News*, March 13th, 1885, said he had arrived at impressions in connection with the Commission on the Housing of the Poor, that we had dangerous days before us, unless, as Christian people, we manifested more practical sympathy with those less favoured than ourselves. He did not believe that one person in fifty knew what was really meant by the expression "over-crowding" in the homes of the poor. If we could follow it out into its actual effects, there would be a stirring of conscience amongst us as to the comparatively little we were doing to remedy this state of things. There was a state of depression which entirely warranted Judge Talfourd's recommendation, namely, that the great want of the day was some

mode of bridging over the gulf between the rich and poor. Those who had means of their own were bound to share them to a reasonable extent with those who had none. He had become an alarmist, and looked with dread at the future of England if there was not more constant effort. The report of the Royal Commission would bring out the details of circumstances that must urge those who had influence to do far more than formerly in trying to remedy the present state of things." At the Industrial Remuneration Conference, held in January, 1885, Sir Thomas Brassey stated that a more equitable distribution of wealth must be made.

Evidence that evils exist and must be removed is to be found in the numerous societies and associations being established to ameliorate the condition of various classes of the community. We are having founded "small farm and labourers' land associations," industrial dwellings companies, needlework registry associations for improving the condition and increasing the remuneration of needlewomen, societies for promoting industrial villages, to relieve the congested districts of the metropolis and large towns, labour associations for giving to the labourer a greater share of the proceeds of his labour and industry, co-operative stores, now fully established, having stood the test of experiment, for giving to the consumer a share in the profits which previously went absolutely to the dealer, and for purveying unadulterated articles of food. In nearly all trades is there not an artizan or labourers' protection society, and also the masters' associations, marking the two armies ever at war over the spoils of man's labour and the capitalist's profit? Listen to the remarks of Lord Thurlow, the chairman of the Small Farm and Labourers' Land Association, in a speech reported in the *Standard*, July 1st, 1885. "Why should they not endeavour," said his lordship, "to re-people the empty villages of England, to spread contentment through the land, and to see the villages of England occupied by the hardy peasantry and yeomen of one hundred years ago. There could be no more valuable institution for any country to possess

than a contented peasantry, and there could be no greater danger for the country to have, as had happened and was happening in England, a starving peasantry swept into the large towns, unable to find bread to support their wives and families. These were the conditions that were most suitable for forming a hotbed fit for the propagation of communistic and revolutionary doctrines."

These are very recent utterances. They only confirm the statements as to the sadness and wrongs of our social life made forty years ago. In a speech made in 1843 Mr. Gladstone said: "It is one of the most melancholy characteristics of the social condition of this country that a decrease in the power of consumption among the people and an increase of privations and misery among the labouring classes should go hand-in-hand with a constant accumulation of wealth in the higher classes of society and with the constant growth of capital."

In a speech twenty years later, when presenting the budget in 1863, Mr. Gladstone said: "The fact is astonishing and scarcely credible of this intoxicating increase of wealth and power confined entirely to the possessing classes. But it must be of indirect advantage to the labouring population in cheapening the ordinary articles of consumption . . . That the extremes, however, of poverty have been modified I dare not say." After speaking of the masses on the brink of pauperism, he concluded by saying, regarding the labouring classes generally, "that human life in seven cases out of ten is a mere struggle for existence." The late Professor Fawcett, M.P., wrote as follows in 1869: "The rapid increase of pauperism is a subject which at the present time has assumed an overwhelming importance. Parliament, the press, and the country urgently demand that steps should be taken to check its further development."

In 1869, in England and Wales, £7,673,100 were expended in actual relief of the poor; in 1883 the amount had increased to £8,353,292. I may be told that the number of paupers in receipt of relief is less now than it was in 1869, but here we

have the largely increased expenditure. The number of paupers actually receiving relief is no true indication of the amount of misery and wretchedness existing. Thousands on the verge of starvation would rather die than pauperise themselves. The vigilance of relieving officers also greatly reduces the numbers of "official paupers." Many of the poor, rather than go into the "house," drag on a weary existence, hoping against hope for better days.

The number of hospitals increased from 346 in 1871, to 691 in 1881. In the great increase of such institutions we have, no doubt, a cause of the small decrease in the number of paupers. The poor will go into a hospital or charitable institution willingly, but into the workhouse only when the last resource is exhausted, and the last hope has been dispelled.

Notwithstanding the fall in prices of recent years, viewing the condition of the masses as a whole, Professor Fawcett's reasoning of fifteen years ago holds good to-day. "The rich," he then said, "are becoming rapidly wealthier, whereas no increase can be discerned in the comforts of the labouring classes. The means of livelihood are getting dearer, and the working people become almost the slaves of those petty tradesmen whose debtors they are."

Mr. A. MacDougall, the chairman of the General Purposes Committee of the Manchester Board of Guardians, has recently read a paper on the causes of pauperism in Manchester, which is full of very interesting information. One point he brings out very clearly is that pauperism is hereditary to a greatly less extent than people generally suppose. He says: "The total number of persons granted relief during the half-year" (that is, the second half of 1884) "was 6,145, and the number supposed to be hereditary paupers was 91, or 1·48 per cent. of the entire township. Of course it was not possible that the relieving officers would be able to select all the persons of this class who came before them; but it would be leaving a sufficient margin to assume that not more than 2 per cent. of the pauperism of the township can be traced to hereditary

taint." He goes on to observe that the deaths among children under sixteen years in the workhouse and in families in receipt of out-relief are not found to largely exceed the average death-rate of children; and he finally affirms, "I find that there is most positive evidence that there is a continual progress towards self-support going on amongst a large proportion; many now in the ranks of artisans and tradesmen having lifted themselves from poverty-stricken and most unpromising conditions." On the subject of the proportion of paupers to population Mr. MacDougall has also collected much valuable information. During the past year there were altogether 13,676 persons in receipt of relief for longer or shorter periods; in the same year the population of the township may be taken at 148,769; so that 9.78 is the per-centage of the pauper class. The former numbers, he adds, do not include vagrants relieved at the casual wards, except those who obtained orders from the relieving officers for admission to the workhouse. The total number of deaths in the workhouse, and also of persons in receipt of out-relief during the second half of last year, was 393, and the total number of deaths of persons of all classes in the township as registered during the half-year, and also at Crumpsall Workhouse, not registered in the township as it is situated outside the boundary, was 2,297. Thus, out of 2,297 deaths, 393 were those of paupers; showing that one death in every 5·84 was that of a pauper. Here we have the fact established that, while among the living the proportion of the pauper class to the population is one in every 9·78, amongst the dying it is one in every 5·84. This great difference in the proportions during life and at death points to the conclusion that a large number of the inhabitants have no resources for support and medical treatment during serious illness. Of the 359 deaths in the workhouse, as many as 137 persons died within one month after admission, or considerably more than a third; and 51 died in the second month after admission.

Karl Marx, the German socialist, points to England,

wealthy England, as an example of the miserable condition of the labouring classes, and contrasts their misery with the wealth of which this country boasts. He refers to the official reports presented to the Privy Council in 1862 and 1863 by Drs. Smith, Simon, and Hunter, and draws attention to the astounding facts published in those reports. The amount of nourishment, examined chemically and statistically arranged, as consumed by agricultural and industrial labourers appeared to be an absolute minimum, just sufficient to prevent "starvation diseases." Dr. Hunter, in his memorable report on the domiciliary condition of the agricultural labourer, says: "The means of existence of the hind are fixed at the very lowest possible scale. What he gets in wages and domicile is not at all commensurate with the profit produced by his work. His means of subsistence are always treated as a fixed quantity. As for any further reduction of his income, he may say, 'Nihil habeo nihil curo.' He is not afraid of the future; he has reached zero, a point from which dates the farmer's calculation. Come what may, he takes no interest in either fortune or misfortune." Both in quantity and quality, the report says, the feeding and housing are becoming worse progressively every year.*

Dr. Westcott has made a special study of suicides in this country and on the continent; in a work recently published he makes clear the truth that whilst in England crime is steadily decreasing, suicide is steadily on the increase—of the 2,000 suicides in England in 1881, Dr. Westcott is of opinion that if a calculation could be made of the proximate causes, the most common cause would be found to be misery, despair of success in life.

The report of the Royal Commission on the Housing of the Working Classes, since published, fully confirms the alarmist observations of Mr. Samuel Morley, which I have already

* For a fuller treatment of this matter, see Dr. Schäffle's work, "Kapitalismus und Socialismus," or the English work founded thereon, by the Rev. M. Kaufman, entitled "Socialism," published by Henry S. King & Co.

quoted. A memorandum to the report made by Mr. Jesse Collings, M.P., signed and agreed by Cardinal Manning, the Bishop of Bedford, Lord Carrington, Mr. Samuel Morley, M.P., and Mr. Henry Broadhurst, M.P., contains the following paragraph :—"The state of things revealed by the evidence is so startling, so full of disgrace and danger to the country, that it should not in any case continue. The majority of the class on whom the wealth and prosperity of the country and the safety of its institutions mainly depend are living under conditions which must be regarded by all thoughtful readers of the evidence to be both shocking and intolerable."

A perusal of the report of the Royal Commissioners, together with the minutes of evidence, will be found most entertaining, to those who have a heart to feel for the lot of suffering humanity, or patriotism which lifts them to a love of country, and a care for its good name, the perusal will stir them to thought and action ; to those who live the lives of luxury and ease, whose knowledge of life is derived from the reading of three-volume novels, who feed on the sensationalism these contain, will here find many things more strange and sensational than any fiction. Be it remembered, startling and so full of disgrace as the evidence given before this Commission may be, trenchant and bold as the report and recommendations of the Commissioners may appear, the Commission is composed of gentlemen representing all shades of opinion, and various classes of society. Side by side sit the Heir Apparent to the Throne and the working-man Member of Parliament, Mr. Henry Broadhurst, the Marquis of Salisbury and Mr. Jesse Collings, Mr. Goschen and Sir Richard Cross, Cardinal Manning and Sir Charles Dilke—the general report bears their signatures, together with those of the other Commissioners.

The Bishop of Manchester, in a sermon preached in St. Margaret's Church, Westminster, June 28th, 1885, said, "Have any of you seriously considered how little of Christianity remains in England. I am not speaking of it as fashioning individual lives, in which there is still much that is noble, self-

sacrificing, Christ-like, but as a pervading and governing social power, characterising and shaping the life and thought of the age. Read what comes forth daily from a teeming press ; read the contemporary literature you find on any drawing-room table, or in any club-house library ; does this press, does this literature, proclaim the supremacy of Christian motive and Christian principle, or does it not rather indicate that both are merely respectable ancient traditions, which it is not convenient and perhaps not quite decent as yet openly to ridicule and put aside, but which no one dreams of regarding either as an incentive or as a restraint. I am no prophet, or the son of a prophet, but methinks I see plainly enough ahead the perils that threaten society ; I am not thinking of the fashionable portion of it to which many of you belong, but I am thinking of the whole social structure in which we live and move."

Not long ago in London I chanced to be passing a room where a meeting of working men was being held to discuss the cause of and remedy for the distress prevalent in the East End. The remedies were more fully treated than the causes. One speaker was a free trader, another a state socialist, another was for religion as the cure. One man, whose earnestness was most impressive, with tears rolling down his cheeks, described his efforts to do what he could to alleviate the suffering of the dock labourers, and the miserable condition of the people who mostly lived by doing sewing work and such like labour. The man was no idle vagabond, he was a well-to-do artizan. After dwelling on the scenes of wretchedness with which he was familiar, he said he had no hope of a remedy except the remedy of force. The wrongs of the East End could only be put right by a forcible attack on the wealth of the West End. Such luxury and wantonness on the one side and the deplorable misery and wretchedness on the other were contrary to nature and to God. He, for one, was ready to take up arms to redress the grievance. Whilst one could but admire the man's earnestness and sympathy for those whose cause he was pleading, one could not but regret the extremes to which his feeling carried him. The

speaker was not alone in sharing the sentiments he gave utterance to, others speedily endorsed them. What a condition things have come to, what a powerful confirmation there is in this incident to the alarm of Mr. Samuel Morley and others, which I have just quoted.

Here, then, we have ample proof, if proof were needed, that our social fabric is unsound. The columns of the daily press, the literature of our magazines and reviews, are day by day, week by week, and month after month affording further illustration of the sad truth. You can read it on men's faces as, with downcast eye and anxious expression, they go about their daily duties. You may hear of it at the street corners, in the workshop, the factory, the warehouse, and the exchange. There is a screw loose somewhere, is the unanimous opinion. In the following pages I shall strive to show not only where the screw is loose, but also endeavour to apply the remedy, and, in the progress of the inquiry, we shall find that whilst we possess unexampled means and aids to the creation of wealth, we have retrograded in the art and economy of its distribution. This century has seen time and distance reduced, if not annihilated, by the application of machinery and greater knowledge of physical science; distant parts of the earth unknown a hundred years ago now supply us with food and Nature's products.

Countries thousands of miles across the seas are nearer to us in the time it takes to go to or come from them than Edinburgh was to London eighty years ago. Commodities for man's use and enjoyment are now brought to us at Nature's prices, which are the prices they can be grown at to cover the trifling cost of the labour expended on their cultivation and the small cost of bringing them here. Goods are now being carried from Bombay to London at considerably less than they are carried from Manchester to London.

With all these advantages, all this vast supply of nature's bounties, we have the misery which we have dwelt upon. Strange it is that with all these riches we have thousands under-fed, under-clothed, wanting employment.

Let me here disarm suspicion in our inquiry into this deplorable condition of society and the treatment of the remedy. State socialism, nor communism, spoliation, nor any injustice will be countenanced or advocated. The redressing of a wrong cannot be effectually performed by the setting up of another kind of grievance. The principles of perfect freedom, of justice, truth, and equity are the foundations upon which we shall proceed. On these alone can social peace and happiness be established.

CHAPTER II.

The three Factors in the Creation of Wealth—Land, Labour, and Capital—Their relative Importance—The Economies made in Production of Wealth by Machinery should have been used for the Collective Good—But whilst Economies have been made in Production, Labour has gradually Declined in relative Power—Until to-day it is little better than the Slave of Capital—A far more important Question than the relative Importance of the Factors in Wealth Creation is the Equitable Distribution of the Wealth when created—The Desire to become Rich and Mistrustfulness of Divine Promises the primary Causes of Injustice—The Fall of the Nations of Antiquity traceable to Injustice and Inequity in the Distribution of the Rewards of Labour and Industry—A Retrospect.

POLITICAL economists tell us that wealth cannot exist without the combination of three factors, viz., land, labour, and capital. As to their relative importance great difference of opinion exists, but a little reasoning, a little analysis will show that their relative force is definable. In the term land, as a factor in wealth production, must be included the whole creation—earth, air, sea, and the heavenly bodies also, for the land without sunshine and rain would be barren and unproductive. These, as we have seen, are Nature's gifts, and under man's dominion.

Consider the timid, quiet and harmless sheep, or the cotton plant, the iron ore, and coal. They have contributed more to the making of England's wealth than all the ingenuity and the labour of the owners of that wealth. Science cannot give the prescription, nor human ingenuity discover the way of making a sheep or a seed of cotton.

Labour is the work of man. Without food man could not live; he works to live. The earth yields food in reward for his labour in varying degree. Sometimes, in most favoured places, the want is supplied by the mere effort of gathering, without the previous labour of tilling and sowing. In most cases, however, tools and implements, tilling, sowing, reaping, and storing must be used and resorted to. These tools and imple-

ments, the seed which is sown, the barn in which the harvest is stored, are capital and stock, and, like all capital, they are the result of past saving, for the tools are the result of past labour, so, too, is the barn, also the seed. They are savings in a concrete form.

The bone harpoon with which the Esquimaux kills the seal, the needles made from the teeth of animals by which the Greenlander sews together the skins with which he is clad, the wooden plough of the African are capital, resulting from saving of past labour. It is therefore evident that in primitive society land and labour, or Nature and man's toil, were the primary factors, capital but a secondary factor in wealth-creation. In the middle ages, even down to the beginning of the industrial revolution, capital was a secondary factor in producing wealth, much material comfort was enjoyed, man laboured nature, and obtained all his necessaries of food and clothing without being wholly dependent on capital. If the farmer wanted a spade or a plough, the village blacksmith wrought the iron by manual labour, and the village carpenter shaped the woodwork. Neither of them depended on capital for their employment. Conjointly they made each other's tools. The main "investment" they had in their business was their strength of arm, and the practical, or, in present day phraseology, the technical knowledge they possessed of their handicraft. Did the farmer want a set of harness for his horse, he called in the village saddler. The harness was made on the spot, the only capital the saddler wanted was sufficient savings to go to the village currier and pay for the leather, or to the village smith for the metal parts.

If the farmer's wife wanted a dress, or yarn for hosiery, she span the home-grown wool on the spinning-wheel, which was made by the village carpenter, and the loom to which the weaver took the warp and weft to weave into cloth was made by the co-operative and manual labour of the weaver, the carpenter, and the blacksmith; the capital required to create that wealth was infinitesimal, and withal the people lived contented lives, were happy and prosperous.

It is only since the days of the steam-engine and mechanical production, and the increased and ever increasing divisions of labour concentrated in vast productive establishments, that capital has obtained an approach to an equality of power with nature and labour in the production of wealth.

That the steam-engine, and the inventions of machinery, and various labour-serving appliances, have made a great economy in the cost of production no one will deny; that capital is an essential to this new method of production, is also a proposition that will readily be assented to. If labour-saving appliances make a great economy, and produce a greater amount of wealth, the saving and increased production accruing should be made to minister to the collective good. But whilst these great economies have been applied, we have seen labour, which is yet an essential to mechanical production, gradually declining in its relative power and independence; and capital, which is the production of nature, labour and machinery, step by step increasing in power, until to-day labour is little better than the slave of capital.

As recently as twenty-five to thirty years ago, the manufac ture of heavy woollen cloth was done by hand-loom weaving. A man working from 6 a.m. to 8 p.m. five days, and from 6 a.m. to 5 p.m. on Saturdays, would weave, on an average, 3 strings a day; a string is 3 yards and 12 inches, that would equal 18 strings a week, or 60 yards of cloth; the average earnings were fifteen shillings per week. To-day the weaving is done in the factory, not by a man throwing the shuttle with his hands, and treading the shafts with his feet, but by girls and women standing by and watching the power-loom. They work 56 hours a week, as against the hand-loom weaver's net working hours, after deducting "meal times," of about 80 hours. The present average wages for these girls and women are twelve shillings a week; they produce about 27 strings of cloth, or about 90 yards, per week. The production is 50 per cent. more, and the wages 20 per cent. less than by the hand-loom. This in itself is no doubt a wonderful economy,

in lighter fabrics the economy is very much greater; a saving to a like extent runs through all the processes. In the carding and spinning the economy is fully as great—who has got the benefit? The weaver certainly is no better; what about the consumer? Here is an interesting item taken from an old newspaper for 1835 :—*

	£	s.	d.
Paid for fine Dress-Coat	1	12	0
,, ,, Waistcoat		9	0
,, ,, Trousers		17	0
	2	18	0

A fine dress-coat in those days was made of the best of cloth; it is only since the days of machinery, spurious fabrics have been produced. For a suit of clothes of fine quality you would to-day have to pay not less than £4 10s. Where then has the economy gone?—it has been swallowed up and wasted in an expensive, costly, and wasteful system of distribution; but of this, and the question of competition, we shall treat more fully hereafter.

A far more important question than the relative importance of each of the three factors—nature, labour, and capital—in the production of wealth, is the relative and equitable distribution of the wealth when created. It is this question of the division of the proceeds of industry which makes the wide gulf between capitalist and labourer; it is the cause of socialism and communism. Until it is dealt with and adjusted our social and industrial institutions cannot stand the test of Christianity or morality; nor can our dealings and relationships, one with another, be mutual and helpful. Considering the tension there is in these relationships, who can deny the truth of Carlyle's taunt when he says, "Our life is not a mutual helpfulness, but rather, cloaked under laws of war, named fair competition, and so forth, it is a mutual hostility."

Whence comes all this hostility, this struggling, man against man?—primarily from a desire to become rich, secondarily

* From Mr. Hutchinson's article in "Nineteenth Century," Oct., 1884.

from a mistrustfulness of nature, and a want of faith in the Divine promises. Man arrogates to himself godlike powers, he is not satisfied to partake of the bounteousness of nature in a spirit of thankfulness and praise, but he must strive to be a lord and master of creation, not a recipient of its goodness ; he must strive to monopolise and make his own what he simply holds in trust, and at best can only partake of to the smallest extent, and ere long must leave what his perverted mind had made the idol he had worshipped, and on whose altar he had sacrificed his earthly happiness. And from this desire to become rich, to monopolise wealth, to become affluent, luxurious, and opulent—at one time it may be the tribal chiefs, another the king or emperor, or at another time the owners of the land, or the employers of labour, or those who grow rich by exchange or usury—one individual or a class, at the sacrifice of their brothers' toil and servitude, steps to power and temporary dominion over man. The way to such a power is the way of cruelty and injustice, it has been the cause of the oppression and misery, the wars and slaughtering, the darkest pages of history reveal to us.

It is a crime of the deepest dye for man to take away the life of his fellow. The spread of Christian teaching and the growth of morality and humanitarianism have made us consider it a crime for man to hold property in the life and servitude of his brother man. The day is not far distant when we shall consider it a most heinous crime for a class or individual to deny or debar, by any restrictive means whatsoever, their fellow-man the full reward of his industry and freedom to labour. If life is sacred, surely the natural right to sustain it can only be one degree less sacred.

The fall of the nations and empires of antiquity is traceable to the injustice and inequity of the distribution of the rewards of labour and industry. It was so with Babylon, Greece, and Rome. With an excess of wealth and luxury in the hands of a few, there was in Rome forced and non-requited servitude of the many. No incentive to reproductive employment

existed. The patrician lived in affluence on the enforced labour of his slaves; the free-born citizen, having no possibility of competing with the products of slave labour, and driven from the soil by the privileged few, was pacified by free grants of corn and often of money, and his passions pandered to by the gladiatorial shows; the slaves were held in subjection by the sword and the most unjust of laws; infanticide, abortion, and forced celibacy, and every check to the growth of population was resorted to; corruption reigned everywhere, until at last the social fabric collapsed.

The French Revolution was brought about because on the unprivileged classes fell the whole of the burdens of local and imperial taxation, and on the nobility all the gains of oppressive privileges which bore heavily on the industry of the country.

The beginning of the strife between capital and labour in England and the first social revolt was the rising of the peasants in 1377 1381, a rising to resist the enforcement of the Statute of Labourers. The black death had carried off probably a third of the population; the "labour market" was disturbed; a scarcity of hands brought about a rise in wages. The scarcity of labour was such the landowners were glad to grant an abandonment of half their rents to refrain the farmers from the abandonment of their farms. For the time cultivation became impossible. "The sheep and cattle strayed through the fields and corn," says a contemporary, "and there were none left who could drive them." Even when the first burst of panic was over, the sudden rise of wages consequent on the enormous diminution in the supply of free labour, though unaccompanied by a corresponding rise in the price of food, rudely disturbed the course of industrial employments. Harvests rotted on the ground and fields were left untilled, not merely from scarcity of hands, but from the strife, which now for the first time revealed itself, between capital and labour.*

The Statute of Labourers enacted that every able-bodied man or woman under three score years of age having no land

*See Green s "A Short History of the English People," pp. 241-242.

of his own to till, nor serving any other, must serve the employer who required him to do so, and at the wages which were accustomed to be taken in the neighbourhood where he is bound to serve, two years before the plague began, upon pain of punishment by imprisonment on refusal to obey. By this statute not only was the price of labour fixed at the price before the plague, and the rise in prices of commodities consequent thereon, but the labourer was once again tied to the soil. He was forbidden to quit the parish where he lived in search of better-paid employment; if he disobeyed he became a fugitive, and was liable to imprisonment at the hands of the justices of the peace. To enforce such a law literally, must have been impossible, for corn had risen to so high a price that a day's labour at the old wages would not have purchased wheat enough for a man's support. The landowners, however, did not flinch from the attempt. Fines and forfeitures which were levied for infractions formed a large source of royal revenue; but so ineffectual were the original penalties, the runaway labourer was at last ordered to be branded with a hot iron on the forehead, while the harbouring of serfs in towns was rigorously put down. The villains and serfs who had previous to the plague held themselves free were, by the ingenuity of the lawyers in cancelling on grounds of informality, manumissions and exemptions which had previously passed without question, brought back to bondage. A fierce spirit of resistance was maintained. The cry of the poor found a terrible utterance in the words of the "mad priest of Kent," John Ball. It was in the preaching of John Ball that England first listened to the knell of feudalism and the declaration of the rights of man. "Good people," cried the preacher, "things will never go well in England so long as goods be not in common, and so long as there be villains and gentlemen. By what right are they whom we call lords greater folk than we? On what grounds have they deserved it? Why do they hold us in serfage? If we all came of the same father and mother, of Adam and Eve, how can they say or prove that they are better

than we, if it be not that they make us gain for them by our toil what they spend in their pride? They are clothed in velvet and warm in their furs and ermines, while we are covered with rags. They have wines and spices and fair bread, and we oatcake and straw and water to drink. They have leisure and fine houses, and we have pain and labour, the rain and the wind in the fields. And yet it is of us and our toil that these men hold their state."

It was the tyranny of property that then, as ever, roused the defiance of socialism. A spirit fatal to the whole spirit of the middle ages breathed in the popular rhyme, which condensed the levelling doctrine of John Ball, "When Adam delved and Eve span, who was then the gentleman."*

Following the Statute of Labourers, we have the Statute of Edward VI., under which a combination of workmen concerning the work or wages is to be followed by a penalty on conviction, of ten pounds or twenty days' imprisonment on bread and water for the first offence, a fine of twenty pounds or the pillory for the second, and a fine of forty pounds, the pillory, the loss of one of his ears, and judicial infamy for the third. This Statute was confirmed by 22-23 Charles II., and was in force till the general repeal of all such prohibitions on combinations of workmen, which took effect under 6 George IV., cap. 129.

In his most valuable work, "Six Centuries of Work and Wages," Mr. Thorold Rogers, M.P., reviewing the condition of the labourer from 1563 to 1824, says, "I have protested before against that complacent optimism which concludes because the health of the upper classes has been greatly improved, because that of the working classes has been bettered, and appliances unknown before have become familiar and cheap, that, therefore, the country in which these improvements have been effected must be considered to have made for all its people regular and continuous progress. I contend that from 1563 to 1824 a conspiracy, concocted by law and carried out by parties

* Green's Short History, p. 243.

interested in its success, was entered into to cheat the English workman of his wages, to tie him to the soil, to deprive him of hope, and to degrade him into irremediable poverty. For more than two centuries and a half the English law and those who administered the law were engaged in grinding the English workman down to the lowest pittance, in stamping out every expression or act which indicated any organised discontent, and in multiplying penalties upon him when he thought of his natural rights."

Since the repeal of the conspiracy and combination laws, and the repeal of the old poor law, the English workman has been free to sell his labour for the best price the circumstances of his lot would allow. But contemporaneously with his freedom, in so far as legislative enactments are concerned, he has been encircled with new difficulties. The industrial revolution has, as we have already observed, made him more dependent on capital for employment. Along with the concentration of labour under the factory system, and its minute division of labour and undoubted increase and cheapness of production, there has grown up a complicated, uneconomic, and destructive system of distribution, a system neither established by law nor founded on common sense nor justice, but the clumsy growth of inexplicable custom, but, nevertheless, a system under which the producer is robbed of his fair share of the proceeds of his industry, and the consumer is extorted.

CHAPTER III.

The Growth of Middlemanism contemporary with the Introduction of Labour-saving Machinery and Concentration of Population—The Economy in Production has been swallowed up by the Waste and Destruction in Distribution and Exchange—The Need of a Moral System of Distribution and Exchange—Examples in Proof thereof—Ralph Waldo Emerson on the False Relations between Men that come of Trade, and the Want of a Higher Standard than Money as a Measure of Exchange—Money gotten in Exchange is not Wealth created; it is simply Wealth collected, and too frequently it is destructive of Wealth—What are Riches, and what Powers of Virtue or Means to Happiness do they possess?—The Sayings thereon of Ancient Philosophers, Old Testament Writers, and Christ—Concentration and Monopoly of Riches defeats its own Ends—Riches, to be a Living Power, must be active—To be active they must be within the Use of Others.

THIS century has witnessed the introduction and use of labour-saving machinery such as are the wonder of the age, but it has also witnessed the growth of "Middlemanism," which is an unnecessary multiplication of the processes of distribution and exchange—the economy of the former has been swallowed up by the waste and destruction of the latter, under the unrelenting law of competition, which, in its application to the circumstances of which I am now speaking, is of a truth prostituted to a wrong end; the producer, the workman, is now, as of old, filched of his rights. Abundant proof of this we shall hereafter adduce.

The remedy, as we shall also show, lies not either in legislative enactment, nor in any way within the province of the politician, but is to be found in a moral system of exchange and distribution.

The yard stick, the pound weight, and the pound sterling, invaluable in their way as measures of quantity, and mediums and standards of exchange, do not fulfil the demands of the moral law. If I were to sell a pint of milk for two-pence, and I gave full measure, it does not follow I have satisfied moral

law. I might have put in some water; although I gave full measure, it does not follow the purchaser has benefited in a moral exchange by giving me the two-pence.

Suppose I were, say a dealer in shoes, buying wholesale and selling retail, and went to a boot and shoe maker and he offered me half-a-dozen pairs of boots and shoes at say fifteen shillings the pair, if I, well knowing he lived solely by the produce of his labour, and that it was expedient he should exchange his boots and shoes for cash, which cash he would, immediately he got it, take to the provision dealer, or the tailor, or the currier, to exchange for the necessaries of life, and the material for future employment, knowing this, if I were to say no, you are anxious to sell, I am in no hurry to buy, as you must sell I shall give you only twelve shillings and sixpence the pair. On buying them at this reduced price, I go home to my store, congratulating myself on a good bargain; ere the week is out I sell them at the current retail value, taking no account of the reduction made by the shoemaker. I distribute one pair to a farmer at twenty shillings, another to a factory worker, another to a schoolmaster, and so on until the six pairs are all sold, at an extra profit of two shillings and sixpence per pair beyond the usual retail rate of profit, and on the six pairs I thus make a gross profit of forty-five shillings. By such a transaction how much have I benefited society?—how much have I increased the world's wealth?—what moral obligation have I discharged to my fellows?—none at all, I have simply made myself a parasite on society, I have depressed the producer, and made him so much less a reproductive consumer to the amount of fifteen shillings, the reduction he made on the six pairs of shoes. I have collected into my hands, or my pocket, forty-five shillings from the six parties to whom I sold the shoes, and curtailed their consumption to a like extent. As, probably, I shall spend in employment, by purchasing commodities for my own consumption, but a mere fractional part of the forty-five shillings profit I had made, I shall add the balance to capital, and by a multiplicity of such transactions, making it my

daily business, I shall probably ere long be moderately wealthy; but where would the wealth have come from?—why evidently out of the depression of the labourer on the one hand, and the needlessly high prices I obtained from the wearer or consumer on the other. Although I possessed the wealth, I should not have increased the world's goods one atom; on the contrary, I should have limited consumption and reduced production.

Or again, suppose I were a merchant, or dealer, and a manufacturer were to come to me and say I have accumulated a stock, and have not sufficient capital, nor credit, to enable me to hold it until a favourable opportunity presents itself for selling, the season has not yet begun for the retail dealer wanting the goods, will you buy?—if, after this plain intimation of the man's position, I were to say, yes, I will look at your samples, and compare their values, and, after comparing them, I were to offer 20 to 30 per cent. less than I well knew I could buy similar value elsewhere; under the strain of the circumstances the offer, despite the great loss, is accepted, the manufacturer is brought a step nearer to ruin, ere long he fails, his creditors are disheartened by their losses, which are made greater by the 20 to 30 per cent. reduction below the market price I had obtained on the transactions passing between us. I may have made a large gain, and done a smart piece of business, and whitewashed my conscience on the altar of competition, and a stupid conception of the law of supply and demand, but what moral obligation should I have fulfilled to my fellows?—how much should I have added to the world's wealth by such a transaction? Not one atom, all I should have done would have been to make it easy for me to make money by a further exchange of the goods, and minimise the possibility of others making their usual gain in competing with me. I should have collected or gathered into my hands the wealth which others had lost, the world would be no richer, the means to happiness no greater; on the contrary, they would be decreased.

Such transactions are of daily occurrence. Their im-

morality and evil consequences are of no less magnitude when done on a large scale by large mercantile firms and by men of position in the commercial and religious worlds.

Ralph Waldo Emerson evidently saw and felt the need of a moral, in addition to a pecuniary or monetary measure of exchange, when, in his lecture on the New England Reformers, he said, "This whole business of trade gives me to pause and think, as it constitutes false relations between men, inasmuch as I am prone to count myself relieved of any responsibility to behave well and nobly to that person whom I pay with money; whereas if I had not that commodity I should be put on my good behaviour in all companies, and man would be a benefactor to man, as being himself his only certificate that he had a right to those aids and services which each asked of the other." *

Money gotten in exchange beyond the payment for services rendered, which services to be legitimate, must be an actual aid to production, and therefore an integral part of production itself, is not wealth created; it is purely and simply wealth collected, and more frequently than otherwise is destructive of wealth and a limitation of happiness to the many.

And what are these riches, after which there is so much struggling and strife? What powers of virtue or means to happiness do they possess? Hear what Plato says: "For nothing born of earth is more honourable than what is in Olympus [the supposed abode of the gods], and he who thinks otherwise of the soul is ignorant that he is careless of this wonderful possession. Nor when a person who desires to possess wealth not honourably, or when possessing does not bear it ill, does he then honour his soul with gifts? He fails of it entirely, for he sells what is honourable and at the same time beautiful in his soul for a little gold, for all the gold on earth and under the earth is of no value against virtue." And again: "It is impossible for persons to be very rich and good, such at least as the many reckon rich. For they reckon rich

* "Essays," by Ralph Waldo Emerson. London: Macmillan & Co., p. 515.

those who amongst a few persons have possessions valued at the greatest quantity of coin, which even a bad man may possess. Now, if such be the case, I will never agree with them that the rich man, if not a good one, can be truly happy, but that it is impossible for the person pre-eminently good to be pre-eminently rich."* Lord Bacon, the great English moralist and philosopher of the seventeenth century, says: "I cannot call riches better than the baggage of virtue. The Roman word is better, 'impedimenta,' for as the baggage is to an army, so is riches to virtue: it cannot be spared or left behind, but it hindereth the march, yea and the care of it sometimes loseth or disturbeth the victory. Of great riches there is no real use, except it be in the distribution: the rest is but conceit."

And what of the teaching of the ancient Biblical writers. Like the teaching of Christ, they warn us against the love of riches. In the book of Ecclesiastes there is a teaching of moral philosophy that is as true of life to-day as when it was written. In the writings of the Old Testament and the teachings of Christ we have a social philosophy applicable to all time, and the political economy that is founded on this moral and social philosophy, not only founded but practised, must lead us to know what the true ends of life are, and how man's happiness and destiny are to be sought out and fulfilled.

Ponder the philosophy of the writer of the book of Ecclesiastes, "Moreover, the profit of the earth is for all, the king himself is served by the field. He that loveth silver shall not be satisfied with silver, nor he that loveth abundance with increase; this is also vanity. When goods increase, they are increased that eat them, and what good is there to the owners thereof, saving the beholding of them with their eyes. The sleep of a labouring man is sweet whether he eat little or much, but the abundance of the rich will not suffer him to sleep. There is a sore evil which I have seen under the sun, namely, riches kept for the owners thereof to their hurt. But those

* Plato, "The Laws," translated by Burges, b. V., c. 1.

riches perish by evil travail, and he begetteth a son, and there is nothing in his hand. As he came forth of his mother's womb, naked shall he return to go as he came, and shall take nothing of his labour which he may carry away in his hand. And this also is a sore evil, that in all points as he came, so shall he go; and what profit hath he that hath laboured for the wind." How many of us believe or, believing, take heed of Christ's warning as to covetousness, when, as an introduction to the parable of the rich man who set up greater barns, he said, "Take heed, and keep yourself from all covetousness, for a man's life consisteth not in the abundance of the things which he possesseth." And then applying the parable, he said unto his disciples, "Therefore I say unto you take no thought for your life, what ye shall eat, neither for the body what ye shall put on. The life is more than meat, and the body is more than raiment. Consider the ravens, for they neither sow nor reap, which neither have storehouse nor barn, and God feedeth them. How much more are ye better than fowls, and which of you with taking thought can add to his stature one cubit? If ye, then, be not able to do that thing which is least, why take ye thought for the rest? Consider the lilies, how they grow. They toil not, they spin not, and yet, I say unto you, Solomon in all his glory was not arrayed like one of these. If then God so clothe the grass, which is to-day in the field, and to-morrow is cast into the oven, how much more will he clothe you, O ye of little faith. And seek not ye what ye shall eat or what ye shall drink, neither be ye of doubtful mind. For all these things do the nations of the world seek after, and your Father knoweth that ye have need of these things." Timothy warns us that "they that will be rich fall into temptation and a snare, and into many foolish and hurtful lusts, which drown men in destruction and perdition. For the love of money is the root of all evil, which while some coveted after they have erred from the faith, and pierced themselves through with many sorrows."

We are often told that in the hands of the English-speaking

people the lamp of Christian truth, liberty, and civilization is now kept burning, its light ere long must spread over the whole earth. We claim to be a Christian people. So jealous are we of any taint of insincerity, the majority of members in the House of Commons will not allow a duly elected member of free-thinking and atheistic profession to join them in legislation. Notwithstanding all these professions, who that lives a life of business activity or of social enjoyment, of philanthropic labour or of priestly profession can say the practice is an approach to the profession. The real god we worship is the god Mammon, the chief priest of this god is competition. It is to him we go for absolution for all our sins. An attribute of this competition is a mythical belief in the law of the fittest surviving. The religion of human nature and the instinct implanted in the human mind and heart, and the religion of Christ, teach us that man is the brother of man. We are bidden to love one another. There can be no love, no brotherly kindness, no humanity, in the brutal law of force and of the fittest surviving.

We pray "Give us this day our daily bread," and our ever constant struggle the moment we enter business, under the justification of the law of competition, is to make it difficult, if not impossible, for our fellow man to earn his daily bread.

No wonder the Bishop of Manchester and Mr. Samuel Morley, and many similar minded men, should be fearful of the wrecking of our whole social structure. The consensus of thought and expression, as regards the too abundant possession of riches, being a hindrance to, rather than an enjoyment of, the greatest happiness, would be remarkable if our own eyes did not witness its truth. What was spoken on this matter by numerous ancient Jewish writers, Pagan philosophers, by Christ and his disciples, by Lord Bacon, and other English writers, is reproduced by modern writers, and is confirmed in our daily lives.

Concentration and monopoly of riches defeats its own ends, it is only in activity and reproductive employment that riches

are a living power; to be reproductive they must be within the use of others, if not reproductive and active they will, in any form whatsoever, wither away and decay. "The profit of the earth is for all; when goods increase, they increase that eat them." Robinson Crusoe, the monarch of all he surveyed, was passing rich, for the whole island was in his dominion; yet he was very poor, for there was no one with whom he could exchange the produce. When by chance Friday was found, the only pleasure he had, beyond satisfying his wants, was to see Friday eat of his riches.

The richest man is he who has sufficient for his wants, enough of labour to make rest sweet, and enough of leisure to enjoy his earthly inheritance. The most pitiable of men is he who has a superabundance of wealth, the littleness of soul that the love and worship of it too often begets, and the constant fear and anxiety in tending and guarding it.

CHAPTER IV.

Wealth ceases to be Wealth when it ceases to be used—The most direct Means of obtaining Wealth is in labouring Nature—With Increasing Knowledge of the Arts of Industry and Peace Man must obtain an Increasing Quantity of Natural Commodities for his Labour—The Labour of Man is like the Fruitfulness of the Earth, the more it receives back of its own the more it reproduces—Examples of this Truth in India, Australia, &c.—The Industrial Revolution, and the Severance of Agricultural from Manufacturing Pursuits—The Foundation of a Scheme of Imperial Federation rests on a moral, not a legislative, Bond—On Kindred Interests and Mutual Helpfulness.

By natural law, wealth must either increase or decay, it ceases to be wealth when it ceases to be used. If one has a house and does not occupy it himself, nor cannot get another to live in it at a rental, the house is useless, and is not wealth. If a man owns a warehouse stored with goods, and cannot find a sale for the goods, his goods and warehouse are not wealth, they are worse than nothing. If I claim the ownership of a tract of country, and cannot induce any one to rent it from me, nor on my own account be able to procure labourers to work it, that tract of land is useless, there is no wealth in it. Wealth can only be made reproductive, and prevented from decay, when it is directly, or indirectly, applied to the labouring of nature, and the reproductive consumption of the necessities of life; and as the productiveness of the earth increases, man's labour, vastly beyond man's power of consumption, with increasing knowledge of the arts of industry and peace, a higher civilization, and a nearer approach to the Christian life of justice and equity, man must of necessity obtain an increasing quantity of natural commodities in exchange for his labour.

We hear great outcries of the disastrous fall in prices, from some quarters we are told this is because of the appreciation in the value of gold, and the depreciation of silver. The

simple truth is that the fall in prices is the natural law enforcing itself; it is too strong and too powerful for the monopoly of man. The fall in prices is the gift of nature, in reward for man's labour. With morality in exchange, and economy in distribution, a fall in prices would be a boon to all men, not even excepting the capitalist, who now regrets it, and fears the consequences.

In our desire to increase wealth, we have increased man's capacity for reproductive labour a hundredfold; nature, as she ever will do, has rewarded the labourer seven times seven. In this enterprise for wealth we have discovered vast continents, by the aid of machinery and labour we have replenished the virgin soil, and obtained ever increasing supplies, until we now begin to cry enough, enough. The constantly increasing supplies are reducing prices, there is over production—let us protect the value of our wealth by limiting production.

With all this increasing supply, what about consumption: we pay the agricultural labourer ten to twelve shillings a week, we sell him back the products of his labour at 100 per cent. profit, and wonder that consumption does not keep pace with production. The Lancashire spinning and weaving operatives produce a fabric at five-pence per yard, it passes through the hands of two or three exchangers, or distributors, for the privilege of buying back for their own consumption, the fabric they had conjointly made at the cost of five-pence per yard; they have to pay the last distributor, the retailer, ten-pence halfpenny per yard. The wages of cotton piecers average the mighty sum of six shillings per week, and weavers about fourteen shillings per week for full work.

The spinners and weavers in the worsted trade manufacture a dress fabric which costs the manufacturer, after the payment of their labour and of all other expenses, 1s. 6d. per yard; the weekly wages of spinners working fifty-six hours per week, average 9s. to 11s; and weavers "minding" two looms, 14s. 6d. The fabric they have produced at a cost of 1s. 6d. per yard, after passing through two or three hands, is retailed to them at 3s. per

yard, just 100 per cent. profit. More than half our population are employed in agriculture and industry, or maintained on the wages earned therein; their productiveness is vast, their wages of the scantiest nature, ever being checked by competition. In supplying their consumptive wants they get no benefit from competition; but by a complicated and insane system of middlemanism they are gammoned and befooled; what they have produced under the severest of competition is re-sold back to them at 100 per cent. profit. They who have contributed most to making the wealth are extorted; the exchangers of their labour and distributors of the wealth become rich out of the profits made in exchange. The production is great, but the consumption of the producers is small.

After complaining of the vast production and scanty consumption at home, we look abroad for new markets. We take an eastern country, say Egypt; we reason amongst ourselves that Egypt has rich natural resources; corn, cotton, and other products grow there profusely in the fertile valley of the Nile. We will get an exchange in sending our manufactured goods for their cotton and corn; but we overlook the fact that the purchasing power of a community is in proportion to the distribution of its wealth, and not in proportion to its accumulation. The lot of the producer in Egypt is worse than the purchasing power of the operative at home, and that is bad enough. Forced labour prevails; yet in that country, where three successive crops may be gathered in one year, the condition of those engaged in agriculture is one of extreme poverty and wretchedness; the sheikh, the pacha, or other grandee, enrich themselves, and live luxurious and debauched lives at the cost of the suffering and misery of the peasant. If his purchasing power was measured by the productiveness of his labour and the bountifulness of nature, the Egyptian peasant would require three times the quantity of European manufactures now exported thither.

In India we have a teeming population of 254,000,000. The amount of British exports thereto in 1883 was £33,382,786,

an average of only 2s. 7d. per head of the population. The population of British Australasia, including Fiji but excluding New Guinea, is about 3,100,000; the amount of British exports thither in 1883 was £26,839,490, averaging about £8 13s. 0d. per head of the population. The amount of imports into Great Britain from British India in 1883 were of the value of £38,882,829, averaging about 3s. per head of its population. The imports here from British Australasia in 1883 were valued at £25,936,201, or about £8 10s. 0d. per head.

The total value of the foreign trade of British India in 1883, in exports and imports of all kinds of merchandise, averaged but 5½ rupees (equal to 9s. 6d. in English money) per head of the population. In 1882 the total value of the exports and imports of the British possessions in Australasia amounted to £108,690,000, an average of £35 per head of population. In 1883 the total value of imports and exports to and from the United Kingdom of Great Britain and Ireland was £732,328,649, or a proportionate average of £20 11s. 3d. per head of population. Here we have three examples from within our own empire. The economic conditions of the three countries may not be exactly parallel; the necessities of the one may be greater than another, or the richness of the soil of one greater than the others, yet they are not so totally different as to explain away the fact that the surplus production of an Australian is seventy times greater than that of a Hindoo, nor that the re-purchasing power of an Australian should be 130 times greater than the Hindoo.

The total imports and exports of the United States of America in 1884 were 1,408,211,302 dollars, equal to about £281,640,000; the estimated population in the same year was 57,000,000, giving an average of about £4 19s. per head.

The inference to be drawn from these facts is a confirmation of the law that the labour of man is like the fruitfulness of the earth: the more it receives back of its own, the more it reproduces in return. Those countries where man's labour is

directly applied to nature, and the distribution of the proceeds is equitably distributed, will be the most prosperous: their reconsumptive capacity will be in the same ratio as their productiveness. Australia is a brilliant example of this truth. Though the productiveness of the soil of a country might with good cultivation be great, if any artificial barriers exist, any obstruction of natural law, and if the wealth produced, such as it is, be inequitably distributed, the reconsumptive powers of the people will be small, their progress fitful and uncertain, their social condition insecure.

It is of the highest importance to British industry that in our colonies and dependencies, whilst encouraging agriculture, husbandry, and every means to the production of wealth, we should at the same time inculcate the importance of its distribution, remembering that the more each individual producer or labourer receives back as his share of his own industry, the more will be the individual, and hence the greater the aggregate, reconsumption. The sure foundation of a scheme of imperial federation rests on a moral and not a legislative bond. Our colonies and India can only be bound to us and we to them by the tie of mutuality of interest. No chain, however strong, can be forged by the statesman that will be half so powerful as kindred interests and mutual helpfulness.

It would seem to be a corollary of the industrial revolution that agricultural must be for ever severed from manufacturing pursuits. The economy of the latter is in concentration of population and vast mechanical establishments, carried on under conditions fatal to agricultural life, and destructive of vegetation. Although, with a reform in the land laws and the encouragement of smaller holdings, we may vastly increase the productiveness of English soil, and thus increase our wealth in the most effectual because the most natural way, the prosperity of our industrial population largely depends on the closeness of the relationship we hold with the Greater England in our colonies and India. Because of the natural advantages

we possess in the industrial arts and manufactures, and because of the immense advantages they possess in agriculture and husbandry, and richness of soil and climate for the production of raw commodities and food stuffs, we are now mutually dependent upon each other. The closer the association and intercourse we have, the higher the morality practised in exchange; the more economic and moral the system of distribution, the greater will be the benefits we can confer on each other and the more lasting the union. We have proof of this in our government of India: under the "Old Company" disaffection was rife, the social condition was uncertain and insecure; the Company ruled India for the benefit of its shareholders, and cared little for the welfare of the natives. Since the direct assumption by the British government of the administrative and governing functions, progress has been marvellous and prosperity and contentment unparalleled. The principle on which that government has been based is that it must be for the benefit and in the interests of the natives first of all, and for the British trader in a secondary degree. The outcome of a policy so just and natural has been the progress and advancement of the natives and an increased productiveness. In this progress the British trader has benefited. The policy of extortion pursued by the old Company was killing the goose that laid the golden egg; the policy of British government has been to stimulate the goose, and encourage it by stimulation to be more productive. All have mutually participated in this increased activity.

The results of such an enlightened policy will be yet more startling. The increased incentives to industry the natives of India are gradually receiving will vastly increase their production of raw commodities. Their importations to Europe will constantly grow in volume. The more equitably the proceeds of this increased productiveness are distributed, the greater will be the quantities of European manufactures they can take back in exchange. Instead of an average of 9s. 6d. per head on imports and exports, we may look forward to the

time when the average may be raised to as many pounds sterling as it is now shillings.*

The infatuated and impolitic attempt of the mother country to levy taxation on the North American colonies, resulting in the revolt and final declaration of independence of the thirteen colonies which afterwards formed the United States, will for ever be a lesson in colonial government and legislation. The policy of extortion failed. The colonists resented an unjust exaction on the proceeds of their toil and enterprise. As it is in imperial legislation, so it is in industrial affairs. The pathway to unity, peace, and progress lies in justice and equity, in giving to the community and the individual the full reward of toil and labour.

* The progress that trade has made in India since the "Old Company" was overthrown and the government taken in hand by the British Government, for the benefit of the people of India, not for a class, will be more forcibly impressed upon the reader by the following statement of imports and exports at five decennial periods :—

IMPORTS.

	1882–3	1872–3	1862–3	1852–3	1842–3
	£	£	£	£	£
Merchandise .	52,090,000	31,870,000	22,630,000	10,070,000	7,600,000
Treasure . .	13,450,000	4,560,000	20,510,000	6,830,000	3,440,000
Total .	65,540,000	36,430,000	43,140,000	16,900,000	11,040,000

EXPORTS.

	1882–3	1872–3	1862–3	1852–3	1842–3
	£	£	£	£	£
Merchandise .	83,480,000	55,250,000	47,860,000	20,460,000	13,550,000
Treasure . .	1,040,000	1,300,000	1,110,000	1,060,000	220,000
Total .	84,520,000	56,550,000	48,970,000	21,520,000	13.770,000

The territories formerly possessed by the East India Company were by the Act of Parliament of 1858 transferred to the British Government. Since then the imports of merchandise have increased five-fold and the exports of merchandise four-fold; this is a grand example of the material and social progress of a people caused by greater equity in distribution.

CHAPTER V.

The Ties which bound together Primitive Communities—The Bond of Kinship and Brotherhood—The Christian and Moral Bond which now binds Men together is the Bond of Humanity—The Analogy, and yet the Contrast, between Primitive and Modern Society—This is the Era of free Competition and Individualism—The Reforms advocated for Remedying the Evils of the modern Era are, however, all more or less founded on the Primitive Idea of the Family Group and Community of Interests—The true Doctrine of Free Trade—The selfish Individualism that prompted the Support of Manufacturers to the Free Trade Movement.

"THE most recent researches into the primitive history of society," says Sir Henry Maine, in his work entitled "Early History of Institutions," "point to the conclusion that the earliest tie which knitted men together in communities was consanguinity or kinship. The subject has been approached of late years from several different sides, and there has been much dispute as to what the primitive blood-relationship implied and how it arose, but there has been general agreement as to the fact I have stated. The caution is, perhaps, needed that we must not form too loose a conception of the kinship which once stood in the place of the multiform influences which are now the cement of human societies. It was regarded as an actual bond of union, and in no respect as a sentimental one. The notion of what, for want of a better phrase, I must call a moral brotherhood in the whole human race has been steadily gaining ground during the whole course of history, and we have now a large abstract term answering to this notion—humanity. The most powerful of the agencies which have brought about this broader and larger view of kinship has undoubtedly been religion."

A German writer has tersely said, "The family is the ground form of human society prepared by nature itself, and necessary to a moral and industrious union."

In the researches and writings of Van Maurer, Nasse, Stubbs, Laveleye, and Sir Henry Maine and others, we have a clear exposition of the structure of primitive society. The collective ownership of the soil by groups of men, either in fact united by blood-relationship or believing or assuming that they were so united, is now admitted to take rank as an ascertained primitive phenomenon, once universally characterising those communities of mankind between whose civilisation and our own there is any distinct connection or analogy. The ancient village community was an association of kinsmen united by the assumption of a common lineage, so organised as to be complete in itself. The end for which it existed was the tillage of the soil, and it contained within itself every element for the attainment of its end without extraneous help from outside.

Sir Henry Maine describes the village community—still found in the eastern world—as a community so organised as to be complete in itself. The brotherhood, besides the cultivating families who form the major part of the group, comprises families hereditarily engaged in the humble arts which furnish the little community with articles of use and comfort.

Within the primitive village community competition was unknown. The measure of price was custom; it was considered unnatural and cruel to drive a bargain with a kinsman. Usury was as baneful and as much spurned as by the law of Moses.

The Scotch clans and Irish tribes were groups founded on the family tie. "As regards guilds," says Sir Henry Maine, "I certainly think that they have been much too confidently attributed to a relatively modern origin, and that many of them, and much which is common to all of them, may be suspected to have grown out of the primitive brotherhoods of co-villagers and kinsmen. The trading guilds which survive in our own country have undergone every sort of transmutation which can disguise their parentage. They have long since relinquished the occupations which gave them a nam . They mostly trace their privileges and constitutions to some

royal charter; and kingly grants, real or fictitious, are the great cause of interruption in English history. Yet anybody who, with a knowledge of primitive law and history, examines the internal mechanism and proceedings of a London Company, will see in many of them plain traces of the ancient brotherhood of kinsmen 'joint in food, worship, and estate.'"

It is a remarkable fact, and a pleasing evidence of their attachment to and faith in the polity of their collective enjoyment of property, that the earliest English emigrants to North America, who belonged principally to the class of yeomanry, organised themselves at first in village communities for purposes of cultivation. When a town was organised, the process was that "the General Court granted a tract of land to a company of persons. The land was first held by the company as property in common."

The modern era is one of free competition and individualism. It is remarkable how the reforms set forth for reforming the evils of the modern era are all more or less founded on the primitive idea of the family group and the bond of kinship and community of interest. It is on this idea of brotherhood and community of interests that the reforms of Robert Owen, in England, and Fourier, in France, were based and advocated; it is on this idea that present-day socialism is founded, and on which existing movements are established. In varying degree it is the chief corner-stone of the co-operative movement in England, a movement which is the outcome of Robert Owen's work, though far from his ideal of co-operative action, as it also falls far short of the aspirations of its promoters and leading advocates. The idea of community of interests is also to be seen in working-men's associations in England and on the Continent, in the Familistère, at Guise, and the Maison Leclaire, at Paris. In the attempts now being made to found industrial villages and small farms' associations, we find the primitive idea of social relationship—namely, community of interest and co-operative action—clearly reflected. In all this we have a living evidence

of the lasting truths of justice, and mutual helpfulness, and interdependence on which primitive society was founded. "Among the Greeks," says Dr. Smith, the Greek historian, "as among every people which has just emerged from barbarism, the family relations are the grand sources of lasting union and devoted attachment. All the members of a family or a clan were connected by the closest ties, and were bound to revenge with their united strength an injury offered to any individual of the race. In the heroic age, as in other early stages of society, we find the stranger treated with generous hospitality: the chief welcomes him to his house, and does not inquire his name, nor the object of his journey, till he has placed before him his best cheer."

The predominant feature of primitive society, standing out clear and bright amid all that is dark and harsh, is that the little groups—the family, the village community, the tribe, or the small state, were within themselves actuated by a spirit of co-operation and thoroughgoing community of interest. They looked upon the land as a common inheritance; they worked and laboured nature to live; they thoroughly grasped the first axiom of economics, that their comfort and happiness, their wealth, consisted in the productiveness of the earth, and that the productiveness of the land was in proportion to the labour they put into it. They were wiser than we in grasping the truth that exchange is not production; on the contrary, it is rather akin to usury. Honest labour was no degradation; the headman, the chief, or the king did not consider it derogatory to acquire skill in manual arts: simplicity of manners was a marked feature of primitive society; "the wives and daughters of the chiefs in like manner did not deem it beneath them to discharge various duties which were afterwards regarded as menial. Not only do we find them constantly employed in weaving, spinning, and embroidery, but, like the daughters of the patriarchs, they fetch water from the well, and assist their slaves in washing garments in the river."

Within the community we find trafficking discountenanced

among themselves. Competition was unknown. It is only in the conflict of one community, or tribe, or petty state against another we see anything approaching a struggle for existence. Every community outside their community was considered a deadly foe, not of so much interest as the dog that followed them or the beasts on whom they fed.

What an analogy, and yet what a contrast, between primitive and modern society! We, like them, proclaim the bond of community of interest and the tie of brotherhood and kinship; unlike them, we own the tie of kinship embraces not only our fellow-countrymen, our state, our fatherland, but, professing the religion of Jesus Christ, we own every man a brother. The Christian religion, like the religion of the Stoic philosophers, teaches us that "Divine Providence has appointed the world to be a common city for men, and each one of us to be a part of the vast social system." But how unlike the spirit of this profession is the practice of modern society, the modern era of free competition! Notwithstanding its professions, is it not an era of social strife and warfare? Not long ago in the House of Commons, in a private conversation, I heard a Member of Parliament say that life was a race for wealth, trade and industry were a struggle for existence, the fittest survived and the weakest went to the wall. It was a law of political economy, and could not be helped. It was a good thing for those who survived, and a bad job for those who had to go under, but it always had been so, and must continue. The gentleman who gave expression to this opinion is a so-called representative of progress and reform; he is an active member of a Christian Church, a disciple of the doctrine of free trade, an upholder of the rights and liberties of the people, a large employer of labour, and, as may be expected, a great capitalist.

This version of the industrial problem is one that is, alas! too generally held. The anomaly one daily, almost hourly, meets with, is the professor of the free-trade dictum and the capitalist monopolist rolled together into one individual. Free trade is a doctrine which is very respectable, very high-

sounding, and therefore very desirable to subscribe to. Monopoly in ownership of land is a national sin and a great social injustice, but concentration and monopoly of capital is a grand achievement. It was a crime against humanity for the land monopolist, the feudal baron, to hold in serfage his brother man the villein; it is a monstrous evil for the modern landlord to exact a high rental from his tenant, and for the tenant farmer to pay his labourer only 10s. to 12s. a week, little more than a pauper's relief; it is a national crime for the said agricultural labourer to be debarred the franchise; but in the eyes of these free traders, these large employers of labour, these capitalist monopolists, it is no sin nor moral wrong to grow rich on paying 4s. a week wages to children who ought to be at school, or 13s. to 15s. a week to adults for fifty-six hours of labour; nor is it in the eyes of their brother capitalists and brother free traders, the wholesale and retail distributors, a crime to re-sell to these miserably-paid labourers their own productions at 100 per cent. profit, nor to depress the wages of the home labourer by the prejudice and favouritism they give to the encouragement of foreign industries.

The doctrines of free trade and the truths of political economy are founded on higher moral and natural laws than these professed saviours of society, these miserable comforters, are ever likely to comprehend. For what is the doctrine of free trade, but an exposition of the natural law that man has the natural right to obtain the necessaries of life simply at the cost of the labour expended in the obtaining of them. The first command of God to man, to multiply and replenish the earth, to subdue it, and have dominion over it, was the first preaching of the free-trade doctrine.

The laws of Moses, in fact the whole teaching of Scripture, are the teachings of free trade. No one was to stand betwixt the labourer and his natural right to obtain the necessaries of life from his toil. "Thou shalt not oppress an hired servant that is poor and needy, whether he be of thy brethren or of thy strangers that are in thy land within thy gates. At his day

thou shalt give him his hire, neither shall the sun go down upon it, for he is poor and setteth his heart upon it, lest he cry against thee unto the Lord, and it be a sin unto thee."* "If thou lend money to any of my people that is poor by thee, thou shalt not be to him as an usurer, neither shalt thou lay upon him usury. If thou at all take thy neighbour's raiment to pledge, thou shalt deliver it unto him by that the sun goeth down. For that is his only covering, it is his raiment for his skin wherein shall he sleep, and it shall come to pass when he crieth unto me, that I will hear him, for I am gracious."†

The true doctrine of free trade is a noble and a heavenly teaching when fully and justly applied, but in the partial and interested way in which we have seen it applied it has been only half a blessing. Free trade means products at Nature's prices. In the obtaining of raw commodities, whether of food or articles for manufacture, we have the benefits of free trade. Our manufacturers and importers have the advantages of free imports, but in the supplying of our individual wants we have neither free trade nor free competition: we pay the prices and cost of monopoly and restriction. The benefits of free trade will not be diffused until, besides the removal of the barriers of import duties, we remove the barriers and the costliness of the multiplicity of exchangers and distributors. The exponents of the free-trade doctrine will not be true to their mission until they establish and enforce the principle that the labourer shall have his fair share of the proceeds of his labour, and the necessities of life at the minimum price.

In the early part of this century it was a necessity of our condition that new fields of enterprise should be opened out. What with the oppression of the land laws and the severity of taxation following on the costly Napoleonic wars, the change from domestic to mechanical production, and the legacy of centuries of class legislation and misrule, the time had come when a change in our fiscal policy was demanded.

* Deuteronomy, xxiv. 14 and 15.

† Exodus, xxii. 25-27.

The relief was found in the repeal of the corn laws, and the gradual removal of all import duties on commodities for manufacture or food.

A necessity of the new era of steam engines and mechanical production, the substitution of machine production for hand-labour, was that we should have raw material at the smallest cost and in the largest quantities. So every large employer of labour under the factory system was of necessity an advocate of, and clamoured for, free trade. He wanted wool imported free. The English farmer did not grow enough either in quantity or variety. The new system of production had drawn and was drawing the population from the rural districts to the towns, partly because their occupation in domestic industry was gone. Cheap food was a necessity, it allowed lower wages to be paid the operative; the repeal of the corn laws and the free importation of foreign corn ensured a cheaper loaf. Why should the English farmer be protected at the cost of the new capitalist manufacturer? The cheaper production of the power-loom gave the new English manufacturer a great advantage over his foreign competitor in all the markets of the world. A necessity of his continued prosperity was that, in exchange for his manufactured article we should take the natural produce of other countries; like Cato, the slave-owner of old, who justified the institution of slavery, first of all for his own aggrandizement and wealth, and, secondarily only, for the accidental good of his slaves, the English manufacturer early became a free-trader, first of all for his own good, secondarily only for the good of his operatives and the community generally.

CHAPTER VI.

The Industrial Revolution and Unjust Land Laws have Contributed to the Sacrifice of the more Natural Agricultural Pursuits for the more Artificial Industrial Callings—The Malthusian Theory Proved to be Untrue—Free Trade has given us the Benefit of Natural Prices in raw materials, but the Result of the Free-Trade Policy as Hitherto Applied has Brought About a Concentration and Monopoly of Capital—The Accumulation of Capital in a Few Hands is as Detrimental to the Well-being of a Country as Land Monopoly—Protection and the Consequent Dearness of Provisions was before the Repeal of the Corn Laws Ascribed as the Cause of the then Existing Depression—Now Lowness of Prices and Cheapness are Ascribed as the Cause of the Present Depression: What an Anomaly!—Land-Law Reform—The Natural Law of Rents.

By the industrial revolution, the depopulation of the rural districts, consequent on the substitution of mechanical for domestic production, and by the cruel and unjust system of land tenure and ownership, we have gradually seen in this country agricultural pursuits sacrificed for the more artificial industrial callings, until at last husbandry, the most direct means of obtaining wealth, and that most natural of all callings, the cultivation of the soil, have sunk into utter insignificance.

The land laws and the industrial revolution have together alienated the worker from the soil; for our prosperity we are dependent on foreign trade, and go begging of our colonies and foreign countries to take our manufactures, in exchange for their food and raw material.

But there is a bright side to this revolution: like all revolutions it has not only brought about a new condition of things, but it has torn down barriers; one of the barriers it has removed is the barrier of localism and nationality.

The steam-engine has not only drawn the labourers closer together in vast industrial establishments, it has also drawn continent nearer to continent, it has reduced distance and economised time; if it has brought about more minute divisions

of labour, it has also extended the application and employment of labour.

Our interests are now world-wide. Less than a century ago, the interests of a state were all but restricted within its frontier; the interchange of productions was limited to the smallest possible limit; jealousy, mistrust, and consequent strife predominated. Laws were made on the assumption that each country's wealth, and means of subsistence, must be raised within itself; the price of a commodity was not what it could be produced at in the most favoured spot, but what it could be grown for at home.

The free-trade policy, so far as pursued, has given us the untold advantage of natural prices for raw commodities; it has exposed the cruelty and injustice of our land laws, and of land monopoly—for these blessings we are thankful. But a result of the free-trade policy, as hitherto applied, has been the creation of a new and powerful monopoly, a monopoly and concentration of capital. This new power is no doubt also partly the outgrowth of the new and gigantic method of production in manufactures.

Monopoly of capital, or too great an accumulation of it in a limited number of possessors, is as pernicious and disastrous to a country's well-being and progress as is a monopoly of land. Both are natural products. Land, like capital, is reproductive in proportion to the extent it is worked and utilised. Each, when held in monopoly, reduce the labour that gives them their return, whether of usury, profit, or interest, to the condition of dependency. Where dependency exists, there is rarely to be found justice. To have justice does not imply that you must have equality.

If free trade has shown the injustice of land monopoly, it has also shown the injustice of capital monopoly. Before the repeal of the corn laws, and the adoption of partial free trade, the cry went up that men were starving because of the dearness and scarcity of food. To-day the cry is that men are starving, and wanting employment, although there is abundance and

cheapness. The price of corn is lower than has ever been known in modern times ; raw materials are well-nigh considered to be at panic prices. The Malthusian theory, that population would increase in a greater ratio than the means of existence could be raised from the earth, has been proved to be utterly false and a delusion.* Vast new tracts of continent, in all parts of the earth, have been and are now being opened up. Their productiveness of the necessities and luxuries of life are so great, that the capitalists are now crying out Stop, stop !—your supplies are so much greater than the demand, the consequent fall in prices destroys our gain. We cannot turn over the stocks we must hold quick enough ; we are caught by lower prices before we can get quit of past purchases.

The misery and depression before the repeal of the corn laws was because of scarcity and dearness. The depression

* It is a noteworthy fact, and rather a sarcastic one, too, that the doctrines of Malthus, who was a minister of the Christian religion, should now be propagated by a league mainly composed of Atheists and Freethinkers. *The Malthusian* has its home in the Freethought Publishing Offices; amongst the Vice-presidents of the Malthusian League are Mrs. Besant and Mr. Chas. Bradlaugh, and other English and Continental Freethinkers.

Malthus arrived at his conclusions when misery and wretchedness overspread the countries of Europe, but Malthus mistook the causation. Instead of it being an insufficiency and incapacity of nature to provide the means of subsistence, the misery and wretchedness was caused by the despotism and greed of the privileged classes, by the destruction of wars and the tyranny of rulers. Malthus published the first edition of his essay on population in 1798, and the second and larger edition in 1803; it is therefore evident he formed his opinion from observations and experiences of the time, and the miserable condition of affairs that brought about the French Revolution. One can understand Atheists and Freethinkers evincing a faithlessness in God's promises, and implying a want of perfection and completeness in nature, and therefore in the All-wise Creator himself ; but it is difficult to believe these impressions could find a place in the mind of a minister and professor of the religion of Jesus Christ. If Malthus were living to-day, it would be difficult for him to explain that the misery and depression now prevailing were occasioned by the excess of population. We have abundance and to spare, goods are rotting because they are not consumed, yet people are in want, on the verge of starvation. Misery and suffering are the creation of man, the remedy is in man's hands. The problem is not in the creation of the means of subsistence, but in their distribution.

now existing is because of plentifulness and cheapness. What an anomaly! Starvation and want are a natural consequence of scarcity and dearness, and are easy to understand; but starvation and want with superabundance and cheapness, are unnatural, and betoken injustice, and wrong-doing, and unsoundness in our social economy.

Distribution, it is unanimously agreed, must be the reform for land monopoly. Large landed proprietors admit that the yeoman, the peasant proprietor, must be tempted back to the soil. Legislation has decreed that in Ireland ownership and occupancy must go together. Contracts as to rent must not be held sacred; fair rents are fixed by law, and not by competition. Money is advanced by the State to encourage a wider distribution of ownership of land.

Legislation will be necessary to land-law reform, for until the unjust laws which now tie up the land in vast estates are removed, natural law cannot prevail. Once remove those relics of feudalism, the land question in England will settle itself. The peasant proprietor will be attracted back to its cultivation; the matters of value and fair rents will solve themselves.

Free land would be possible with the enactment of Mr. Arthur Arnold's programme of land-law reform, viz. :—

1. Abolition of the law of primogeniture.
2. Abolition of copyhold and customary tenure.
3. Prohibition of settlement of land upon unborn persons, and of the general power of creating life-estates in land.
4. Conveyance by registration of title; all interests in the property registered to be recorded.
5. Provision for the sale of encumbered settled property.

Free land once established, as I have already said, values and rents would speedily be settled by natural law. The process is already at work; rents are being reduced voluntarily, to keep the farmer on the land and prevent it going out of cultivation.

What is the natural law of rents? It is that the rental of all land must be no more than will allow the productions for which it is most suited to be grown and cultivated at prices that will compete with similar productions grown in the most favoured spot on earth, allowing for sustenance for the labourer and the cost of transit.

If wheat can be grown cheaper in the north-west provinces of Canada, and put on the market in Liverpool at a lower rate than Russian or Hungarian or Australian wheat can be landed at Hull or London, then in so far as the English market takes off the surplus productions of these countries, the price of Russian, Hungarian, or Australian will be levelled to that of Manitoba and the north-western Canadian provinces.

The price of fine merino wool is no longer ruled by the quantity which can be grown on the plains of Andalusia, the Pyrenees, or the south of France, but by the productiveness and more congenial climate and soil of our Australian colonies. A hundred years ago the price of fine merino wool averaged about 3s. 3d. per lb. : to-day the average price is about 1s. 6d. ; a hundred years ago the importation of wool into this country amounted to an average of about 2,500,000 lbs. ; the quantity in 1883 amounted to 495,946,779 lbs.

The price of butchers' meat, although now ruled by the butchers, based on the prices they pay (not to say dictate) to the English grazier, must ere long be influenced by the prices which the stock breeders on the cattle ranches in the United States, the Brazils, and South America, and the sheep farmers in Australia, can afford to offer their meat in this country dead or alive. Science is coming to their aid; what they cannot send alive they can refrigerate. For all practical purposes, Texas or the country on the River Plate, or South Australia or New Zealand, are speedily becoming as much our bases of supplies, as the fields adjoining the monastery were the only means of provisioning the larders of the monks of old, five centuries ago.

The representatives of the feudal system, as regards the

ownership and monopoly of land, have brought about their own ruin. The laws of primogeniture and entail, the policy of monopoly and restriction, have driven the yeoman and peasant from the soil, and given an impetus to colonisation and settlement on virgin soil. The forty millions of Anglo-Saxons who have colonised the American continent, Australasia, South Africa, or who have emigrated to other lands, have dictated the terms on which the English land question must be settled. It is obvious the settlement must be that whoever is the occupier of the land, whether owner or tenant, must be in possession on such terms as will allow him to compete with his brethren who have wandered further over the earth's surface, who labour nature under more natural, and therefore more favourable, circumstances. The struggle may be severe, but sooner or later land in this country must come down to its natural price, or must go out of cultivation more and more. Legislation may help on the struggle to a speedier close by abolishing the law of primogeniture and making the transfer and conveyancing of land more simple and economic, but existing laws and customs cannot prevent this consummation of natural law.

The millions who have left these shores to makes homes in far-off lands—homes whose happiness and prosperity have been founded on the most natural and most secure foundations, the pastoral life and husbandry—have rendered a mighty service to their fellow-countrymen and to humanity. They have demonstrated that the measure of values in old countries must approximate to those of virgin and favoured lands, that the monopoly and usury of man is powerless against the riches and boundlessness of nature. God, in His all-wise providence, is no respecter of persons; the fulness of the earth is His and they that dwell therein. He gives to all according to their labour; to obtain dominion over the earth and subdue it, man has God's command and nature's reciprocal aid. But for man to have dominion over man, for the individual to live idly on the monopoly of the earth and the proceeds therefrom, or

on his fellow-man's toil, there is no justification or warranty, neither in revealed nor natural religion.

It will require no unsheathing of the sword, no bloody revolution, no spoliation nor robbery, no violation of vested interests, to restore occupancy to ownership of land; they are the natural condition. For centuries, through the jealousy and envy of the rulers of nations, the narrowness and bigotry of the priesthood, and the darkness and ignorance in which the people were kept, land in European countries was a monopoly. The people working it lived in thraldom. But now, under the name of civilisation, European countries are vying one with another in colonisation and territorial acquisition. Whatever may be the true cause of this new and burning desire to spread the benefits of civilisation, its only effect will be to make the whole world kin, to break down national barriers to the free intercourse of peoples, and in so far as regards the providing of the necessaries of life, it is making the whole earth one vast harvest-field. As we have already remarked, the application of physical science has well-nigh annihilated distance. Against the spirit of enterprise and freedom no land laws can be of any avail. If rich soil in a splendid climate can be purchased at £1 an acre, or rented at 2s. an acre, and the product of it, by the aid of steam and that natural highway, the mighty ocean—over which no man has yet claimed a monopoly nor demanded any rent—can be carried ten thousand miles at less cost than a similar given quantity could be carried fifty miles sixty years ago, it is very clear that land in an old country must approximate to the value or rental of that in a new country; this new "civilisation" and values must go hand in hand. It is monstrous to suppose that the remnants of feudalism can stand against these new and mighty economic factors. It is a noteworthy fact, however protectionist a country may be—and many civilising countries are protectionist—not one refuses to sell its surplus products. A country may seek to protect the industry of its people and colonists or dependents by import duties, but no country

strives to impede the disposal of its surplus products. The result is, a country pursuing a free-trade policy, like England, obtains its supplies at the very lowest price; but the country enjoying these privileges—or rather would I say, these natural rights—truly needs the highest culture in economic and moral science. As Aristotle remarked, the inhabitants of the Fortunate Isles, which were supposed to be surpassing rich, stood in need of greater than ordinary wisdom, that they might use their wealth and advantages aright. So with us, in order that the abundance and advantages we enjoy may be widely diffused, and that the productiveness of our land may be maintained and be made the support of as great a number as possible—notwithstanding the surplus supplies we may obtain elsewhere—for this we must see to, if we are not to accept an altogether artificial position, it behoves us to cultivate a high standard of morality in exchange, and a just, wise, and free system and method of distribution. Just as we have neglected these essential elements to a sound economic and perfect social life, and given greater importance to obtaining and producing wealth, so have we gradually drifted into the condition in which we now find ourselves—a condition, as we have before stated, in which we have a superabundance of wealth and the greatest difficulty to find a use for it—a superabundance of goods, and the greatest difficulty to find a sale for them—provisions abundant, and the consequent lowness of prices causing serious alarm to importers and dealers; and yet, with all this so-called abundance, we have thousands in want—many starving who would be users of this wealth, and consumers of this abundance, if they had the opportunity to work, or working, were allowed an equitable share in the wealth they created.

Distribution Reform is the remedy for this anomalous condition of affairs; and it is to the present system of distribution and its evils we will now turn our attention.

CHAPTER VII.

The Present System of Distribution unsatisfactory and unjust—The Producer is depressed, the Consumer extorted: Consumption is therefore Limited and the Demand for Labour Restricted—Competition rules Prices in Production and Wholesale Distribution, but in Retail Trading Custom and not Competition rules the Prices Consumers have to pay—This statement illustrated—Example of Inequities and Injustices in Distribution in various trades and industries.

THE statement of the industrial problem submitted for consideration at the conference to which I have referred in my preliminary remarks, was as follows:—

"*Is the present system or manner whereby the products of industry are distributed as between various classes and persons of the community satisfactory, or, if not, are there any means by which that system could be improved?*"

This statement of the question I will accept as the text on which I will base the following remarks on the industrial question.

The present system of distribution is not only unsatisfactory but unjust, because betwixt producer and consumer are a number of unnecessary and costly intermediaries, which raise the price of commodities against the consumer, and, therefore, limit consumption, depress wages and capital employed in production, and which, by reason of the barriers they set up against free competition, rob the consumer of what, in an economic system of distribution, would be the natural or minimum prices, and the producer of that which in the primitive condition was his inalienable right, the full reward of his labour and product of his industry.

It is unsatisfactory, for whilst, during the past eighty years, every attention has been given to increasing production and reducing its cost, distribution, the helpmeet of production, remains unreformed and uneconomised. Notwithstanding the

facilities of cheap transport and rapid communication, which I have already commented upon, by reason of the unnecessary number of distributors, and because of narrow trade prejudices and obstructions tending to monopolies, the process is enormously wasteful, more costly to the consumer than in the days of the pedlar and the pack-horse. The abstract political economist satisfies himself with the idea that the inexorable law of supply and demand, together with an active competition, keep down inordinate profits and bring down prices to the lowest remunerative level. How often we are told competition rules everything. No doubt competition does rule prices in the active wholesale markets, but in retail distribution, in the supplying of our actual necessities, the most important matter in the business of our daily existence, prices are not ruled by competition but by custom. The political economist will render a great service to society if he will co-operate in the work of reforming the present anomalous and unjust method and practice of distribution, making it conformable to his law, which is no doubt true and sound in the abstract, but which is outraged in a most glaring manner, causing suffering and injustice, and being the cause of many social evils.

Economy in production is a science. Competition is so keen, profits in manufactures of all kinds have gravitated to the minimum or altogether vanished. Manufacturers fight against a trifling increase of wages, the slightest increase in railway rates, or the smallest addition whatsoever to the cost of production, as a matter of life and death; but between the prices at which they have to sell their goods to the wholesale distributors, and the prices which the consumer pays to the retailer, there is a margin of at least fifty per cent., affording a wide field for economic treatment, to the great advantage and harmonious working of our industrial system, to capitalist and labourer as producers, and the whole community as consumers.

The competition of manufacturers one against another for the business of wholesale distributors, and that of wholesale distributors against each other for the business of the retailer

depresses prices, and reacts first of all on the wages of the worker to the extent of depressing them to the point of rupture between capital and labour. This must be so, for in individual enterprise, seeing the capitalist manufacturer is in business first of all for the good of himself, and only after that for the accidental good of any whom it may concern, it is fair to assume that wages will be made to suffer before the capitalist is affected.

This competition of manufacturer against manufacturer, and wholesale distributor against wholesale distributor, does not benefit the consumer, because the competition of retail distributors, for the demands of consumers, is not, as in production and wholesale distribution, a competition of values; it is a competition for custom, for arresting public attention, which enhances, rather than lowers, the price to the consumer. The multiplicity of retail distributors does not lower prices, nor make an economy; the trade is only divided amongst a greater number.

Competition amongst them takes the form of rivalry as to who can spend the most money in advertising, or pay the highest premium for a good position, or who can fix up the most expensive and attractive shop-front, for all of which the consumer has to pay. They are all taxes and additions to the cost of distribution. It is in retail distribution the same as in insurance, increased competition largely increases the cost of obtaining business. The cost in the former comes out of the consumer, in the latter from the insured.

The individual consumer cannot, for his comparatively small wants, be an expert in values in all branches of trade; he cannot bring to bear on the retailer the same artfulness in competition which the retailer brings to bear on producer and wholesale distributor.

In large wholesale transactions, although it is assumed competition decides the sale, it is a misnomer to call it competition. Stratagem and artfulness are powerful weapons in the hands of the buyer. For example, suppose I am about to buy a quan-

tity of textile fabrics of a standard character: a number of manufacturers, well known to me, are producers of the goods I am open to buy, I ask them all for samples, and by comparison select two or three makers' goods for final treatment. I go to maker No. 1 and say I have a favourable inclination to his goods, but others are equally satisfactory; will he please look into his prices and see if he can do better; to No. 2 and No. 3 I say much the same. No. 2 shortly comes and says the quotations are already very low, but to secure the order he will make a reduction of, say, one shilling per piece. I thank him for his offer, and condole with him on the keenness of competition. No. 1 also comes along, and says he will also make a reduction of one shilling, but I tell him another most able competitor of his has already offered the same; in a warlike spirit, with protestations of the valour of his firm, and their determination not to be beaten by anybody, not to be done he offers to take two shillings per piece off. I also sympathise with him on the harshness of competition, but as business is a race for wealth, and the fittest survives, I tell him the matter must stand for a day or two until I see what I can do. Meanwhile manufacturer No. 3 comes round, whom I know as a nominal social friend of No. 2: they dine at the club together, worship at the same church, and stand side by side on the same political platform. We begin our conversation about the commercial outlook, flounder about and stumble over time-worn economic fallacies, and then settle down to business. I begin by saying, Well what about this order?—I have got some very low quotations; prices are weaker; now, what is the very best you can do? He looks at me most anxiously and inquiringly; after a moment's silence he says, Well, here goes: I will take one shilling and sixpence per piece off my quotation. Oh! say I, that is no use. So-and-so, naming No. 2, has already offered to take two shillings off his quotations; you know his is a good firm, plenty of capital, and determined not to be beaten. Maker No. 3 replies, Neither am I going to be beaten. I took a large order out of his hands the other day, besides his goods

are not so well made as mine; there are no more perfect goods in the trade than ours. Although he and I are friendly, rather than let him have the order, I will take three shillings per piece off if you will settle it at once. After some further talk, I eventually give him a good order at three shillings per piece off his quotations. By a little artfulness and diplomacy I have had prices reduced three shillings per piece, but it does not follow supply and demand, or fair competition, had anything to do with it. Probably not one piece more or less will be sold because of the reduction I obtained. Each competitor was ignorant of the true facts; personal jealousy and rivalry was a greater factor than any economic laws. Such cases are of frequent occurrence; in the long run wages suffer. Such a system of so-called competition would be impossible with a well-organised and moral system of distribution. Each competitor would be conversant with the real state of the market, and know the full extent of the demand, and participate in the true market price.*

Now, supposing I were to pursue the same tactics in buying a suit of clothes, or a sack of flour, I should be kicked out of the retailer's shop, and be called a bore and a screw. Fancy any one going to the tailors, and asking them to send patterns and quotations for comparison, and pitching one off against the other, in order to get the prices lowered; or going to two or three grocers and asking for samples of flour, and using the arts of diplomacy and the craft of competition; it would be considered a waste of time, a mean thing to do, and a pernicious attempt to encroach on the profits of the poor retailer. In the selling of the labourer's work, which is what a manufacturer has to do, competition rules the market; but in supplying one's everyday wants custom dictates prices or the rate of profit—the labourer is depressed by competition, the consumer is at the mercy of the retailer.

* The above is a specimen of present-day competition amongst manufacturers. A few years ago the position was reversed: the merchant went, with bated breath and lowly demeanour, to the manufacturer, thinking it a favour to get goods on the makers' own terms.

Not only is the present system of distribution unsatisfactory, but it is also unjust, because it tends to the inequitable distribution of wealth, and is the cause of the worst of our social evils. The Report of the Royal Commissioners for Inquiring into the Housing of the Working Classes, on the evidence given before them, has most emphatically denounced the system of middlemanism, the house-jobbers, the house-farmers, or house-knackers, who stand between the freeholder and the occupier, and who fix the rent of the tenement houses. To this system is attributed the worst phases of the overcrowding and misery of the poor of London. It was proved in evidence that in some cases the house-jobbers obtained £100 a year by letting houses out in single rooms, for which they paid to the proprietor a rental of only £20. The same policy is at work in the industries of the country; the producer, like the freeholder of the slums of London, receives but a small fractional part of the proceeds of his industry; he produces in quantity, middlemanism distributes in detail, and takes the lion's share of the spoils.

The following are a few examples of the inequity and wastefulness of the system of distribution :—With best wheat at 33s. to 35s. a quarter, super flour sells at 20d. per stone, leaving a gross profit of 13s. to 15s. a quarter after the expenses of milling and dressing have been provided for. Yet with this margin between the market price, which is the price consumers pay and the price producers receive, agriculturists are depressed. If the margin between the price of flour and the price consumers pay for bakers' bread was clearly shown, the inequality of the division of the proceeds would appear yet more strikingly. In an article on the retail prices of provisions, in the *Field* newspaper, December 27th, 1884, the following remarks were made :—

"The inordinate profits made by the middlemen—that is to say, the salesman and the retailer—amounting in a vast number of articles to even more than 50 per cent., are not merely injurious to the individual purchaser, but detrimental

to the well-being of the community at large. Productive industry is checked, because the producer cannot find a remunerative sale for his goods; the private consumption of the well-to-do is lessened, and the indigence of the poor rendered more painful to endure, by the inordinately high prices of many of the mere necessaries of life. This statement applies especially to articles of food. At the present moment the price of bread in London bears little or no relation to the price of wheat, which is now so unsaleable that farmers are using it as food for stock. The cost of the 4lb. loaf varies from 5d. to 7d., but the guardians of Holbeach Union have just entered into a contract for the supply of the best bread at 3d. for the 4lb. If the bakers in Lincolnshire can supply the poor with bread at ¾d. a pound, there can be no reason why the poor of the metropolis should pay nearly double the amount.

"The same excessive charges on the part of the middlemen are experienced in the case of meat. The announcement is made in the daily journals of Tuesday that the *Elderslie* steamship had arrived from New Zealand with 25,000 carcases of frozen mutton—the largest consignment ever yet brought to this country in one vessel, which is due to the fact that the ship was constructed specially for this trade. The present price of New Zealand mutton in Smithfield market is from 5d. to 5½d. per pound, and the quantity imported has risen in the last three years from 8,840 carcases in 1882, to 98,000 in 1883, and 400,000 in 1884. The question may be asked, What becomes of all this meat? It is not, as a rule, sold openly by butchers. If a purchaser asks for New Zealand mutton at a butcher's, he is informed they never keep it, although at the same time twenty or thirty carcases may be hanging up in the back shop, to be retailed to purchasers as prime Dartmoor or some other well-known kind of mutton, at prices varying according to the purses of the customers from 1s. to 14d. per pound for saddles and legs, the prime cost being under 6d. per pound. This deception can be, and is, very generally practised, because the quality of the meat is of the best character. The disappear-

ance of the half million of New Zealand sheep, that have apparently melted into air, is thus accounted for; and those who know how to recognise this meat by its dark rich tint, and the somewhat purplish colour the cut surface has after exposure to the atmosphere, see enough of it in the London shops to have no doubt upon the subject.

"The evil effect of the monopoly possessed by the salesmen extends widely in every direction. As may have been seen by the recent correspondence that has taken place in our poultry columns, it is almost hopeless for a farmer or producer to send poultry to the London market. However good the birds may be, the price returned is seldom or never remunerative. The consignor has no check whatever on the salesman, and it is too much to expect from human nature, where there are no means of proving what were the actual prices realised, that consignees should in all cases pay over to their clients the full amount which they ought to receive. This circumstance alone, even if there were no other insuperable hindrances, would be fatal to the prosperity of poultry farming.

"In the wholesale fish trade, the existence of the so-called 'Billingsgate ring' is notorious. The cheers elicited from many of those present at the meeting of the City Council, when it was proposed to close the New Farringdon Fish Market, were but the natural outcome of the joy of interested monopolists. All fish sent for sale must of necessity pass through the hands of the salesmen. They sell for the most they can obtain, and remit the vendor what sum they please. That in one case an average amount of 2d. per pound was returned for fish re-sold for 8d. and 9d. to the fishmonger, and retailed at from 1s. to 1s. 6d. to the public, is a fact within our personal knowledge.

"It is not surprising that the injurious monopoly which thus enhances the price of food without benefit to the producer should be designated by the latter as 'robbery.'"

This is pretty strong language. I am glad to be able to quote so influential a representative of the country gentleman

in support of my contention, and will now relate two cases, the truthfulness of which I can vouch for, which corroborate the statement of the *Field* as regards butchers' meat and fish.

A farmer in a Yorkshire village, stung to revolt by the limitations butchers fixed upon the price he could obtain for his fat cattle, sent an ox to be slaughtered and the carcase dressed and cut up; he made it known to the villagers that he would retail the best cuts of beef at 6d. per lb., the same cuts for which butchers charged 10d. to 1s. per lb. He thus saved the consumer 50 per cent., and after selling the offal and paying all expenses, he had £6 more per beast left for himself than he could obtain from the butchers. Production was benefited 25 per cent., and consumers saved 50 per cent.

A fisherman in the Isle of Wight, depressed by the prices he could obtain from the fishmongers, determined upon selling direct to the inhabitants fish of his own catching, and in the kitchen of a mansion the following scene occurred:—The fishmonger presents himself and solicits orders. The cook disappears to ask her mistress if she wants anything. During her absence the fisherman, who has toiled all through the night, appears. The fishmonger, with angry face, thus accosts him: "Hallo! what do you want here? You have no business to sell your fish to my customers; you are not wanted here." The fisherman quietly replies, "You wait and see." The cook reappears, and, addressing the fishmonger, says, "No, thank you, 'Missis' does not want anything to-day;" but on seeing the fisherman, she says, "Oh, you are here, are you? I think 'Missis' will see you." She accordingly goes and tells her mistress. They speedily return together; the lady of the house, addressing the fisherman, says, "Good morning; what have you got this morning?" "I have five very fine lobsters, freshly caught." "What is the price?" "One shilling and threepence each, ma'am, if you please." "I will take them all," replies the lady; "the fishmongers charge me two shillings and sixpence each for similar-sized lobsters." The fisherman departs, but finds the fishmonger awaiting him at the gate.

The fishmonger attacks the fisherman thus: "If ever I find you selling to my customers again, I will 'boycott' you, and also put my fellow-fishmongers on to 'boycott' you." The fisherman replies, "I am independent of you. I catch the fish. You starve me during the winter when visitors are few, and in summer you dictate the price you will give me. I have arranged to sell my own catchings here and in other towns. I can save the ladies one-half they pay you, and then get half as much again for myself as you will give me."

Mackerel selling at 4s. per hundred—about a halfpenny each—at the auction sale at the seaport town are retailed in the inland towns at three for a shilling, or fourpence each. Surely a margin of 400 per cent. is more than enough to pay for cost of carriage and risk.

Not long ago a beachman at a seaside resort, which was also a good fishing port, stated that he and his fellows had nearly given up fishing; they got so little for their labour. Except in stormy weather, when the risk was great and the fish supply more limited, the proceeds were so small as to make it not worth the trouble. It was only in stormy weather, at the risk of their lives, and probably the widowhood of their wives and orphanage of their children, that they could get a fair price sufficient to induce them to run the risk.

The market-gardeners around London complain of the unremunerative prices they obtain for their produce; yet the retail prices of vegetables are not less than 100 per cent higher than they can obtain from the wholesale salesman.

In the *Daily News*, April 3, 1885, there was an article, being one of a series on "Workers and their Work." It was the record of an interview with Mr. Clare Sewell Read, M.P., and gave the opinions of that able and experienced authority on the farming question. Mr. Read laments the wide difference between the prices the farmers receive and retail prices, and touches upon the distribution question. The following is an extract:—

"I have endeavoured to follow the times as well as I may

in what appears to me the only way of grappling with the difficulty of farming just now; that is, a great increase of stock, especially of sheep. I know there has been a fall in their value just recently, but they are the farmers' best friends. They turn over his capital quickly. The majority of sheep, not killed as lambs, are killed from 13 months to a year and a-half old—the most at 15 months."

"How is it that when mutton is down 2d. a pound at wholesale the consumer reaps no benefit from the fall? Bread, also, does not seem to be as cheap as it should be in proportion with the price of wheat."

"There is what has been called a 'tendency to permanence' in retail prices. It must be admitted at once that the consumer can hardly expect the full benefit, according to figures, of any market reduction. The cost of collection and distribution, as Sir Rowland Hill pointed out concerning letters, remains the same, and the retailer or distributor is compelled to keep up the same establishments or staff whether the raw material is cheap or dear. In the case of bread the cost of grinding, bolting, making, baking, and distribution is absolutely permanent. Beer remains at a fixed price whatever the value of barley, malt, or hops may be. A barrel of beer seems to be a sort of unit of value. Milk, again, is an extremely difficult article to assess the value of. I am assured on good authority that the cost of distribution doubles that paid to the farmer. On an average a farmer gets sixpence or sevenpence a gallon for his milk—not more."

"Why do not they make butter or cheese with it? Both are very dear, especially good butter."

"I do not think, when labour and time are considered, that they can do better than by selling their milk fresh. Cheese pays, perhaps, better than butter; but with only a limited experience I think I may safely say that for butter-making purposes milk is barely worth sixpence a gallon. Common cheese, again, finds no market. Nobody now would touch that celebrated old Suffolk cheese made from skim-milk,

and which when cut in wedges was used to prop open doors and to serve as gate-pegs, and when Bloomfield's farmer's boy ate it he found it 'too big to swallow and too hard to bite.'"

"You think, then, that a farmer who can sell fresh milk should do so?"

"He seems to me to get rather more money, and to save time and labour."

"Touching the pig question—Since the falling off in the number of sheep there has been a great increase in that of pigs."

"It is perfectly natural that it should be so. Several wet seasons in succession, and sheep dying of rot, brought the smaller farmers to an awkward pass. The little men were obliged to sell their sheep to meet their other losses, and then the problem arose—how were they to stock their farms the quickest and get some return at the smallest outlay. If the small farmer elected to restock with sheep, twenty ewes would cost him £60, and produce him twenty-five or thirty lambs in a year. In the same space of time four sows would give him about eighty pigs, and the cost of the four sows would be only £10. To a needy man this difference is very great."

"How much would he get for his pigs?"

"That would depend upon circumstances. It is a saying that 'pigs are always all gold or all copper.' The pig is a useful animal upon a farm, and when other things went wrong he helped farmers round to a bit of ready money quickly, but the value of pigs fluctuates more than that of any other description of stock. The very rapid rate of production is an element of weakness in price. When prices go up production increases so enormously that the price of these prolific animals goes down rapidly. The pig breeder is generally a small man. In my part of the country there are usually three stages in the life of a pig. First, there is the small farmer who breeds him and who may sell him at any price from 5s. to 15s., the pigling being in both cases of equal size, weight, breed, and beauty; secondly comes the big farmer who grows him in his stock-yard; and thirdly, the genuine pig feeder, who buys him from

the big farmer, fattens him on the refuse from flour and starch mills, and sells him to the butcher or bacon factor. In the pig's price there is again a gigantic difference between retail prices and those paid to the farmer, who can barely get 8s. or 9s. a score for bacon hogs, while bacon is worth at retail 1s. or 1s. 2d. per pound."

Mr. Read is very charitable to the distributors. If he would bring to bear on the question of distribution the practical and economising treatment he has so successfully applied to production, he would find that it is capable of *yielding quite* as great an economy and saving.

In April, 1885, a struggle was being waged between capital and labour in the coal trade. The miners resisted a reduction of ten per cent. in wages, which the colliery proprietors said was necessary to leave them a profit on capital. At that time, best house coal was sold in London at 23s. to 25s. a ton. The cost at the pit's mouth was 8s. to 9s., carriage to London and city dues average a cost of 8s. per ton. The coal merchant had, therefore, a gross profit of 7s. to 9s. a ton to cover the cost of distribution. The miners' net wages averaged 11d. per ton. For the process of distribution the consumer pays as much as the natural value of the coal, miners' wages, interest on capital, all included. The middleman's profit of 7s. to 9s. a ton remains intact, the miners' wages of 11d. a ton are reduced. Which renders the most important service to the community? Who runs the greatest risk or suffers the most hardship, the miner or the middleman?

Take another case in the coal trade. In a certain part of the West Riding of Yorkshire, at the time I am writing the miners are on strike against a reduction in wages. They have been paid at the rate of 2s. for filling 36 corves, equal to about two tons of coal. They have to pay the wages of the boys, "the hurriers," who push the corves along, to find lamps and oil, and pay for their picks sharpening. In a week's work of about 50 hours, the average net earnings of the miners, after paying the outgoings named, are about 18s. In the language of an able-

bodied and intelligent miner, if they have more than 20s. a week left for themselves, it is so unusual they think they have got something that does not belong to them. The net earnings of the men are at the rate of less than 10d. per ton. Their proprietors from their own depôt will not sell a ton of coals for less than 8s. 6d., the buyer has to pay for the "leading" or carriage. It may be urged that the proprietors have to provide against interest on their investment, for wear and tear, and risk, but it will be admitted that the miner out of his 10d. a ton has also to provide against wear and tear and against risk. Out of his earnings he must provide against accident and a premature death. It may also be urged that the proprietor must provide against the exhaustion of the seam of coal, but so also must the miner provide against the exhaustion of himself, he must provide against the possibility of leaving his wife a widow and his children fatherless. If the seam of coal is the capitalist's sheet anchor, so, too, the miner is the bread-winner for those dependent upon him.

But to pass on to another branch of industry, the textile and kindred trades. On a piece of dress stuff for which the consumer pays 3s. per yard, the profit to the retailer is 1s. per yard; the weaver's wages are but at the rate of $1\frac{3}{4}$d. per yard. For the process of distribution the consumer has to pay on a piece of such stuff a profit to the retailer greater in amount than has been distributed in wages to the whole of the operatives whose combined labour has made it an article of commerce. Not only more than has been paid to wool sorter, and comber, spinner, and weaver, and dyer, but also added to these the profit, at present minimum rate, of the capitalist manufacturer. But worse still. On many articles of dress the consumer pays more for the process of distribution than the whole cost of raw material, cost of transit, cost of operatives' wages, and manufacturer's profit.

The silk weaver at Lyons works seventy to eighty hours per week for $12\frac{1}{2}$ francs (10s.), and produces a richly brocaded satin for furniture decoration. So keen is competition (or so

active is craftiness) the manufacturer sells it for 22s. a yard, and is refused even 23s. 6d, so fine are prices cut. The satin, an article of luxury, is charged to the consumer not 30s., nor 50s., but 60s. per yard, a profit of one hundred and fifty per cent. The weavers in Lyons are earning about 1s. 6d. a day for making expensive fabrics. No wonder they are frequently on the verge of a revolution, and form a hotbed for the propagation of the most revolutionary and anarchical remedies.

The Lancashire cotton weaver produces a dress fabric, which is sold by the manufacturer to the wholesale distributor at $4\frac{1}{32}$d. per yard; the maker cannot get even $4\frac{1}{16}$d., to say nothing of the more familiar division of a penny—an eighth, or one farthing, but is in fear that next time a competition takes place the thirty-second part of the penny must go, and the price be made even money. The wholesale distributor prints and finishes the fabric, adding to the cost one penny per yard, making the cost $5\frac{1}{32}$d.. The same article is sold retail at $10\frac{1}{2}$d., and in many cases is puffed as a "French print"; the weaver is paid at the rate of three-farthings per yard for weaving; the cost of distribution is upwards of 5d. per yard, 100 per cent. on cost, and seven times more than the weaver's wages. The cotton trade is depressed, and judging from the reports in the Manchester newspapers, the lot of the spinner and manufacturer is an unenviable one; the trade is unremunerative to the capitalist; any and every remedy but the right one is suggested; but they never think of turning their attention to distribution; there they would find ample room for reform. The following is an extract from a letter which appeared in the *Manchester Courier* a few weeks ago, and is interesting and also amusing as showing the feeling of the manufacturers:—

"It is admitted on all hands that something wants doing to improve the present depressed state of the cotton trade. Almost all I talk with say it is quite time united action was taken by the trade as a whole, and that if the Masters' Association would only call a meeting, they would be well supported.

"We are being harassed on all hands. What with the merchants on one hand, and the operatives on the other, we are continually in trouble. This we can alter by being united. It reminds me of a tale I once heard. A man gave his son a bundle of sticks to break, and the boy tried to break them all at once; but his father said—'Stop, my son, you cannot do that; you must break one at a time, and you will soon complete your work'; and so the boy finished his task quite easily.

"Well, are we not the bundle, and being broken one at a time by the merchants in prices and the operatives in individual strikes? Why can we not have the band of unity tied round us, so that neither merchant nor operative can break us? It is our own fault, and the sooner we unite, and cease to live in a fool's paradise, hoping for something to turn up, the better."

The distressed manufacturer seeks a remedy in a combination against the power of the merchant on the one hand, and the combination of operatives on the other. Poor benighted fellow, he never dreams of attacking the 50 to 100 per cent. margin that exists between the price he gets and the price the consumer pays the retailer. He goes for the reduction of the operatives' wages, or for putting the merchant through a "boycotting" operation. I heard a large manufacturer say not long ago, the whole system of competition and distribution is a game of beggar my neighbour, the retailer plays to beggar the merchant and befool the consumer, the merchant plays his cards to beggar the manufacturer, and the manufacturer in turn plays to beggar the operative and the grower of the raw material. What a glorious condition, how mutual and how Christian! The whole structure is based on mistrust and want of confidence in one another. Manufacturers, when they were making their millions sterling, cried poverty and bad trade so as to keep down wages, the operatives were over-worked. "Between 1802 and 1833 five Acts of Parliament were passed in favour of the labourers. Until the act of 1833, children

and young persons 'were worked the whole night and the whole of the day *ad libitum.*'"* This Act only prohibited the work of young persons (*i.e.*, from thirteen to eighteen) from exceeding twelve hours per day, and that of others fifteen hours. Even this legislative measure was nullified by inhuman employers, who succeeded in circumventing the law by a complicated system of relieving or shifting hands, moving about the labourers in the factory, so as to puzzle the inspectors and elude prosecution. At last, with the agitation of the Chartists and the repeal of the Corn Laws, came in what is known as the ten hours movement. After a preliminary Act for the protection of women and young persons was passed, the punctilious minutiæ of which showed the difficulty of the law in coping with the slippery manipulation of the employers of labour, the ten hours' labour day was fixed by Parliament, which came into operation in 1848, notwithstanding the opposition of the free trade advocates—Cobden and Bright. A powerful reaction followed after this, during which the employers dismissed many of their hands, and, with more or less success, tried to escape the consequences of this Act of Parliament.†

The history of the past eighty years warrants the operative in mistrusting the manufacturer. He cannot be blamed if now he mistrusts him, when possibly "competition" has run his (the manufacturer's) profits to a minimum. The merchant mistrusts the manufacturer, for when circumstances favoured manufacturers, they made enormous profits and commanded them. The merchant paid the prices asked and was glad to do so, he had no alternative. Now so-called over-production and competition have turned the scales, the merchant dictates to the manufacturer. They mistrust each others' representations as to fair prices and reasonable profits.

Confidence and open and fair dealing can alone secure

* See Report of Inspectors of Factories, 30th April, 1860, p. 51.

† See "Socialism." By the Rev. M. Kaufman, B.A. Founded on Dr. Schäffle's work, "Kapitalismus und Socialismus," p. 171.

prosperity to these warring interests. Society can only be benefited by morality in industrial affairs, federalisation can alone make these clashing interests mutual and harmonious.

But to resume, and give further illustrations of the inequities in distribution.

In the auxiliary trades, those of the dressmaker, the seamstress, the slop-maker, the same injustices in distribution exist.

A common cotton shirt is sold by the retailer at 2s. 3d to 2s. 6d. per shirt. This shirt is made of $3\frac{1}{2}$ yards of cotton, costing $4\frac{1}{4}$d. per yard; the making up is done by contract. The contractor cuts out the garments to the proper shapes and sizes, and puts them out to seamstresses or machinists to sew. The contractor finds the buttons, but the labourer finds needles and sewing thread, and provides herself with a sewing machine. The contractor, or organizer of this labour, receives 3s. per dozen, or 3d. per shirt for the whole work. Out of this he pays the seamstress 1s. 9d. per dozen, or $1\frac{3}{4}$d. per shirt, for the making. A seamstress at this work, by working eighty hours, cannot make more than 10s. per week. The shirt thus costing 1s. 6d., is retailed at 2s. 3d. to 2s. 6d. The poor sewing-machine girl, whose labour goes to make it an article of value and exchange, is just kept from starvation—simply existing; her labour brings to the distributor 50 per cent. gain.

For every penny paid in wages to every operative contributing their labour to make the cloth, the buttons, the sewing thread, and the shirt, the consumer is charged 3d.

This is by no means an overdrawn case. Thousands of women and girls in London are working at starvation wages, making garments of one kind or another, not one of which gets into the hands of the public under 50 per cent. on cost of production. On September 27th, 1884, the following extract was taken from the *Daily Telegraph*:—

"A distressing case of starvation was investigated by a coroner's jury in Hackney, yesterday. It was shown by medical evidence that a widow, thirty-five years of age, who

worked as an upholstress, and earned only about 4s. a week, had starved herself, in order to provide food for her child."

The report of the Royal Commission on the Housing of the Working Classes says:—"Sack-making and slop tailoring are two occupations carried on to a great extent in the homes of the poor, and they are both remunerated at starvation wages."

If the proposed Royal Commission on trade depression will follow up this question, I have no doubt it will find these starvation wages, like the exorbitant rents these poor beings have to pay, leave a very handsome profit to the middleman employing them and selling their labour.

We will now take an article of luxury, Buckingham lace. The making of this lace is done entirely by hand. The work is of a most skilled and dexterous kind. The worker has so many bobbins and pins to manipulate, she does as it were the work of a Jacquard engine and a loom with her hands. At this work, a good worker will make 4s. per week, and in that week will make one yard of lace of moderate width and good design. The only cost of production beyond the woman's labour is the cost of the cotton thread or yarn. If we allow the manufacturer who supplies this thread and organizes the labour 3s. per yard for the cost of same and his profit, we have this Buckingham lace costing 7s. per yard to produce. What is it retailed at? If you go to a West End shop to buy it, you are told how scarce it is, and how real lace is being put out of the market by the cheap power-loom lace; but there is yet something so rich and rare in real lace, although it is made by hand, and labour is scarce, they oblige their customers by keeping it. What we saw cost 7s. per yard to produce is sold at from 15s. to 21s. per yard. The poor lacemaker works incessantly from morn to night for the starvation wage of 4s. per week.

The lacemakers in Devonshire making "Honiton, Valenciennes," and other laces, are as miserably paid; their labour yields a good return to the dealers. A narrow lace, for which the maker is paid 10d. per yard, is retailed at 1s. 9d.

Real lace making is a domestic industry, a remnant of the pre-machinery days. It is one of those industries that can be and is carried on in villages. Middlemen do not so much as in other trades stand between the producer and the consumer. The large retailers, from all parts of the country, go to Devonshire to buy. They go round to the cottages of the lace makers and buy their small stocks. Yet the foregoing illustrations show how inequitable and one-sided is the division of the proceeds of their industry. The lace-maker, who is in most cases her own master, buying her own cotton-thread, selling her product direct to the retailer, is as much depressed and as miserably paid as the seamstress in a crowded town working for a "master." There is only one remedy, namely, a thorough reform in the system of distribution and a moral standard and method of exchange.

The marvellously cheap pocket-handkerchief is retailed at 3½d., leaving a profit on cost of production of seventy-five per cent., the poor woman making it, that is cutting and hemming it, is paid one penny per dozen, less than one-eighth of a penny each, scraping six shillings a week together by constant toil, just a little more than a pauper's relief.

A gentleman whom I know was recently interested in the transfer of a small property of the value of £540. When the transfer was completed the lawyer's bill was presented amounting to £15. A protest was made against what was deemed to be an exorbitant charge for the small amount of trouble the lawyer was put to, but the lawyer replied that he could have charged much more if he had claimed all the rules regulating such charges allowed. A charge of £15 for the transfer of £540 worth of property may seem excessive. I am by no means going to defend or justify lawyers' charges, but what think ye of the cost of transferring £540 of goods from the hands of the producer into the hands of consumers. What the lawyer did for £15 the various distributors will not do for less than £180 to £200, in other words, goods for which the producer receives £540 are sold to consumers at not

less than £720. Such are the excessive charges for the transfer.

Inequities in the distribution of the proceeds of industry are to be found in all trades and every calling. The large and elegant restaurants and hotels in London are remarkable for their grandeur. People wonder how they can pay. In many of them the profit on the labour of the waiters would yield a large revenue. In some establishments a charge of threepence each person is made for attendance, at *table d'hôte;* a waiter is paid 12s. a week for his services from 5 p.m. to 11.30 or 12 o'clock midnight. In this time he will serve an average of fifteen dinners. He has to make good all breakages and omissions. The proprietor thus receives from every fifteen patrons 3s. 9d. for attendance, out of which he gives the waiter 2s. An establishment having seventy waiters, and there are several employing such a number, will thus make £5 12s. 6d. per day profit out of the waiters' labour; that will make £33 15s. 0d. per week, or £1,755 a year. Besides this, out of the deductions made for breakages it keeps up the stock of glass and china. The few gratuities the waiter receives, and these are not many when attendance is charged, are pretty well swallowed up in breakages and fees to servants in the kitchen.

In other cases the waiter has to pay for the privilege of having a situation, and makes his income out of fees; as much as 30s. per week is given as a premium for a place. On ten waiters as much as £780 per annum is cleared by the proprietor out of waiters' labour. It is calculated there are 4,000 waiters in London. All is not gold that glitters with them; they are hard worked, have to be at the beck and call of every one, to be polite when insulted, and submissive when bullied. The profit made on their labour pays a great portion of the rental and expenses of large establishments.

An amusing and interesting incident in the experience of a French waiter on his first coming to England was recently related to me by the waiter himself. Being desirous of learning

to speak English, he applied at a first-class café-restaurant in London for a situation. He asked to see the proprietor, and was favoured with an audience. The proprietor inquired the nature of the business about which he sought the interview. The waiter replied that he was anxious to secure a situation as waiter. In answer to further inquiries, he stated that he could speak French, German, and Italian, and had come over to England to perfect himself in English also. The proprietor replied that he thought he could give him a situation. The waiter then asked what the wages would be. "Wages!" exclaimed the proprietor, "I pay no wages. You will have to give me 30s. a week for the place." "What!" shouted the waiter, "me pay you? No fear. In my country we get paid for working; in this country the waiter must pay, must he, for the privilege of working? Good day. That won't do for me."

These illustrations of the injustice of our system of distribution may be carried on to an indefinite extent. I have given sufficient to prove my case, and I trust more than sufficient to enlist the sympathy and co-operation of all earnest readers in an effort of reform.

CHAPTER VIII.

On the Difficulties that will be seen in the Way of any Attempt at Reform by the hard-headed Practical Man—The Evils of Distribution are of Modern Growth—A Glance at the Economic and Social Condition of English Village Life before the Industrial Revolution—In it there was no Waste in Distribution, no Middlemanism—Primitive Village Communities and "Neutral Ground" for Markets for the Exchange of Surplus Productions—The Need of making Distribution Neutral Ground to-day—The Co-operative Movement, and its Failure in carrying out the Principles of True Co-operation—The Essentials of True Co-operation explained.

BEFORE passing on to the treatment of the measures for the reform of this deplorable condition of affairs, it will be opportune to notice here one or two questions and objections that have been and will again be urged.

First of all there will be the objection of our candid, practical, and hard-headed friend, his objection may be summarized in the expression of his regret at the evils and injustices abounding, in a professed sympathy for all suffering, but the stumbling-block with him is how is it to be reformed. He will profess a belief in a higher life, and talk of the rights of man, but his severely practical turn of mind brings him to the question—how is it to be done. He asks to see the remedy explained, he half-heartedly professes a belief in co-operation, but cannot see how it is possible to make it work, the time for action with the severely practical man is rarely very opportune. Our candid and practical friend is so hard-headed, ideas do not easily enter his brain, profit and interest, the craftiness of competition, the race for wealth, make his nature unimpressionable to other considerations, the higher life and the reforms and progress he professes to believe in he can scarcely think possible.

The hard-headed practical man is, moreover, a professed believer in Christianity; he attends church or chapel on each

returning Sabbath; presumably, for his practical turn of mind, and his assumed godly life, he is made an office-bearer in the church. When one comes to reason with this professing Christian, to dwell upon the glaring evils and outrages on Christian teaching that meet the observing eye at every turn, if one points out the misery and wretchedness, the hopelessness of thousands of labourers, and the sumptuous ease and luxury of their employers—if one should make mention of the golden rule, or call attention to Christ's parables and exhortations and the lessons they teach, the hard-headed practical man, the professing Christian will boldly turn round and declare that the Christian religion is very nice in theory, beautiful for a life of seclusion, but is utterly inapplicable to every-day life, and cannot be practised. Miserable hypocrite! he will lecture what he calls the lower orders on the duties of the servant to the master; he will recite to them what he thinks suitable of the beatitudes, but he never seeks to learn, nor learning, strives to fulfil his duty to his fellows, nor discharge his obligations to society. If there be any social evils which are crying for redress, the hard-headed practical man will coolly refer you to the State. The evils may be the outcome of personal greed and the grabbing and injustice of "private enterprise," but no matter—the hard-headed and practical class believe in no restitution; vested interests, no matter on what injustice and iniquity they may have been vested, must be respected; local taxes must be relieved by the State; in fact, the State must do and relieve anything and everything, but the pocket of the hard-headed, practical man must not part with a single farthing.

What we as yet know of State Socialism, and what we may have to endure of future Socialistic legislation is, and will be, because an outraged public opinion demands the strong arm of the State to redress the wrongs and injustices brought about by the hard-headed, phlegmatic, selfish, so-called practical man of the world.

I have heard of a clergyman in the Church of England who, n conviction, was a convert to disestablishment, but for many

years he held on to his living; when old age came on eventually he resigned his charge, and was free to give expression to his convictions; he was asked how it was he had not resigned and given up his living sooner, he replied, "I was blinded with £400 a year in one eye, and £400 a year prevented the sight of the other, I could not see it." Our candid and practical friend is similarly blinded, so was the young man who went to Christ and asked what good thing he should do to have eternal life, had not he kept the commandments, and does not our candid friend also keep them according to his reading of them? The real stumbling block of our candid friend, like the one that sent the young man away sorrowful, is that he has great possessions.

It is to the hard-headed and practical man that we might recommend a study of Burke's noble words :—"If we make ourselves too little for the sphere of our duty, if, on the contrary, we do not stretch and expand our minds to the compass of the object, be well assured that everything about us will dwindle by degrees until at length our concerns are shrunk to the dimensions of our minds. It is not a predilection to mean, sordid, home-bred cares that will avert the consequences of a false estimation of our interest or prevent the shameful dilapidation into which a great Empire must fall by mean reparation upon mighty ruins."

Practical hardheadness in the race for wealth has well-nigh upset the coach; the race has certainly engrossed us so very much, our minds have made us too little for the sphere of our duty; here we are with an abundance of wealth and do not know how to find a use for it, and all the while thousands are in want and unable to have the opportunity of using the wealth and making it, like the earth whence it has come, reproductive; practical hardheadness, without heart and a sense of man's duty to his neighbour, has run its course; its salvation for the remnant of its days lies in helping on the reforms that shall distribute the wealth which may hereafter come of the employment of the wealth already created.

There is a large body of opinion represented by influential advocates professedly brimming with sympathy for the interests of the masses, and also professedly disciples of the religion proclaiming the rights of man. This section of the community are devotees of the *laisser faire* policy. They point out the vast growth of English industry and commerce, and give tables of assessed incomes and statistics of the growth of capital, and hold these up as a grand example of the triumph of individualism and private enterprise. Now if, as they admit, there is much to be reformed, many injustices and much suffering to be removed, ere the lot of the masses can be considered satisfactory, how can this be done except by joint action? The evils we deplore are the outcome of individualism and private enterprise. Whilst I am a believer in the "*laisser faire* policy" as regards legislative action, I am not a believer in it in industrial affairs. On the contrary, I am of opinion that the present condition can only be remedied by corporate or federal action, by laws and customs which shall be founded on truth and justice, and which shall be enforced by the moral sense of our duties one to another, and by a healthy public opinion, which happily in its collective expression is invariably on the side of right and truth.

"A free industry in a free state" can and will be brought about and perfected without legislative interference. In fact, legislation would prevent its consummation. An objection which may also be anticipated is after the following order:—"Yes," some will say, "the difference in price betwixt cost of production and consumers' prices is no doubt great, but it cannot be done cheaper. There are great expenses in distribution. Look at the cost of rents, rates and taxes, interest on capital employed, cost of wages, and expenses of advertising, and the risk of loss by bad stock, and the evils of the credit system." To such objections the sufficient answer is ready in turning to the achievements of existing co-operative distributive societies. The co-operative societies giving returns to the Central Co-operative Board, show a total amount of retail sales

amounting to about £25,000,000 per annum.* The cost of distribution is covered at from five to six per cent. on the turnover, including interest on capital, depreciation of stock, rent and taxes, wages, and all other expenses. The 50 to 100 per cent. profit consumers now pay is, therefore, a manifest tax on industry, a limitation of consumption, and hence of employment.

Public opinion, founded on Christian morals and Mosaic teaching, has for ages condemned usury. To-day our judges do not spare the lender of money at usurious rates of interest in the cases that come before them; the money-lender who is known to advance money at 30, 40, or 50 per cent. interest puts himself outside the pale of respectable society, but a tradesman who makes 30, 40, or 50 per cent. gross profit on his sales or by the multiplicity of sales, and the number of times he turns over the capital employed, makes a nett profit on capital of 50 or 60 per cent., is considered a smart man, highly courted by society. If usury is an outrage upon morals, what must an excessive and depressing costliness of the process of distribution be! They each form a ruinous and extortionate tax on labour; each depress honest and reproductive production and consumption. Economically they stand on precisely the same ground.

I have already incidentally remarked that the cost of distribution has increased alongside a reduction in cost of production. I have also referred to primitive society to show that distribution and production went together hand in hand. We may further enforce the contention that the evils of distribution are of very modern growth, by taking a glance at the economic social condition of English village life, as it existed within the memory of many now living. The village combined agricultural with industrial occupation, the click of the loom was

* The total amount of sales shown in the general summary for 1884 is £31,053,628. This includes the sales of the productive societies and the wholesale society; they together amount to £6,305,296. If we deduct them, we have a gross return of about £25,000,000 retail sales.

heard in the cottages; the farm-yard and the fields, the cottages and the allotment gardens made a delightful picture of rural life. The land was mainly freehold; the farmers were of the yeoman class, mostly owning the land they occupied, and not unfrequently combined the calling of a clothier or master manufacturer along with that of farming. The farmer's wife, although born with a silver spoon, was industrious and thrifty, and considered it part of her duty to assist not only in the work of the house, but also in the management of affairs; with her own hand she would churn the butter, make the cheese, cure the bacon and ham, or bake the bread; her daughters would assist in spinning the yarn, or knitting the stockings; from the cloths woven under their supervision they would, with the assistance of the village dressmaker, make their own dresses. They knew no middlemen, nor did they pay 50 to 100 per cent. on the cost of production.

If you entered one of the cottages you would find the master of the house in the "chamber" sitting at the loom, busy throwing the shuttle, weaving the piece of cloth; his daughter would be sitting at the wheel spinning weft, and the good wife would be busy with her domestic duties. One son would be out working on the land for the farmer, another would be working on the weaver's allotment. If you ask them how they get along, they will tell you they are quite contented; the father earns about 15s. a week by weaving, the daughters earn a little by spinning. But this is not their only source of providing the necessities of life: down in their little allotment plot they grow their own vegetables, and a little crop of oats, which they have ground into oatmeal for making their porridge; they also keep a pig or two, and provide their own bacon and ham. A glorious time they have at the pig-killing feast; their neighbours are all welcome, and all partake of the good things of that festive time. They are on good terms with the master manufacturer—that is, the gentleman who gives them warp and weft to weave into cloth. He is also a large farmer; in the hay harvest and corn harvest they have all a fine time in the

fields, giving a hand to the cutting, the harvesting, and home-carrying of the crops; they buy a sack of wheat from the farmer at the current market price of the raw produce, and send it down to the miller to grind and dress; the corn-mill is driven by water power, or may be it is a windmill. The miller combines the agricultural with the milling enterprise, and is also a small farmer. The miller charges 6d. a bushel for grinding and dressing the wheat; his cart on its journey to the village delivers the flour, and the bran and sharps; the weaver thus obtains the flour, "the staff of life," simply at the market price—the cost of production plus the cost of milling, which averages only about 2s. per sack of wheat, or say less than 2d. per stone. The bran and the sharps help to feed the pigs; there is no waste, no middleman's profit, no cost of distribution.

The village handicraftsmen, the carpenter, the stone-mason, the blacksmith, the painter, the plumber, &c., supply themselves with the necessities of life in a similar way. Each has his bit of land, each may keep his pigs and poultry or a cow, all get their cloth direct from "the maker" or wheat from the grower, middlemanism and expensive distribution are unknown. The pedlar or the packman may come round occasionally; they may buy a few trinkets or a bit of ribbon from the pedlar for the wife, to make her look fine on the Sunday, or from the packman they may buy a pound of tea, which is used as a luxury on Sundays and holidays. But these are not necessities, they are their little luxuries. Their chief articles of food are produced from the land immediately surrounding them. Their means of subsistence and comfort are not to be computed by the amount of their earnings in money wages, but on the produce of their bit of land and the ease and cheapness with which they can obtain other necessities.

One or other of the farmers would combine the trade of butcher, weekly he would kill the sheep and oxen sufficient for the small needs of the village. The cattle would be of his own rearing or bought from another of his neighbouring farmers; on

the Friday the barn doors would be thrown open, the villagers could examine the carcases hanging there and order the cut they would like, on the Saturday the whole would be cut up and distributed, if any pieces remained, there you would find them for sale laid on a beautifully-clean trestle. There was no shop, with its rent and expenses. The farmer was a butcher only two days a week, he worked his farm the rest of his time, and did not absolutely rely on the sale of meat for his livelihood. In the supplying of meat there was no middleman, no extensive system of trafficking and exchange.

When a villager wanted coals the following was the method of supplying the want. He would engage a farmer to send two horses and two carts to the colliery, may be some ten miles distant; on arrival there the teamster would wait his turn to be "filled." After having his carts filled with coal he would take them on to the weighing-machine, and there, on receiving the note indicating the net weight and the price of the coal, he would pay the amount out of the money with which he had been provided for that purpose. On his arrival back at the village he would deliver the coal and at the same time present the note. The villager would settle any differences between the amount indicated thereon, and the amount he had provided the teamster with, and besides this he would pay the usual charge for a day's hire of the two horses and carts and man, amounting to about 6s. The villager thus obtained his coals direct from the colliery at the market price at the pit's mouth. There was no middlemanism, no usury, no exchange, the price paid for leading for a journey of twenty miles there and back was little more than is charged to-day by the coal merchant for leading a couple of miles. The number of merchants and middlemen now existing in some branches of the coal trade it would be difficult to define.

The surplus productions of the village were dealt with in the most economical way. The cloth was taken on market days by the master clothier to the market town, and there sold to merchants who exported or to any home buyer who wanted

it or found a market for it. One part of the day the master clothier would be busy selling cloth, at another time he would be selling his surplus wheat or farm produce or buying a little wool to help out the insufficiency of the local growth. In all this there was the simplest economy. No agencies nor brokerages—the personal expenses and cost of the day's marketing would altogether be less than the manufacturer of to-day spends on the bottle of wine he takes to dinner, to say nothing of the dinner itself, and a hundred other expenses attending the sale of his goods.

In these good old days of village industry and mutual interchange of products honest work was considered sacred and ennobling; the lives of the villagers were too simple and natural for them to take any delight in mastering the craftiness and subtleties of distribution and exchange.

In primitive times the village communities bought and sold their surplus productions on neutral ground. At several points where the "frontiers" of the villages converged there appear to have been spaces of what we should now call neutral ground. "These were the markets. They were probably the only places at which the members of the different primitive groups met for any purpose except warfare, and the persons who came to them were doubtless at first persons specially empowered to exchange the produce and manufactures of one little village community for those of another." * Under existing system the producer of to-day in the sale of his productions does not stand on neutral ground, he runs with open eyes into warlike territory, every man's hand is against him and his hand is against every man; there is no neutrality, no trustfulness, no true co-operation. It will be by making neutral ground for the exchange and distribution of products that producer and consumer will eventually have justice meted to them; it will be by making an active neutrality of exchange and distribution that social peace and progress will be established, and class feuds and strifes allayed.

* Village Communities, p. 192.

I believe in the progress of man; present evils I reckon, but the storm that will clear the atmosphere and leave to-morrow fresher and brighter than to-day. With Plato, I believe the soul is "Unwillingly deprived of truth." By education and lessons of a trying practical experience the people will ere long learn the truth of this trade depression and the inequities of the method and systems of distribution; ere long the truth will be learned of the economic changes brought about by the new method of production and the displacement of the old, of the breaking down of national barriers in the interchange of commodities, and the opening up of vast new continents and islands, and the annihilation of time in communication and travel—once the truths of these changes are realised and fully appreciated, and society conforms to the application of the lessons these truths teach us, social progress and happiness will be as marvellous as have been the progress of physical science, the application of machinery to production, and the vast economies in the cost of production during the past eighty years.

A paper prepared by a committee of the American Social Science Association, and read at its meeting at Cincinnati in 1878, gives a very vivid account of the displacement of labour by machinery. After giving a very graphic and minute description of domestic production, and comparing the same with the results of labour-saving appliances, the general effects are summarised as follows:—

"1. It has broken up and destroyed our whole system of agriculture as practised by our fathers, which required the whole time and attention of all the sons of the farm, and many from the towns, in never-ending duties of food production, and has driven them to towns and cities to hunt for employment, or remain in great part idle.

"2. It has broken up and destroyed our whole system of household and family manufactures, as done by our mothers, when all took part in the labour and shared in the product, to the comfort of all; and has compelled the daughters of our

country and towns to factory operations for ten to twelve hours a day in the manufacture of cloth they may not wear, though next to nakedness in the shivering blast; or to the city to ply their needles for eighteen or twenty hours a day, in hunger and cold; or to the streets in thousands, spinning yarns and weaving webs that become their shrouds.

"3. It has broken up and destroyed our whole system of working in wood and iron and leather in small shops of one, two, or it may be half-a-dozen workmen, in every town, village, or hamlet in the country, with blacksmith shops in near neighbourhood upon every road, where every man was a workman who could take the rough iron or unshaped wood and uncut leather and carry it through all its operations, until a thoroughly finished article was produced, and has compelled all to production in large shops, where machinery has minutely divided all work, requiring only knowledge and strength enough to attend a machine that will heel shoes or cut nails, or card wool, or spin yarn, or do some other small fraction of a complete whole.

"4. It has broken up and destroyed our whole system of individual and independent action in production and manufacture, where any man who possessed a trade by his own hands could at once make that trade his support and means of advancement, free of control by any other man, and has compelled all working men and women to a system of communal work, where, in hundreds and thousands, they are forced to labour with no other interest in the work than is granted to them in the wages paid for so much toil; with no voice, no right, no interest in the product of their hands and brains, but subject to the uncontrolled interest and caprice of those who, too often, know no other motive than that of avarice.

"5. It has so enormously developed the power of production as to far outstrip man's utmost power of consumption, enabling less than one-half of the producing and working classes, working ten hours a day, to produce vastly more than a market can be found for; filling our granaries, warehouses, depôts, and stores with enormous amounts of products of every

description, for which there is no sale, though never before offered at such low prices—with multitudes of men and women in the greatest want—being without food, clothing, shelter—without work, and consequently without means to obtain the simplest necessaries of life.

"6. It has thrown out of employment substantially one-half of the working classes; in fact, it has utterly destroyed all regular or constant employment for any considerable class in any industry, and is constantly and steadily displacing able and willing men, and filling their places with women and children, leaving no place to be filled by, and no demand for, the constantly increasing numbers developed in our increase of population, in this way adding to the number of the unemployed. It takes married women in thousands from their maternal cares and duties, and children but little more than infants from the schools, putting them to the care of machinery and its work, until quite one-third of the machine tenders in our country are women and children; thus breaking down the mothers, slaughtering the infants, and giving employment to any who obtain it only upon such conditions of uncertainty, insecurity, competition with the workless, and steady reduction in wages, as create a constant struggle to obtain the little work they do have, and get such compensation for it as will barely support life even when in health.

"These points show clearly the changes which have taken place in all our industries within a period of little more than half a century—changes greater than the world has before known during its whole existence."

This is a picture of the effects and changes wrought by machinery that may be called the dark side; but there is a bright side. The mastery of science, and the inventiveness of which the introduction of labour-saving machinery is proof, is but the further fulfilment of man's mission, given to him in the Divine command to have dominion over the earth and to subdue it. The problem we have to solve—and here comes the application of social and economic science and morality—

is, How can these great economies in production be made to minister to man's happiness and real progress? In the estimation of the earlier economists increased production was necessary as an instrument of social progress. We have now attained that increased production; the problem is the distribution of the undoubted means to happiness and progress that it makes possible. The remedy lies in the establishment of a moral system of exchange, that shall give to the present producer, although he may only tend a loom or a threshing-machine, as fair a share of the proceeds of his labour and his increased productiveness as his predecessor, the domestic producer, obtained in the more primitive days.

The question has been asked, is not the co-operative movement doing much to mitigate the evils of which you complain?

The only reply I can make is that in England, after fifty years of talking and preaching, we have not yet seen a solid and earnest effort made to demonstrate and prove the blessings that will yet come from true co-operation.

The praises of co-operation have been sung since the days of Robert Owen, by all the professors of political economy, by social reformers of all shades of opinion; statesmen and Parliamentary candidates and politicians have, for the sake of standing well with the working classes, extolled the benefits of co-operation and association; but, notwithstanding all this, the question has not been seriously and earnestly taken in hand. No doubt a cause of this has been the ease with which money has been made in private enterprise during the past forty years; the race for wealth has made us indifferent to the higher duties and purposes of life; the motto has been "Own self first, and the devil take the hindmost." Now the results of such a selfish policy are being seen we are by degrees opening our eyes to perceive that the condition of the hindmost has somehow a great influence on the well-being of oneself. The happiness of the individual may be estimated by looking at the numbers and the social and economic condition of the masses.

Co-operative distribution has done something to mitigate the evils of distribution—it has divided amongst its members the easily earned profits made in retail trading, and has demonstrated the advantages and success to be gained by association; just as we are thankful to free trade for the partial good it has done and the improvement it made on the pre-existing condition of affairs, so are we thankful to co-operative distribution for the partial good it has done.

Both the free trade movement and the co-operative movement have partially laid hold of great and noble principles; each only require fully applying for the good of the whole community. A principle in each of them is that they know no class interests. The individual who seeks for wealth and honour, and happiness, must find them in the services he has rendered his fellows and the benefits he has conferred on the community.

The co-operative movement may be described as consisting of 1,284 joint stock limited companies of 764,000 members, engaged in trading for their mutual benefit and gain.* The share capital is about £8,328,720, and loan capital £1,690,520. On this capital they make a net profit of £2,735,170, equal to $27\frac{3}{4}$ per cent. (these figures include the capital employed and the profits made in the so-called co-operative productive societies. These show worse results in profit making than the retail distributive societies; if the profits were taken on capital employed in distribution only they would show about 32 per cent.) In the returns of the Manchester District Co-operative Association, which in 1883 had sales amounting to £1,264,773 and net profits £150,299, the disposal of the profits is par-

* The societies recognised by the Central Co-operative Board are alone worthy of being included in the co-operative movement. The Civil Service Stores prosper on the very worst evils of middlemanism. If all the goods for home consumption were distributed on the principles on which they are worked we should have producers beggared, until at last it would not be worth while producing anything at all. The Civil Service Stores sacrifice the rights of producers for the benefit of their shareholders and their members. There is no mutuality of interests, no morality in exchange.

ticularised. The sum of £143,960 was distributed as members' dividend and only £1,004 in non-members' dividend, £2,287 was placed to the educational fund, which is a very pleasant and unobtrusive system of advertising; £1,645 was placed to reserve fund, and other sundry items, amounting to £1,433, were employed in additional depreciation, etc. etc. I find no participation in profits by the storemen nor assistants in the stores, nor do I find any participation in profits by producers. The Manchester District Co-operative Association may be taken as a sample of the working of the whole of the Co-operative Stores. It is no unfairness to say that there is a want of evidence that it is actuated by the principles of true co-operation in the working of it.*

The wholesale co-operative society is a gigantic concern, established to supply the smaller retail distributive societies. Its share capital is subscribed by the distributive societies. It has a turnover of £4,675,371, and is the proprietor of four productive societies, doing a business of £162,149 in 1884, and making a net profit thereon of £5,675, but it does not divide a single farthing of these profits amongst its workers. It is a sham to represent these societies as co-operative. The Co-operative Wholesale Society is a gigantic middleman; in its workshops it pays the lowest of competition wages; in the language of one of the workers in one of the shoe factories, "the workmen have to work for what they can get, they know there is no true co-operation." In its transactions with other

* Further evidence of the fact that this so-called co-operation is no benefit to producers is found in an analysis of the sales of the Manchester District Co-operative Association. Encouragement of home productions seems to have no concern for these co-operative societies; one would think that in working men's co-operative societies the promotion of home industries would be the first duty. Out of total sales of £1,264,773 in 1883, only £9,195 was in farm and dairy produce, £58,199 in drapery, £7,553 in tailoring, and £733 in furnishing; these are very small sums proportionately to the gross turn over; they are branches of trade in which home industry could be encouraged. Butchering is credited with £129,134, grocery with £1,014,691; in these branches of trade the interests of home producers and home workers were no more studied than in any non-co-operative trading establishment.

producers it pays the lowest of competition prices; the profits made out of the retail prices are distributed amongst the members, labour is depressed. In short, it is as far from displaying a single feature of real co-operation as any private trader is who uses the weapons of competition and capitalism for his personal ends, regardless of the interests of others.

The Co-operative Labour Association, whose principal object is to recognise the combined interests of capital and labour, and advocate the introduction of co-partnerships of labour in productive enterprise, is largely composed of members of the co-operative movement. In a conference just held, a resolution was passed asking "the committee of the Labour Association to point out in a *fraternal* spirit to the Wholesale Co-operative Society the grave injury they are doing to the cause of co-operation by their failure to carry out co-operative principles in their productive works, and to offer their services in discussing practical means of placing the wholesale workshops upon a true co-operative basis." The members of the co-operative movement are therefore not satisfied with the evasion of true co-operative principles their societies are showing.

But not only is the Wholesale Society doing a grave injury to the cause of co-operation; the distributive societies themselves fail to fulfil the first condition of true co-operation. An industrial community is made up of producers and consumers. The first necessity of a man's existence—especially of a working man—is that he must produce something to live. In these days of divisions of labour and concentration a workman does not live on the article or part of an article he produces, he lives on the exchangeable value of the wages he receives. These wages are supposed to represent the money value of the labour he has contributed. Distribution here comes in; its business is to supply the wants of consumers and find a market for the productions of producers. A workman may be engaged in making shoes at Leicester; by the aid of machinery and minute divisions of labour four workmen may produce,

say, 1,000 pairs of shoes a year. Out of their wages, considering they have other things to provide besides shoes, they can only buy, say, two pairs each per year; there are, therefore, 992 pairs of shoes to be distributed. A market will be found for some in London, for others in Bristol, and others, say, in Leeds. Workmen are engaged in making woollen cloth at Leeds, just in the same way as the boot and shoe makers are at Leicester. They can buy a few pairs of shoes, but must first exchange the cloth they have put their labour into. In exchange for cloth the boot and shoe makers at Leicester willingly supply the boots and shoes. In like manner the farmer and agricultural labourer produce vastly more than they can consume; they exchange their surplus productions for other necessaries of life. They take boots from the boot maker, cloth from the cloth manufacturer, hats from the hat maker, furniture from the upholsterer, and all these take the productions of the farm in exchange for their manufactures.

It is therefore the function of distribution to be the medium of exchange between producers and consumers; it takes from one producer that which he has made but does not need for his own consumption; and gives him back that which he requires, the same having been made by some other producer which he could not use; unless this distribution is economised and organised, and made mutual for the benefit of producers—who are also the consumers—it is evident that it will become nothing less than usury; now my contention is that just because this most important function of distribution has not been performed for the mutual benefit of producers and consumers, but on the contrary has been performed for the selfish interests of distributors, whose interests are alien to those of the classes they profess to serve—for this they must be when, as I have shown, the producer is depressed and the consumer extorted—I say my contention is that distribution has become a system of usury, detrimental to the well-being of the country. The duty of co-operation is to make distribution mutual, and remove from it the stigma of usury. The first condition of

true co-operation is therefore that the producer should not be unduly depressed, but should receive value for value, measure for measure, in the exchange of his labour. Co-operative distribution has only grasped half the principle of true co-operation ; in buying goods the stores support middlemanism ; they do not buy first hand, and do not in any way seek to restore labour to its rightful position in productive enterprise. After the payment of capital employed in distribution and all other legitimate expenses necessary for the discharge of the function of distribution, half the surplus profits are as much the right of the producer as they are of the consumer, but this co-operation takes the whole of the profits for its members. It can be on no other footing than that which I have laid down, that production can be honestly and fairly treated, and the interests of producer and consumer made mutual. Until this principle is recognised and acted upon, until distribution is made a moral and equitable system of exchange, freed from the taint of usury, it will be futile to expect that labour partnerships can be founded, or associations of capital and labour successfully established in productive enterprise ; the profits more easily made in retail distribution cannot be separated and treated of themselves ; they must be joined to those of production before true co-operation can exist, or ever the rights of labour can be recognised or justly dealt with.

In subsequent chapters on the treatment of the remedy for existing evils, I hope to be able to show how distribution may be made mutual and true co-operation established.

I have had the pleasure of discussing this question with Mr. Lloyd Jones and Mr. Thomas Hughes, each of them veterans in the co-operative movement. I but give expression to their convictions and sentiments when I say that they look upon existing systems of co-operation as but a stepping stone to the good that will yet come when co-operation in production and distribution are joined together ; by no other plan can the producer be made partaker in his fair share of the proceeds of his labour, for the market price is what the consumer pays, the

producer can only benefit in his share of the proceeds by having distribution in its every form made subversive to, and a helpmeet of, production.

I had the privilege of being present at the Co-operative Congress at Oldham when the report of the committee appointed to make inquiry into the state of co-operative production was considered. The committee did not make a very encouraging report as to the probabilities of success for new ventures in productive co-operation. The storm of indignation and disapproval which this report aroused was good evidence that the delegates to the Congress did not approve of it. Mr. Hughes asked if the time was not now ripe for dealing with the application of their principles to production, when would it be ripe? He went so far as to say that unless this question of applying the principles of co-operation to labour was seriously taken up and dealt with ere another year passed he would be ashamed of them. Speaker after speaker expressed similar views, the opinion seemed to be prevalent that success in distribution, the dividing of the easily-earned profits of retail trading, which are abnormal, was no remedy for the labour question.

Besides, the co-operative movement and Civil Service Stores are not, it may be asked, manufacturers themselves, economising distribution by selling their productions, if not direct to the consumer at any rate appealing direct to the consumers, and supplying their articles at fixed prices through the retailers; is there not an economy and a protection to the consumer in this? Household requisites and also articles of dress, whether sold direct by the maker or through retailers, which are largely advertised, and which rely on continued expenditure in advertising for a sale, are the dearest articles of all; the consumer pays for all the cost of puffing and advertising, and therefore pays a partially self-imposed tax on his own consumption.

In our large towns stores are now seen with placards on the windows announcing that they supply clothing direct from

the factory to the consumer, saving the consumer 25 to 50 per cent.; it is at once an evidence of the wide margin of profits already existing, and also of their belief in the credulity of the public when such an announcement is made. These stores have no factory; they sometimes buy their cloth from manufacturers and cut up a few garments and put them out to tailors to sew, and sweat down the wages of those tailors to starvation point; much more frequently they buy from slop makers, and shirt makers, and hatters; in every sense of the term they are middlemen of the worst type, making a business on what they call the "gullibility of the British public."

In several manufacturing centres there are now firms doing a large business, solely by advertising; the hit they make on the public mind is that they represent themselves as manufacturers selling direct from the mill or manufacturer to the consumer; these also are middlemen of the worst kind, for they deliberately make false representations. They have neither loom nor spindle. Instead of the public making a saving by buying from them they pay as much if not more than customary retail prices, some of these concerns professing to save the consumer 50 per cent., make a minimum profit of 50 per cent. on cost of production—every yard of stuff they sell is taxed 10 per cent. for advertising alone.

The economy of distribution is to be found in collectivism and not individualism; if every manufacturer in the country sold his goods direct to the consumer middlemanism would not be got rid of, for the manufacturer would be a middleman all the same; he would stand between the producers, the workers, and the consumers; the one would be depressed and the other extorted, then just as now the public would have no guarantee either of economy or of equity.

Emerson says the disease with which the human mind now labours is want of faith. "Some men do not believe in a power of education; they do not think we can speak to divine sentiments in man, and do not try. All high aims are renounced. We believe that the defects of so many perverse

and so many frivolous people who make up society are organic, and society is a hospital for incurables." Like Emerson, I do not believe in this infidelity and faithlessness; with Emerson, I agree that "life must be lived on a higher plane. We must go up to a higher platform, to which we are always invited to ascend; there the whole aspect of things changes." It is because I believe in the attainment of this higher plane of existence I am writing these pages.

"Happiness," says Aristotle, "is one of those things which are honourable for their own sakes, and are complete and perfect in themselves. Among other reasons, it seems to me to hold this supreme rank from the fact of its being an ultimate principle. It is for the sake of happiness that we perform all the actions of our lives; and that which is an ultimate principle and the cause of what is good we rank as something honourable and divine." * It is with a humble desire to promote happiness by the morality of our actions in industrial life, in buying and selling and getting gain, that I ask attention to a treatment of the remedy in subsequent pages.

* "Aristotle's Moral Philosophy," by Hatch, p. 57.

CHAPTER IX.

The Remedy—The Establishment of Associations for Distribution of Agricultural and Industrial Products for Mutual Benefit of Producers and Consumers—The Organization of Associations for Mutual Distribution of Agricultural Produce and Food—The Organization of Associations for Mutual Distribution of Manufactures, Articles of Dress and Clothing, Furniture, &c.—The Machinery and Working of the same Explained.

AND now to a consideration of the remedy. In a cursory way, in previous pages, we have roughly dealt with the social problem. We have seen what wealth is, and what are the factors in its creation; we have admitted its uses and condemned its abuses; we have seen primitive society was constituted on the basis of kinship and co-operative action, and that modern industrial society is writhing in the agonies of individual competition and personal gain. Throughout these pages we have striven to let it be evident that the spirit actuating the writing of them is one of veneration and reverence of the All-wise One, and an acknowledgment that all happiness can alone come of our obedience to the natural law, if by the aid of revealed and natural religion we will only strive to learn what that law is, and live in accordance with its teaching, "then shall the light rise in obscurity and the darkness be as the noon-day."

"Good and bad results cannot be accidental, but must be necessary consequences of the constitution of things, and it is the business of moral science to deduce from the laws of life and the conditions of existence what kinds of actions necessarily tend to produce happiness and what kinds to produce unhappiness."*

In the work on Socialism by the Rev. Mr. Kaufman, founded on the German work of Dr. A. E. F. Schäffle, which I have previously quoted, the concluding paragraph on p. 315 gives

* "Data of Ethics," Mr. Herbert Spencer.

expression to sentiments which all earnest and thinking men must reciprocate, and pray for their attainment in actual life. It says: "Without uprooting any existing social institutions, without precipitating the introduction of any additional forms of economy, we may look forward to the time when the further spread of knowledge and human culture, social peace shall at last have been concluded, when the now contending classes shall have learned the true nature of their common interests, and the mutual inter-dependence between honest labour and property honestly acquired. Without any destructive measures a system may be gradually constructed of a free industry in a free state, both endued with a new spirit of liberality, general culture, co-operative discipline, sound morality, and unfeigned brotherly love."

The summary of principles laid down by the Society for Promoting Working Men's Associations, of which the late Rev. F. D. Maurice was president, were:—

1. That human society is a brotherhood, not a collection of warring atoms.
2. That true workers should be fellow-workers, not rivals.
3. That a principle of justice, and not selfishness, should regulate exchanges.

It is on the ethical truth of Mr. Herbert Spencer, the noble aspirations of Kaufman and Schäffle, and the Christian principles of the Society for Promoting Working Men's Associations, the measures of reform I am about to explain are founded.

Of the many laws given to the children of Israel by Moses for their social guidance, one commanded "that they should do no unrighteousness in judgment, in meteyard, in weight, or in measure. Just balances, just weights, a just ephah, and a just hin shall ye have." Here we have laid down a high moral standard of exchange.

It is by the establishment of a higher moral standard of exchange than is possible under existing free and individual competition that the corner-stone of a remedial measure will be laid. I therefore recommend agency associations for the retail

distribution of the products of kindred trades, it being a principle and condition of their foundation that they be established as an aid to production on the one hand and a protection to the consumer on the other.

These Co-operative Associations or Agencies would perform the twofold function for the mutual benefit of producers and consumers in the following manner :—

I. The share capital would be raised on the joint stock principle, with limited liability, in shares of sufficiently small amount to place them within the means of purchase by the industrial classes.

II. The management would be vested in a sufficiency but not a superfluity of directors—a managing director and a secretary. Their election and re-election being of course vested in the hands of the shareholders.

III. The shareholders shall have a first claim on net profits to such an amount as shall pay up to but not beyond five per cent. per annum on the paid up capital—the said five per cent. per annum being considered and accepted as a fair and just return for the usury of the capital employed in these associations, these agencies of distribution.

(A.) Surplus profits shall be distributed as follows :—A bonus or share in surplus profits shall be given to the managers and every assistant employed by the associations, the proportionate amount of such bonus or share in profits to be decided upon and fixed by the directorates, the amount, of course, being entirely dependent on the successful working of the various departments in the various associations.

(B.) The remaining profits shall be distributed, half to producers or manufacturers in proportion to purchases made by the associations from them, and half to consumers or purchasers in proportion to the amount of their purchases from the associations.

These associations would be of two kinds. First, the distributors of agricultural produce and food, and secondly, the distributors of industrial produce, manufactured articles, of dress, clothing and furniture.

The mode of operation of each would be similar in principle. We will first treat the agricultural one.

Suitable premises would be taken in London or some other large centre of population, these would be constituted the chief store and head office for the general management of the business of the association. Branch stores would be established in other towns and villages as may from time to time seem expedient. Arrangements would be entered into with farmers, millers, market gardeners, poultry keepers, dairy farmers, fishermen, fruit growers, and all similar producers, for the supply of corn, flour, vegetables, fruit, fish, poultry, eggs, milk and cattle. The association would be a general dealer in agricultural produce and butchers' meat. It would take the live cattle from the farmers and organise its own slaughtering and dressing establishments. The association would pay in cash the market price of the day; at the end of the half year the profits would be dealt with as described, the farmer, the market gardener, the fisherman, each and all would receive his share in the profits. Supposing a farmer had supplied thirty head of cattle, for which he had been paid say £450, if the surplus profits, after paying all expenses and the fixed five per cent. on capital, amounted to ten per cent. on the turnover, as doubtless they would do if customary retail prices were charged, the farmer would secure as his share of the profits £22 10s.* No doubt the association would in time find it within its province and a great economy to organise its own mills for grinding and dressing corn and making it into flour. Suppose a farmer had supplied five hundred quarters of wheat at 35s. a

* I am warranted in calculating the surplus profits, after the payment of all expenses, at 10 per cent. on turnover, by the results of the working of the Co-operative Societies. On retail sales amounting to £25,000,000 a net profit of £2,610,130 is shown, after all expenses and interest on capital have been provided for. This is a little over 10 per cent. on gross sales. Co-operative Societies do not buy everything at first cost; they also claim to sell at less than the usual retail prices. The associations I describe will buy everything at cost of production. If customary retail prices were charged the net profits would exceed 10 per cent. on turnover.

quarter, amounting to £875, and if as before described, the profits for distribution amounted to 10 per cent. on the turnover, the farmer supplying these five hundred quarters of wheat would receive as his share five per cent. on the amount, viz., £43 15s., equal to an addition of 1s. 9d. per quarter. The fisherman supplying fish would receive the price of the day and at the end of the half year would, if profits were as I have indicated, receive a return of five per cent. on the amount supplied. So all through, every producer would have fair measure meted out to him in distribution, and would participate in the price of the market. In so far as farmers and fishermen were purchasers for their consumptive wants, they would also receive back 5 per cent. on the amount of their purchases, and would thereby be benefited not only as producers but as consumers also.

With large quantities of agricultural produce, the first stage is now the consignment of the same by the grower or breeder to the wholesale salesman. The producer has to be satisfied with whatever the salesman chooses to fix as the market price. The producer knows and feels that he is depressed and unfairly dealt with; but the consignments to the agency of association I describe would be treated fairly. Instead of sending his produce into a ring of monopolists, the producer would be forwarding it to a mutual agency, and receive a return proportionate to the prices realised from consumers. The scandalous outrages which are described in the article from the *Field*, which I have previously quoted, would be impossible. Every transaction would be fair and aboveboard; an inducement would be given to greater cultivation of the land and agricultural productions generally; the consumer would be shielded from extortion; interests now supposed to be antagonistic would become thoroughly mutual.

The following is a table of some articles of food imported into this country in 1883, and the declared value of the same, all of which we can produce at home. I do not say we could produce all this vast amount, but we might

greatly increase our production, and reduce the amount imported :—

Butter and Butterine	...£11,773,933
Cheese	4,890,400
Eggs	2,732,055
Potatoes	1,585,260
Fish	2,301,966
Animals : Oxen, Bulls, Cows, and Calves	9,332,242
Sheep and Lambs	2,518,382
Beef	2,894,397
Bacon and Ham	10,036,326
Pork	761,871
Lard	2,247,016
Corn : Wheat	31,454,481
,, Barley	5,741,795
,, Oats	5,010,293
,, Maize...	10,370,074
,, Other kinds	2,207,397
,, Flour—Of Wheat	12,344,778
,, ,, Other kinds	493,549
	£118,695,215

No doubt a first step in the way of obtaining a greater production from the land of this country is the reform of the land laws, to which reference has already been made. It is an outrage on common sense, that whilst we are receiving these enormous imports of agricultural produce there are thousands of acres of land going to waste, thousands of labourers on the verge of starvation with the waste lands before their eyes, all because the inhuman land laws prevent its free distribution, and hinder the working of the natural law of rents, occupancy, and the labouring of the soil.

Evidence of what might be accomplished in greater productiveness of the soil is to be found on Lord Carrington's estate in Buckinghamshire. His lordship has recently stated that his 800 allotment tenants get a net produce from the land of £40 an acre. The most a farmer, farming the same land on the great culture plan, can obtain is £7 an acre. Production

on a large scale may be best in manufactures, but in the cultivation of the land little culture obtains a greater yield than great culture. The Rev. Mr. Stubbs supports this view. On his allotments at Granborough the land cultivated by labourers as allotments produced 60 per cent. more wheat than the farmers' average, and 11 per cent. more than the average of the highest scientific farming. In his evidence before the Royal Commission on the Housing of the Working Classes Mr. Stubbs repeated the statement he had previously made, that 40 bushels of corn to the acre is a very common allotment crop—the farmer usually places his average at 25 bushels. The labourer puts more labour into his allotment than the farmer does into his land, and produces 40 bushels while the farmer is getting only 25 or 26 bushels. Further evidence of the increased productiveness of the land if ownership was more widely distributed, and cultivation cut up into smaller plots, is to be seen in the results of the cultivation of the railway embankments and bits of odd plots alongside our railways. The employés of the railway companies, having the privilege of cultivating for their own benefit these bits of what would otherwise be waste land, obtain an astonishing amount of production therefrom.

Next in importance to a reform in the land laws is a reform in the distribution of the products of the land. Such an association for distribution as I have described will—granted the natural law of rents were allowed to prevail—do much to encourage the yeoman and the peasant proprietor back to the soil from which he has been driven away by monopoly and demi-godism, which are alike an insult to Nature, to humanity, and to God.

The schemes for establishing peasant proprietorships and small farms' associations, industrial villages, and so forth, will surely be unsuccessful unless accompanied by some method for the economic and moral distribution of the products, for without this the peasant proprietors and the small producers it is proposed to attract to the industrial villages will simply be

fleeced by middlemen. I noticed not long ago a speech made by an influential Member of Parliament, at a meeting called for promoting the establishment of an industrial village, in which it was remarked that the wholesale houses would take the productions of the women in articles of dress, and would no doubt give out work for them to do; but in the wholesale houses or any other you will find no philanthropy, only iron-heeled competition. In the lace trades in Buckinghamshire, Devonshire, and the underclothing trades in Ireland, where they are carried on in the villages, you find the women making 4s. to 5s. a week. They are depressed by the dealers, who make enormous profits out of their labour. The handloom hosiery manufacturers in the villages in Leicestershire and Nottinghamshire earn about 8s. per week, and produce work that leaves a margin between the cost of production and the price consumers pay of fully 75 per cent. The labourers in the village, whether it be in the labour of the field, in growing vegetables, or rearing stock, or poultry farming, or in making stockings, shirts, or lace, under existing systems of distribution and competition, will be screwed down and depressed below the minimum of a fair living and a fair share of the proceeds of their labour.

By the establishment of associations for distribution, such as I am endeavouring to describe, industrial villages might flourish and be encouraged, their products, whether of the field or the cottage, would be sure of a market and a fair price.

Together with the distribution of agricultural produce would be associated the distribution of coals and the hundreds of odd things required in the household. Sugar—and here the English refiner would receive a bounty, not from the State, but simply from morality in exchange—then there would be such articles as jams, pickles, vinegar, mustard, blacking, and black-lead, brooms, and coal-scuttles, and so on throughout the almost endless list of household requisites, all producers in every case participating in the distribution of surplus profits. It might also be found advantageous to associate the distribution

of colonial and Indian produce, the same principles of distribution of surplus profits being made applicable. By degrees, as experience showed the way, you might have a grand federation of English and colonial producers and consumers bound together by the grandest of all ties—the bond of mutual interestedness and helpfulness, of justice and equity.

The association for distribution of agricultural and kindred produce would be its own Smithfield, its own Covent Garden, and its own Billingsgate, and, if thought desirable, its own Mincing Lane also. It would put itself outside the power of these monopolies and the "rings" existing therein, and would place both producer and consumer in a free market.

As regards the constitution and mode of operations of the Industrial Associations for Distributing Manufactures, they would be as follows :—

The chief store and head offices for the general management of the business of the Association would be established in London. Distributive stores would also be established in the provincial centres of population as may from time to time seem expedient.

In order to secure the most efficient and direct communication with producers in our principal manufacturing districts, resident representatives or buyers, having thorough technical knowledge and local experience, would be appointed, and suitable premises taken in such productive centres as Manchester, Bradford, Glasgow, Nottingham, &c. &c.

The duties of such resident representatives to be as follows :—They would be in constant communication as to the productions of their districts with the managers of departments at the chief store and the various branches, and would, on the instructions of such managers, purchase and forward goods as may from time to time be ordered by them. The resident representative would be responsible for the examination, passing, or rejecting of all goods, the packing and forwarding of the same to the various distributive stores, see to the process of dyeing and finishing where such might have to be done by the Association, and would forward to the head office daily all invoices for

goods bought, and detailed particulars of goods forwarded to the distributive stores.

All orders would be placed on the official forms of the Association. A copy of every order would, within twenty-four hours of the receipt of the same, be forwarded to the head office by the firm receiving it.

Accounts would be settled monthly, or at such times as should entitle the Association to the largest possible discount for cash payments. All accounts to be paid from the chief office. All goods sold to be paid for on or before delivery.

Full freedom of trade would exist. The resident representatives would be free to enter into communication and business relations with any manufacturers whatsoever; preference in all cases being given to such concerns as shall adopt the principles of profit sharing, or industrial partnerships, or which shall in any way acknowledge the principles of participation of labour in profits.

The remuneration of resident representatives would consist of a fixed salary proportionate to the magnitude and importance of the services rendered, and beyond this, in accordance with the principles already laid down, a share in the profits of their particular departments.

The managers of the departments at the chief stores, as also at all the branches, would each be responsible to the directorate for the successful working of their departments, and would at any time visit any of the productive centres they might be interested in, and, in conjunction with the resident representative, where there may be one appointed, make such purchases as may seem fit. Managers of departments and resident representatives would work in co-operation for the common good, but managers would be independent of the direct interference of resident representatives, the function of the latter being to supply the demand, of the former to say what the demand consists of. In the distributive stores efficiency and economy would be secured by placing two or three departments under one management.

The Association would organise its own factories or workrooms for the manufacturing of costumes, mantles, and various articles of dress; the labour employed in these trades is the most depressed and worst paid of any connected with the textile and clothing trades, and yet the articles produced yield the largest rate of profit. Thousands of seamstresses and machinists work for wages of 8s. per week. The public, as consumers, by the multiplicity and costliness of middlemen, are made to pay 24s. to 40s. for the self-same work that the labourer was paid 8s. for doing. In this department a direct and mighty benefit can be conferred on labour, and, at the same time, a great saving made to consumers.

Manufacturers have often stocks of goods thrown on their hands. Sometimes they may be too late in delivery, or they may have run a special style too long; in such cases it is difficult to fix a market price. The Distributive Association in a case of this sort would take goods on consignment, and would offer them at the market price, plus 12½ per cent. to cover expences and contingencies; if the goods sold, all well and good, the maker would be paid his price, but would not be entitled to any share of profit on consigned goods; if they did not sell the maker would have to take them back or reduce the price to such a limit as would ensure a sale; the buyers of the association would be competent to judge if there was any probability of a proposed consigned lot being readily saleable.

The advantage of a plan like this will be illustrated by stating a case which recently came before my notice. A manufacturer had received a cancel for 100 pieces of dress goods which had been sold to a Paris house at 2s. 6d. per yard; having them cancelled he had to find a customer. When it was seen by the wholesale buyers that it was a cancelled lot the market value dropped at once, after trying one and another the 100 pieces were eventually sold at 1s. 9½d. per yard to a wholesale firm, who afterwards sold them on commission to a large retail house at 1s. 11d. per yard; the retail firm thought they were so very cheap they would get an extra profit, and sold the lot very

speedily to the public at 3s. 11d. per yard, being a profit of 2s. per yard. The maker lost 30 per cent. and the retailer made a profit of upwards of 100 per cent., the public gained no benefit. This is no exceptional case; by the plan before named of taking any doubtful lot on consignment the association would save the producer from needless loss, and at the same time protect the consumer.

The division of the profits to consumers would be simplified by any regular customer of the association being furnished with a pass book in which the total amount of recurring purchases would be entered, much the same way as the Post Office Savings' Bank enters deposits in the pass books; at the end of the half-year the pass books would be sent in for inspection, and the division of profits due to each remitted or paid accordingly; a small charge of, say, one shilling per half-year might be made to cover the expenses of keeping these books; but to every non-pass book holder an invoice bearing the official stamp of the association would be given for every sale, and at the division of profits the holders of these official invoices or sales notes would, within a given limit of time, be entitled to participate, precautions being taken to prevent any imposition or fraud.

The division of profits to producers would be simple enough, the ledgers of the association would at a glance show the total amount of purchases made from any producers who were entitled to participate.

The division of profits to the workers in the distributive associations would be separated into two classes; first, a fixed proportion of profits would be placed to the credit of a Mutual Aid or Insurance fund, and the balance of the amount allotted to employés would be paid in cash; after a given number of years in the service of the association an employé would be entitled to a retiring pension, or if an employé died and left a widow she would be entitled to an annuity according to the condition of the funds of the Mutual Aid Society, and the nature of the services, and position her husband had occupied in the association. In

the factories organized by the associations for the manufacture of garments, or for any other manufacturing process, the same principles would be applied. There would not be a co-worker in the associations that would not be making a provision against old age or accident, or, in case of premature death, the widow and fatherless children would be provided for, beyond the reach of absolute want.

A few months ago I received a circular from a large retail house soliciting votes for the election of a youth into an orphan asylum; if I was not a subscriber to the funds of the institution it was earnestly solicited I should at once become one so as to help this most urgent case. The facts of the case were as follow:—The youth for whom they were pleading for votes was one of six young children, their father had died and left the widow and children totally unprovided for; he had been in the employ of the firm soliciting votes for twenty years and bore a good character. He was industrious and careful, but the claims of his family had made it impossible for him to provide for the future out of his limited income. During the twenty years he was in the employ of the house his yearly income had not averaged more than £90, although he had discharged the duties of a responsible position. During the twenty years he had received a total of £1,800, but during the same twenty years the partners in the house must have made considerably more than a million sterling, for just before the death of the employé one of the principals had died leaving a fortune of more than £500,000. Was this an equitable distribution of the proceeds of industry? On whom had the poor children of the hard-worked and under paid employé the greatest claim? If some of the children were not provided for out of private charity there was no alternative but state pauperism for them. I think the reader will agree with me that the poor unfortunate widow and children had the greatest moral claim on the great wealth which the firm had made out of the under-paid labour of their servants, and the enormous profits made from the public who were their customers.

The number of orphan asylums, trade schools, and charitable institutions generally, has largely increased. It is a question that is worth consideration as to how far the public subscriptions, by which they are supported, are simply an indirect tax paid voluntarily by the benevolent, which goes to mitigate the evils brought about by unrelenting private enterprise.

The Mutual Aid fund in the distributive associations would obviate such a social scandal and injustice as I have referred to; hundreds of similar cases happen every year. In associations of capital and labour in France to which I shall presently refer, a mutual aid fund has been established and is working most successfully.

A security for the successful working of the distributive associations would be found in the individual interest each of the co-workers in them would have for the collective well-being of the whole, in the participation of profits by the co-workers there would be a guarantee against wasteful expenses and bad management. New life would be constantly infused, and in the publicity which would be given to the affairs of the associations, and the salutary effect of public opinion, there would be a safeguard against corruption and decay. And yet whilst the co-workers in the distributive associations might be looked to for making them a success for their own interests, those interests could not be served without conferring a benefit on the community. The public by their participation in profits as purchasers would be safeguarded against extortion, and the producers by virtue of their participation in surplus profits would also be safeguarded against undue depression, interests would be thoroughly mutual, and by the mutual association of capital and labour in productive enterprise, to which I shall shortly refer, morality and justice would prevail, the distribution of the proceeds of industry would be satisfactory, true co-operation would be established. If this method of distribution should ever become general there would be room for numerous associations. Healthy competition would stimulate one another; competition might then rule everything for the general good.

CHAPTER X.

The Benefits of Mutual Association in Distribution—A Possible Saving of £200,000,000 per Annum—Resulting in Increased Consumption and Greater Demand for Labour—Home Trade of Greater Importance than the Export Trade—The Fair Trade Cry and Depression in the Worsted Trade—The True Cause of the Depression in the Worsted Trade—If Distribution was in the Hands of Producers and Consumers for their Mutual Benefit the Pleas for Fair Trade and Protection would Lose their Potency.

ASSUMING the successful establishment and working of distributive associations, such as I have endeavoured to explain, what will be the benefit to the community, what saving to the public?

The population of Great Britain and Ireland is 36,000,000. Suppose the average consumption of food, clothing, and furniture is only £20 per head, the total yearly consumption at retail prices is therefore £720,000,000. I am certainly under rather than over the mark when I say that the cost of distributing the vast amount of goods represented by this sum is not less than 33⅓ per cent. or one third of the total sum, in other words, the cost of distribution is £240,000,000 a year.

In the returns of the Central Co-operative Board we have sufficient data whereon to base a calculation of the necessary cost of distribution. In the Manchester District Co-operative Association there are 32 societies with 92 branches, giving a total of 124 shops or stores. In 1883 the total sales amounted to £1,264,773; the total expenses, including wages, depreciation of stock and property, interest on capital, rents, rates, and taxes, were £69,133, being equal to about five and a half per cent. on sales. The articles dealt in embraced food, clothing, furniture, and every household requisite, and comprising 124

shops, give a fair indication of the actual necessary cost of distribution.*

Supposing then the whole of the necessaries of life were distributed by associations for the mutual benefit of producers and consumers, and supposing the turnover is £720,000,000 a year, the cost need not exceed £40,000,000, whereas it now amounts to not less than £240,000,000, there is therefore an unnecessary expenditure of £200,000,000 per annum.

By the plan of distributive associations which I have laid down, the surplus profits after the payment of all expenses would be distributed. Suppose the distribution of goods for home consumption were performed on that plan, and supposing present retail prices were charged, £200,000,000 would be distributed amongst the people. In 1883 the amount of the total declared value of British and Irish produce exported from the United Kingdom was £239,799,473, the amount of possible saving on the distribution of the goods we consume within ourselves is therefore only £40,000,000 short of the total value of our export trade. Without fear of contradiction I maintain that if we were to economise distribution and make it thoroughly mutual we might make ourselves completely independent of foreign nations. I by no means wish to imply that we should disregard the importance of an export trade. By all means let us do as much as possible, but instead of looking to the export trade as the principal source of employment, if we were to thoroughly organise our home trade we have within it an abounding source of employment; instead of begging of foreign nations to make their fiscal policy suit our wishes, being strong in our intensive strength we might put ourselves in such a position as to sell our surplus productions on our own

* Altogether the returns of 1,240 retail distributive societies are given by the Central Co-operative Board. I do not know how many branches they have, but there cannot be fewer than some 2,000 shops or stores. The expenses of all seem to be covered by five to six per cent. on turnover. The amount of business done is £25,000,000. Therefore on a thirtieth part of the whole turnover of the country we have proof that five to six per cent. is sufficient to cover the cost of distribution.

terms. The £200,000,000 which I maintain may be saved in the cost of distribution, whether it was distributed as surplus profits or actually saved to consumers in the direct reduction of prices, would give a great impetus to increased consumption. There is not a workman now out of employment but might have work enough; there is not a worker now half-starving but might have food enough and the wherewithal to buy it, if this question of distribution was thoroughly reformed. In the calculation I have made of the yearly consumption, the average profit that is charged thereon over and above the cost of production, the necessary rate of expenses that would cover the cost of distribution by association, I have in no way exceeded the actual facts and possibilities; startling as are the deductions I draw from them, there is nothing I have stated beyond the reach of attainment. I do not mean to say the result could be obtained in one year or five years, but if an earnest effort was made it would be astonishing how speedily good results would show themselves. Within five years, without lowering the present rate of wages, it is possible to reduce the cost of living in this country fully one-fourth.

The increased consumption, and, therefore, the increased demand for labour, occasioned by this saving in distribution, is not the only direct gain that would be conferred on home labour. If the distribution of goods was performed by producers and consumers for their mutual benefit, in less than five years we should hear no more of Fair Trade and Protection. The distribution of goods, I maintain, is now in the hands of aliens, whose interests lie neither with producers nor consumers; they are simply in business as shopkeepers, to make fortunes out of the cheap rates at which they buy from producers and the dear rates at which they sell to consumers. It is their policy to encourage the keenest competition amongst producers; they welcome foreign competitors as a means of still further depressing the prices of home manufactures.

Since the French treaty of 1860 we have gradually increased the quantities of foreign manufactures imported for home con-

sumption, until now, in the silk and woollen trades, unless this matter is seriously taken in hand, we bid fair ere long to import more than we make ourselves. In 1883 we imported woollen and worsted manufactures valued at £6,251,281, and woollen and worsted yarns valued at £2,001,603. So recently as 1869 the value of woollen manufactures imported was only £2,534,523.* Values in 1869 were much higher than in 1883; if quantities were shown, the increase in 1883 would appear to be not less than three times the quantity imported in 1869. In silk manufactures we are almost dependent on foreign supplies; our home industries have been well-nigh ruined since 1860. Even in cotton manufactures, which are supposed to be our strength, we now import goods of the value of £2,500,000—double the quantity we imported in 1870.

The severe political economist and the strict free trader will tell us that competition rules everything. If foreign goods can be bought cheaper than home-made goods, competition decides the purchase—foreign goods must be bought and home manufactures neglected. But this is all nonsense; competition does not decide the sale in retail purchases, that is, in what the purchaser (the consumer) buys for his own wants;

* The following table shows the value of our exports and imports of woollen and worsted manufactures, including yarns, previous to the French Treaty of 1860, and at various periods since then:—

WOOLLEN AND WORSTED MANUFACTURES.

Exports.	£	Imports.	£
1858	12,731,827	1858	1,250,000
1862	17,001,429	1862	1,850,000
1869	22,669,233	1869	4,310,212
1883	18,315,575	1883	8,252,884

From this it will be seen that whilst our exports have increased in value since 1858 only one-half, our imports have increased nearly sevenfold. If our exports had increased at the same rate as our imports, we should now be doing £90,000,000 a year instead of £18,000,000. These statistics speak for themselves. They are a very unsatisfactory indication of the condition of an industry which was formerly only second in importance to agriculture, and which is now second in importance of our textile industries. If the same progress is made in imports as we have experienced since 1869, and the same rate of decline in our exports, in about five years we shall be importing more than we export.

foreign goods are imported mainly for two reasons, one, that manufacturers' prices should be depressed and a greater margin of profit left to the distributor; another is for the sake of novelty and fashion, for something to attract public notice and make an advertisement—a foreign name is supposed to have a great charm, a French cotton or a French stuff is supposed to be more fascinating than an English one. Can any one believe that this sentiment, this short-sighted and suicidal policy would be pursued if the distribution of goods was performed for the benefit of producers and consumers? Certainly not. Did the old yeoman go buying foreign stuffs when he had his own looms for making his cloth? Not he. Would the producers and consumers of to-day so far forget their own interests, if they were collectively associated for promoting them, by buying a large proportion of their cloths abroad, and leave their looms at home standing all the while? Not they. The foreigner would sell here what we could not produce ourselves, and we should be glad to buy of him; just the same way as we should sell to a foreigner what he could not make, and which, in spite of his protective duties, he is glad to buy from us.

If in this country we continue to pursue the policy we are pursuing—having land, and getting but a fractional part of the possible produce from it, having manufactures, but buying from foreigners a large quantity of the textile fabrics we wear—the sooner we write Ichabod on the walls the better. Where can be our greatness if we are so weak? I am sure to be told that taste and fashion have a good deal to do with the importations of foreign manufactures. Fashion is a very fickle thing, difficult to define; nobody knows where it comes from nor where it goes; it is somewhat a matter of sentiment, but largely a matter of accident. The probabilities are, if as producers and consumers we collectively distributed our goods, the sentiment and accidents of fashion would remain with us, we should have as great a variety and as much novelty as hitherto. But, say some, we are deficient in technical education; the country that has

invented and now makes most of the machinery used in textile manufactures has lost its craft; foreigners who have bought its machinery, and learned from it the art of its use, have outstripped it in taste and skill.

The cry of the Fair Traders and the lament of the Technical Educators came upon us simultaneously; they both had their origin in what has been called the decline of the Bradford trade. In our cotton trade there is no falling-off, we have a fairly progressive trade, in it there is nothing the Fair Traders can lay hold of. The Bective movement brought the decline in the Bradford trade prominently before the public. Never was a movement founded on so unstable a foundation; few have ended in so great a fiasco.

Rightly to understand this question, the worsted trade must not be confounded with the woollen trade. In the manufacture of woollen cloths we hold our own both at home and abroad, we are literally without foreign competition in our home market; but in the manufacture of worsted stuffs, chiefly for ladies' dresses, we have lost a great deal of our foreign trade, and, as I have shown, import a largely increased quantity for home consumption; the decline has been most marked since 1874. This decline in our worsted trade has brought about the cry of the Fair Traders for protective duties on goods imported from those foreign countries which put protective duties on our goods going thereto, and in this way a blow is expected to be given to the importation of foreign woollens, also silks. Home industry, it is represented, would thereby be benefited, but the only people that would benefit would be the capitalist manufacturer and the retailer, for they would both have a forcible excuse for putting on greater profits, which the consumer would have to pay; consumption would be restricted, little extra demand for labour would be created, wages would not rise in purchasing power.

The decline in our worsted trade also gave increased force to the lament of our want in technical education. Neither the Fair Traders, nor the Technical Educators, nor the Bective

movement put the real issue before the people of this country; the real cause of the decline in our worsted trade was not stated.

The fact is, that since 1840 the success of our worsted trade, as shown in the prosperity and rapid growth of Bradford, and the villages and towns around it engaged in the same branch of trade, has been made in the manufacture of mixed fabrics, that is, fabrics made of cotton warp and worsted weft. In fact, if the truth must be told, Bradford made its rapid fortune by breaking the Mosaic law—in the nineteenth chapter of Leviticus and the nineteenth verse, we read "Ye shall keep my statutes. Thou shalt not let cattle gender with a diverse kind; thou shalt not sow thy field with mingled seed, *neither shall a garment mingled of linen and woollen come upon thee.*"

In Deuteronomy the commandment reads: "*Thou shalt not wear a mingled stuff, wool and linen together.*"

From this it is clear the children of Israel were forbidden to wear mixed fabrics, therefore it was useless to make them. It is a most impressive confirmation of the good sense and sound economic truth of this law, that the manufactures throughout the world that have been founded on the mixing of articles, making spurious fabrics and shoddy garments, have had a short life and a most fitful existence; their success for a time may have been brilliant, but it has not lasted.

Previous to 1840 the worsted manufacture in England was a pure manufacture, the fabrics were alike in warp and weft English wool made a sharper handling fabric than French, Spanish or Saxony wool. Until 1800 the importation of foreign wool into Great Britain was free. The quantity then imported averaged for some years about four and a-half million pounds' weight a year, of which Spanish merino wool was the largest item. From 1800 to 1844 import duties of varying amount were levied on foreign wool, so that it is evident the legislature intended the manufacture of woollen and worsted fabrics during this period should be restricted as much as possible to the use of English-grown wool. At this time the manufacture of worsted

stuffs in France was of some importance. French merinos had for centuries been a favourite fabric; the difference between the French merinos and British merinos was that the former were softer and finer in texture than the latter, because they were made of softer and more fleecy wools than could be grown in England. The English manufacturers vigorously appealed for the repeal of the import duty on foreign wool, for they wanted the soft fleecy merino wools to mix with home-grown wools, to make their fabrics of softer and finer texture; the duty was repealed in 1844. During this period the French and English manufacturers were making similar fabrics, but about 1840 the English manufacturers made a new departure. The consumption of fabrics of any kind was very small; they were very dear, but possessed the virtue of lengthened wear. The cotton manufacture had rapidly grown into importance; after several attempts the combination of the cheaper cotton warps was at last combined with worsted weft, a new class of fabric was made. Coarse wools of the alpaca character were used, which were previously found unuseable; a new industry sprang into importance; from 1840 the worsted stuff manufacture may be said to have been the making of "mingled fabrics."

Whilst English worsted-stuff manufacturers had departed from the manufacture of all-wool fabrics, French manufacturers went on making their merinos and *tissues de laine;* they have never striven to compete with us in the manufacture of mixed fabrics.

At the time the English worsted-stuff manufacturers departed from the manufacture of all-wool fabrics, an important factor in the future character of the woollen manufacture was at work in the development of our Australian colonies. In 1820 our total importation of foreign and colonial wool was 9,789,020 lbs., of which only 99,415 lbs. was from Australia; in 1840 the total importations were 46,880,745 lbs., of which 9,721,243 lbs. came from Australia; in 1884 the total import was 527,000,000 lbs., of which no less than 382,545,933 lbs. came from Australia, more than half of which

we, however, re-exported for foreign manufactures. In our Australian colonies the merino sheep has found a more congenial home than in its native grounds on the plains of Andalusia, the South of France, or Saxony. It will be seen that from 1840 to 1884 the importation has grown from nine and three-quarter million pounds weight to three hundred and eighty-two and a-half million pounds weight in 1884. It is this vast increase in the growth of Australian merino wool that has been the most important factor in the change that has come over our worsted trade. Whilst our manufacturers were busy with their mingled fabrics, French manufacturers were buying our machinery, changing from handloom production to the factory system, and all the while increasing their trade, and improving the character of their all-wool fabrics by the use of Australian wools, for which they come over to the London wool-sales to buy. In the worsted fabrics they make there is no great taste in design, for three-fourths and more of what we buy from them are of the plainest character—fabrics so simple in construction, you may see the self-same textures wrapped round the bodies of Egyptian mummies that have been buried three thousand years. It is a confirmation of the soundness of the Mosaic law to which I have drawn attention, that the whole of our imports of foreign worsted manufactures are pure wool fabrics, not mingled with either linen or cotton. It is still further a confirmation of the uniform good sense and taste of the wearers of these fabrics, that they are plain but rich in texture, of such primitive construction and character as the Jews of old made and wore, such as the classic Grecian robe was made of, and such as are yet to be found to this day being made in the out-of-the-way villages in the East.

In the making of these fabrics there is no superior technical knowledge required. Why, then, may it be asked, do we not make what we consume? The reply is because, until 1874, the English manufacturer was so engrossed in the execution of orders for the export and home trade for mixed fabrics, he never troubled about anything else. So long as our manufac-

turers were fully employed, they took no trouble to look at the signs of the times. They were not troubled about the distribution of their goods; that was done by middlemen, and therefore they knew nothing of what foreign manufacturers were doing. Towards 1878, however, after two or three years' bad trade, English manufacturers began to think and look about; they suddenly found the importation of foreign worsted stuffs was increasing at an alarming rate; that just as our trade in this class of goods was falling off with neutral countries, that of French makers was increasing in a similar proportion. Then up went the cry for Fair Trade, the Bective movement, and technical education, and for longer hours of labour. It was said that foreign manufacturers worked longer hours than we; although some said we suffered from over-production, the evil was to be cured by working longer hours and producing more.* The real truth of the whole matter is, the manufacture of "mingled fabrics" is played out and made useless, by the vast increase in the growth of wool in our colonies, and the cheapness at which fine merino wools and pure all-wool fabrics can now be made. Whilst the English manufacturer was growing rapidly rich out of the profits of a new industry, so independent was he, the distribution of his goods did not trouble him one

* Whilst our manufacturers are demanding a restoration of sixty working hours for a week, the Act of Sir Richard Cross having reduced them to fifty-six hours (these demands are favourably noticed by journals of standing and influence, such as the *Economist*), French manufacturers are clamouring for a reduction of their working hours; they say depression in trade is caused because manufacturers work up to, and some more than, the twelve hours fixed by law as daily working hours. Depression cannot be caused in England by the very thing which French manufacturers are seeking to copy as a cure for their depression. I wonder if it ever occurs to English and Foreign capitalist manufacturers that if they pay three-fourths of the population the lowest possible wages, and work them half their living hours, and for those depressed wages and long hours get an ever-increasing production of goods, the question must sooner or later be answered, Who is going to consume the goods produced? Clearly the workers cannot, for they work in rags or the worst of worn-out clothing, they have little leisure in which to wear better things; and if they had, their wages are too small to admit of them being purchasers. If this is the condition of the workers, who form the bulk of the population, who then can consume the goods produced?

atom; he left this important function to a set of middlemen, who for years came to him begging for his productions. Whilst he was thus independent and at ease, French and German manufacturers were up and doing, stealthily taking a march on their self-satisfied English competitor. Whilst the English manufacturer was pursuing a stay-at-home policy, leaving the sale and distribution of his goods to others, French manufacturers were at work in every market of the world, doing their trade direct, trusting to as few middlemen as possible—frequently to none at all.

In our home trade the goods of an English maker could not get into the hands of a retailer without passing through at least one wholesale merchant's hands, often they went through two; but French manufacturers, seeing their opportunity, came and sold direct to the large retail houses. They made a trade, and established a business for their soft, all-wool fabrics; the British public returned to their old allegiance, and wore the class of fabric they had been accustomed to before 1840. The English manufacturer was outdone by smarter men; when he awoke to the seriousness of the position, he found he was too late. He was hemmed in by trade prejudices and customs; the wholesale middlemen who sold his goods would not allow him to sell direct as the French makers did; even if he was wishful to do so, he was without experience in the method of doing it; the retail distributors cared nothing for the prosperity of the English manufacturer, it did not matter where the goods came from so long as they made good profits. The English maker was stranded, left high and dry on the sand-bank, the current was changed and went rolling along in a new channel.

The point I here wish to impress upon the reader is, that if distribution had been performed in the collective interests of producers and consumers, English manufacturers would have been cognisant of the actual state of the market. If they had been directly interested in the distribution of their goods, or, to put it another way, if they had been conversant with the wants of consumers by coming into direct contact with them, as they

will do in such a plan as I have explained, they would never have been so completely worsted as they have been. The crisis they have been and are passing through is a severe one; it is the breaking-up of middlemanism, and drawing the manufacturer out of his retirement into an active interest in the distribution of his productions.

It has been proved that English manufacturers can make the goods we are importing equally as well as the foreigner, also that English dyers can dye and finish them quite as well; the great difficulty is the middleman, the retail distributor. He has no interest in making a new departure, the cry of foreign goods answers his purpose, he would rather have a few more foreign competitors to lower prices and increase his profits. I may be pardoned any seeming egotism if I prove what I say by the relation of a personal experience.

Some four years ago, when public attention was drawn to this question of home manufactures, unfortunately for my peace of mind and welfare I took a lively interest in it. From a consideration of the facts and the history of the question, I saw that what we had got to do, was to show that we could make the pure all-wool fabrics as well as the previous generation of English makers had done, and also as well as foreign manufacturers are now doing; the secret of winning back the home trade we were letting go to the foreigners lay in the breaking of the prejudice in favour of foreign fabrics, by proving we could produce as good at home; the task was a formidable one, and turned out much more formidable than I expected. My engagements, however, left me free to devote considerable time to the prosecution of the task; an important and able manufacturer was ready to make the goods and find the capital necessary for the working of the business; I became the middleman, and got the goods dyed and finished, and then set about finding a sale for them. After a few trials the goods were made successfully, and a dyer was found to dye and finish them as successfully. There had been so much outcry for home manufactures, I anticipated at any rate an impartial trial

from the retailers; but to my astonishment the more determined I became to succeed the more difficulties they put in my way; by some I was told they would buy home-made all-wool cashmeres and merinos when I had got the British public to insist on having them; by others I was told that the goods would only be bought at such prices as would make it a decided inducement for them to change from foreign goods. Others said the British public liked gammoning, if they could be most easily gammoned with foreign fabrics it was not likely for the sake of supporting home manufactures they would make a change.

Not to be baffled, I acted on the advice I received, and set to work to make the goods known to the public; the most efficient way of doing this was found to be in advertising: by giving a good order for advertisements, the fashion and society and trade journals would give "paragraph notices;" by degrees a little attention was drawn to the goods, and a few retailers induced to take them up. Meantime, a display of them was made at the Amsterdam Exhibition, in spite of the misrepresentations of French manufacturers: for they represented to the jurors that although the goods were called English they were not made in England, but were French goods shown under the name of English for the sake of making a name and a market. The silver medal (the second prize) was awarded; the jurors intimated that as it was a first exhibition of the fabrics the second prize was a high honour, and would meet the case, although in point of merit the exhibit was equal to the best there, and French makers who had taken prizes at the great exhibitions since 1851 were fully represented.

Step by step a sale was made for the goods, but as I progressed in breaking down the prejudice, I found myself no nearer a solid success and a paying business. The best retail houses in the kingdom were induced to take them up; some houses that had bluntly refused to entertain them asked for them as they came more prominently before the public, but I found the more public favour was enlisted to them the less

did I progress in reaping a benefit. Cloths, which for an introduction I sold at 1s. 9d., I found retailed at 2s. 6d. per yard as being marvellously cheap; others I sold at 2s. 3d. I found retailed at 3s. 6d. per yard, After a season, when orders were expected to be repeated, and it had been proved beyond question we could make the goods, new difficulties presented themselves. I was told that French makers had reduced their prices, and I must do the same or could not have any more business. To keep the ball rolling so as not to lose the benefits of the good impression already made, concessions in prices were made; but I still found the prices to the consumer the same. If a penny per yard reduction was made to the retailer it all went into his pocket, the consumer did not benefit; but worse still, in some cases, I found scores of pieces of French goods of inferior quality sold as this particular make of English goods, and this, too, by houses who were having the advantage of getting the goods advertised for them free of cost. In every case I found that, having made a speciality of the goods, each retailer in every town who took them up insisted on having a monopoly. Hemmed in by difficulties on all sides, I saw plainly enough the only way to break down the prejudice and participate in the price of the market was not only to appeal direct to the public, but also to supply the goods direct to the public. At the risk of a rupture with the manufacturer, I offered and supplied them direct to the public. The result was that in three months' time no less than 2,000 sales were made to ladies in all parts of Great Britain, amongst the number ladies of title and position in society and in the fashionable world. This, it must be remembered, was on one class of fabric alone; in three months, by a direct appeal to the public, sales were made of greater amount than I could obtain through the middlemen in six times that period when first introducing the goods. The attempt ended in apparent failure. It was deemed uncustomary for a manufacturer to have his goods sold in a somewhat direct manner to the public. A manufacturer, it would seem, makes his goods first of all for

the benefit of middlemen, allowing them to impose a duty on them, and only after that for the good of consumers. I was glad to be rid of the worry and work, and had to retire from it under the humiliation of failure; but I had the great satisfaction of learning, and proving to those who cared to see it, that the cause of the large imports of foreign stuffs was not superior technical skill: for I believe that neither any of the manufacturers' staff who so successfully made the goods, nor any of the dyers' workmen who so ably dyed and finished the goods, received a single lesson in the technicalities of their crafts to enable them to do what they did. The stumbling-block is purely and simply the prejudice and personal interests of the retail distributors. After, so far as I was concerned, the business was ended; within nine months, no less than 1,200 repeat orders and inquiries were made for the fabrics by ladies who had previously been supplied: a convincing proof of the confidence they had won and the ultimate success that would have been attained. I need not follow the matter further, nor give the subsequent history of the goods. What I have said is sufficient to prove my contention.

Before summarising the benefits to be derived from a thorough reform in distribution, we must devote some consideration to that branch of our subject dealing with the organization of productive establishments, and the distribution of the proceeds of industry as between capital and labour; to this important question we will turn our attention in the following chapter.

CHAPTER XI.

Organization of Associations in Production—Industrial Partnerships and Profit Sharing—The true and false Association of Capital and Labour—The French Minister of the Interior on the Vital Power of Association—The French Parliamentary Commission on Working-Men's Associations—Illustrations of the Success of the Association of Labour and Capital in France—The Familistère at Guise—The Maison Leclaire, Paris—Their Moral, Social, and Economic advantages—The Absence of such Associations in England—The Federal Combination of Associations for Distribution, and Associations for Production, a Complete System of Co-operation—Mr. Bright and Free Labour—Free Imports do not of themselves give Freedom to Labour—Free Trade and Military Expenditure—Greater Benefits to be conferred on the people by a Reform in Distribution than have yet been conferred by Partial Free Trade—A free Breakfast-table—Direct and indirect Taxation—The true Meaning of Capital—Summary of the Benefits to be derived from a Reform in Distribution.

HITHERTO, I have treated of the organization of associations for distribution only. The question may be asked, What guarantee will you have that the surplus profits which the Distributive Associations will return to producers will benefit labour? Private firms might do a large business with the Distributive Associations, and put into the pockets of the proprietors every penny of the division of profits they participate in, and what amelioration in the condition of the labourer would there come of it? The reply to such objections is, that the Distributive Associations at the commencement would have to make the best of Industrial Organizations as they now exist, and would without respect of persons return the surplus profits to producers and consumers, in proportion to purchases and sales; no private firm could, however, long withstand the pressure of public opinion; if they were treated as I have described in the participation of the profits of the Distributive Associations, they could not long resist the moral claims of their workers to be treated in like manner.

As I have already stated, preference would be given to such productive concerns as acknowledged and acted upon the principle of the rights of labour to share in profits; within a short time of the establishment of the Distributive Associations confederate arrangements would be made with productive establishments adopting the principle of participation in profits —many private firms now completely at a deadlock would, I am quite sure, be ready to organise themselves on this principle, if they saw a safe and steady outlet for their productions; on the other hand, in some branches of trade, Industrial Partnerships might be established; in all cases the organization of industry would be free to adopt the system most suited to each particular trade, the Distributive Associations would be the bridge connecting producer and consumer across which each might travel on equal terms, the only toll exacted being simply the actual cost of maintenance, and nothing more.

Once the principles were practically demonstrated on which the Distributive Associations would be founded, a new light would dawn on productive industry. Ere long, production, distribution, and consumption would be associated in one vast federal Union, based upon a living realization of the truism that their interests are mutual; in this moral union Capital would be accorded its due, and Labour and Intellect their rights; with a free system of distribution, labour and capital could associate for their mutual benefit in many ways now impossible.

It will be opportune now for us shortly to explain some of the most successful systems by which the relations of workmen and capitalists have been put on a sounder footing. These are—

(1) The co-operation of workmen and employers in any scheme of partnership which gives to the employed a share in nett profits in addition to wages.

(2) The co-operation of workmen forming joint Stock Companies for prosecuting any Industrial Enterprise, Manufacturing

or Agricultural, the capital being bona-fidely provided by the workmen themselves.

These two forms of association are what are generally called Co-operative production :—besides these, there are—

(3) Limited liability companies, founded on the joint stock principle, professedly with the object of associating Capital and Labour by enabling the employed to become shareholders. Such, for example, as the Oldham Cotton Spinning Companies, and manufacturing firms like John Crossley and Sons, Limited, Norton Bros. and Co., Limited, Mark Oldroyd and Sons, Limited; and Crewdson Crosses and Co., Limited; and I must also add the Flour Mills and other productive Societies associated with the Central Co-operative Board.

(4) Private firms giving at their pleasure a bonus to labour, but acknowledging no fixed principle—disclosing no accounts, nor taking the employed into their confidence in any way whatsoever.

I will at once say the two latter so-called forms of associating Capital with Labour are unworthy lengthened consideration, for in no way do they offer any solution of the problem they profess to deal with. The Productive Societies rendering returns to the Central Co-operative Board, which are inferentially treated as Co-operative Productive Societies, show a share and loan capital in 1884 of £772,342. Goods sold, £1,791,074; and nett profit made during 1884, £76,224. The amount paid to labour out of this profit appears to have been the mighty sum of £546. It will be difficult to explain where the co-operation is to be found in these societies, and yet more difficult to explain how they in any way perform the great mission co-operators have taken upon themselves to prosecute.

The Limited Liability Companies at Oldham admit no right of the labourer to share in profits—only shareholders, the providers of the capital, participate; a few workmen may be shareholders, but it is pretty well known that the shareholders are mainly capitalists and speculators; many of the Companies,

and there are about 100 of them, have been floated by speculators in shares without any regard whatever to the interests of the workers. It is a sad reflection on the assumed co-operative spirit of the "Oldham Limiteds" that their operatives are now on strike against a reduction in wages. Imagine a co-operative association of workers striking against their own interests! In the body corporal the foot does not strike against the head, nor the hand against the eye. Every separate member works in harmony with its fellow members; all co-operate for the common good.

As regards the Limited Companies which have been converted from private firms, they also only acknowledge the right of the shareholders to participate in profits; their relations with their workers are no more amicable or mutual than in any private firms, where the rights of labour are considered satisfied by the payment of the lowest possible competition wages. If the truth were told, many of these once private firms now turned into Limited Companies, were established as public companies simply as a means whereby the proprietors could relieve themselves of heavy burdens too great for private enterprise to bear; to adopt limited liability is a convenient way of defining the respective shares and responsibilities of many members of a family, and also of allowing the public to share the risks; they have not done one atom to better the relations between workmen and capitalists.

Private firms, or Limited Liability Companies giving at their pleasure a bonus to labour without any spirit of co-operation, maintaining a policy of strict secresy, have also not contributed to a better feeling between Capital and Labour. Secresy is the cause of mistrust; if profits have been abnormally large, the workers have had no confidence that they have received their fair share in bonus. If they have been small, there has been a mistrust that the bonus was smaller than needs be; if profits have vanished altogether, the workers have not believed things were so bad as represented; disputes as to wages have followed—the only solution of the problem as to

the respective rights of Capital, Intellect and Labour lies in the acknowledgment of the truth that they are inseparable. If they are inseparable, they ought to be mutual. A house divided against itself cannot stand—they can only be made mutual by the exercise of the fullest confidence. The assessment of their respective shares of the proceeds of their conjoint enterprise can only be satisfactorily adjusted by treating everything above-board.

It is to France we must turn for the best illustrations of the successful working of co-operative productive establishments, and for examples of the great benefits derived from the participation of labour in profits.

A French Parliamentary Commission has recently been inquiring into the working of working-men's associations, and much valuable evidence has been put on record regarding the constitution and working of these associations. M. Waldeck Rousseau, Minister of the Interior, President of the Commission, addressed the members at the close of their labours as follows :—

"The firms that admit their staff to a share in their profits show results not less remarkable than those of the working-men's associations. The advantages of this combination—which have, perhaps, been too little considered by the parties interested—have become better known through the information supplied by the inquiry. This institution, as well as that of the working-men's associations, have found new and valuable advocates. The witnesses examined show also that, with rare exceptions, these trials, notwithstanding the difficulties of the time, have been successful. Only five of the associations whose history has, so to speak, been unrolled before you, have failed. And of these three have perished from causes quite foreign to the system which has formed the subject of inquiry. *Almost all of them have succeeded in securing to their members a remuneration for their work more equitable, more reasonable and fair, and thus affording them a proof of the vital power of association.* Not less deserving of attention are the facts brought to light by

the inquiry in respect to the participation in profits. The evidence taken by us shows that working-men's associations and the participation in profits are guarantees for the good execution of work. *I have been struck by the decision with which the most experienced employers have declared that by establishing in their firms the participation in profits, they had not only done a good action, but made a good stroke of business.* You will find this affirmation on the lips of all whom you have heard. The labour, the co-operation which they obtain, is more efficient, more productive. We are, they add, amply repaid for the sacrifice we have made by the devoted co-help that we obtain.

"I stated at our first meeting that in my opinion we are in the presence of facts which are irresistibly carrying labour into new paths. This prognostic, this judgment, formed at the commencement, has been confirmed in my mind by the attentive examination of the economical transformations which every day grow more decided. If it is true that the products of industry do not leave a profit large enough to allow of the present conflict between the workman and the manufacturer becoming more aggravated without danger, I, at least, cannot see any practical solution, except in the development of association under all its forms, uniting what is now separated, and asking for the reward of labour out of the profits that it has procured. This is the thought to which I have already given shape before you, in saying that labour would progressively seek its remuneration less and less from the hire of work and more and more from association.

"Here is the dominant idea which leads us to seek how the State, within the limits of the action permitted to it, may aid the development of workmen's associations. *The attentive study which I have made has brought two main conclusions. The first is, that association in all its forms develops and improves the moral and material condition of the labourer. It procures for him a more equitable remuneration. It raises him a step in the social scale.* He becomes his own master, and is at once

employer and employed. He comes into contact with every social interest. A closer solidarity binds them together. There results a valuable guarantee for good order and progress. Thus, in my eyes, does the interest of the State justify it in developing and giving facilities to the associations.

"If the State ought not to impose association, assuredly its duty is to remove all useless and superannuated hindrances to it. Neither obligation nor obstacle—such appears to me to be the rule that ought to guide us."

This is a most valuable tribute to the advantages, moral, material, and economic, of the power of association. The employers of labour and capitalists in this country will do well to turn their attention to the study of the various forms of association now successfully working in France; leaving aside the moral elevation of the workers and the improvement of their social condition, a mastery of the details of these associations will convincingly prove that participation in profits, the taking of workers into full confidence, pays.

M. Godin, the founder of the Familistère at Guise, in his evidence before the French Parliamentary Commission, replying to a question as to what is the result from the industrial point of view of the association of capital and labour, on the principle of participation of workers in profits, replied:—

"From the industrial point of view the facts speak more forcibly than any possible praise. Since the association has been established, the workmen have become interested in improving production. They are watchful to point out any losses or causes of imperfect work. They exert their ingenuities to discover novelties. We are continually obliged to take out new patents." Asked if in the name of the society or of the inventors, he replied:—"In the name of the society. I ought to say that I have my share in these inventions. Only, during my previous industrial career I had to do everything myself. When the idea was conceived I had to work it out and appreciate it. Now I can say to my co-workers, investigate in this or that direction, there is something to be done there; and

this is done with enthusiasm, with the desire of attaining a result."

The Familistère at Guise, destined to be referred to in generations yet to come as one of the cradles in which the industrial organizations of the future were nursed and tended, was founded by M. Godin in 1860; it was only, however, in 1877 that the principle of participation was established. At Guise, and the branch establishment at Lacken, near Brussels, 900 persons now participate in profits. All are become shareholders, some to the extent of £30, others £40, and even £400. The constitution of the association appears to be grafted on to what was originally M. Godin's private firm. The capital at the present time is as follows:—M. Godin's share £123,000; the 900 shareholders referred to possess amongst them £48,000; a reserve fund of £16,000, and also a capital of £26,800 forming a fund for the assurance of pensions and a guarantee against want. This fund receives annually from the association a sum equal to two per cent. of the wages and salaries, taken from the profits before any division of them is made; a provision against accident, want, or old age is thus made a first duty; the insurance fund receives interest at the rate of five per cent. before profits are calculated. Besides the 900 who participate in profits and are become shareholders, there are about 500 other persons who do not participate, but they have a right to assistance and to retiring pensions. The association has now thirty-five pensioners in the enjoyment of perfect security, assured against misery till their last hour.

The administration of the Familistère is in the hands of a directive council, with M. Godin as *gerant* or managing director. The heads of each department in the different branches of the business have each a seat on the council; besides these, the *associés* elect six persons who represent the workers on the council.

The division of profits is made in proportion to the respective shares in the production. It is a rule in the association to estimate the services rendered by capital, labour, and skill,

and to attribute to each of them a share in profits proportionate to the services performed. If a working shareholder derives, for instance, £40 as interest on his capital, and on the other hand receives £40 as wages, the total amount of the services rendered by him to the association is thus valued at £80, and it is on this basis that he participates rateably in the £ in the division of profits.

The participants are divided into three classes: a *participant* requires one year's residence, a *sociétaire* three years, and an *associé* five years, besides other conditions prescribed by the statutes of the association. An *associé* is considered to render service of greater value than a *sociétaire*, and a *sociétaire* services of greater value than a *participant*. The *participant* shares in proportion to the exact amount of his salary, the *sociétaire* in proportion to one-and-a-half times, and the *associé* in proportion to twice the amount of his salary. Last year the *participant* received 15 per cent., the *sociétaire* 23 per cent., and the *associé* 30 per cent. on their wages.

M. Godin draws £9,000 interest on his capital, and a salary of £3,200 as *gerant* or managing director, which sums he considers enormous, yet they are only his share of the profits as defined by the principles of participation. His co-workers are more than satisfied, and have no desire to get rid of him.

The workers receive only in cash the interest upon the shares allotted to them, all other shares in profits acquired by them are converted into shares in the association, without increasing M. Godin's capital. These new shares serve to repay the original shares; if, say, £30,000 of profits were distributed in one year, this would be converted into new shares for the working shareholders, and would repay a corresponding proportion of M. Godin's capital. M. Godin says: "My shares would be replaced in the society by those of the workers. There is a further point to which, gentlemen, I invite your attention. A time may come when all my capital will have been repaid. The workers will have taken my

place; but under our statutory provisions the repayment will continue indefinitely. It will act on the oldest shares, so that the establishment will always remain in the hands of actual workers. This is a result which I consider to be very important in an economical point of view."

Besides association in business, there is in the Familistère a co-operative consumers' society. Everything which a community of 1,200 requires in food and clothing is supplied like the Lancashire co-operative societies at the usual trade prices; the profits at the end of the year are distributed, half to the buyers, and the other half carried to the general account of the profits of the Association. Last year 5 per cent. was given to the buyers on the amount of their purchases, and 5 per cent. carried to the general profits.*

Nor is this all. The principle of association is carried even to the housing of the workers, somewhat after the fashion of the ancient house community, traces of which are yet to be found in existence in Switzerland. A co-operative house community is also found amongst the savages of the Pacific Isles. At Guise large buildings called palaces, the property of the association, are let out in rooms to suit the workers, and as the workers are shareholders in the association, they are in part their own landlords. M. Godin says that individual liberty, which is prized above everything, is respected at Guise. In the palaces the worker is not put in a barrack; the inhabi-

* The constitution of the Co-operative Consumers' Society at Guise, it will be seen, is somewhat similar to the constitution of the Distributive Associations I have herein advocated. I accept the fact as a most valuable approval of the soundness of the principles on which they would be founded. When I first suggested this form of association, I was totally ignorant of the existence of the Familistère at Guise. That I should have arrived at conclusions so similar, and so fully in sympathy with those at which M. Godin had previously arrived, is a noteworthy coincidence, full of good augury. The application of the principles laid down in the associations I have recommended are more thorough and cosmopolitan, and calculated to diffuse the benefits and economy of association more widely than does the Guise Co-operative Consumers' Society. But I need not just now attempt to draw a comparison; it will for the present be sufficient to draw attention to their similarity.

tant of rooms, M. Godin declares, is freer than in an isolated dwelling. The rooms are entered from large galleries, which represent the footpaths of a street. One of these palaces is capable of accommodating 600 inhabitants.

The morality of the population at Guise is high: there has not been occasion for a single legal proceeding since 1860. All the affairs of the Familistère are settled in family. The population forms its own internal police. There is not a child of six years old who cannot read. £1,200 a year, equal to £1 per head of the population, is spent on primary education.

Here we have a grand example of the truth that social and industrial justice is not social equality; each receives a return proportionate to his talents or the uses he has made of them; there is no levelling, no spoliation. The arrangement for the repayment of capital provides for renewed youth and activity; there is no law of primogeniture nor entail. A man, because he is the son of his father, is not hoisted into a position he may be utterly unfit for, and which may be distasteful to him. In this wise economic arrangement we see an embodiment of Christian principle. No matter whatsoever may be our lot, whether it be one of honour, wealth and influence, or of humble service, we are but journeying through life; we hold what we have, and use the bounties of nature, simply in trust for generations to follow. How many worn-out and lifeless concerns might one point to that are now an anxiety and a curse to those who have succeeded to them, which, if they had been founded on the principles of M. Godin, would now be full of vigour, activity, and prosperity. Wealth is a trust; if it is not used for the benefit of others it will assuredly be as nothing and flee away; to tie it up is to suffocate it.

It may be interesting in closing a reference to the Familistère at Guise to say that the business carried on there is making cooking and heating apparatus and hardware used for furniture. Other examples of profit-sharing will be found in Mr. Sedley Taylor's work on Profit-Sharing, published by Messrs. Kegan

Paul, Trench and Co., also in the publications issued by Messrs. Chaix et Cie., Rue Berger, Paris.

In the department of the Seine there are upwards of fifty co-operative workmens' associations.

Before leaving this part of our subject, I would like to refer to the Maison Leclaire, for by so doing I might, perchance, interest some reader possessed of opportunity to follow in Leclaire's footsteps; or maybe some working-men, hitherto unacquainted with such noble examples of the advantages of association and co-operation of labour and capital as are to be found in the Familistère at Guise and the Maison Leclaire, may be influenced to reflect on this new light, this higher life in the industrial world, and induced to work out some practical results.

At the age of seventeen Leclaire arrived in Paris, penniless and without a friend; he apprenticed himself to a house-painter; at twenty-six years of age he started on his own account. He soon made a reputation for excellence of work, and was recognised as a leader in his trade. In 1835 a friend told Leclaire that he saw no way of getting rid of the antagonism which existed between workman and master except the participation of the workman in the profits of the master. So great an impression did this make on Leclaire's mind, for seven years he was cogitating a plan for giving effect to the idea. In 1842 he announced his intention of dividing part of the profits amongst a certain number of his workers. As in the case of M. Godin at Guise, mistrust at first seized hold of the workmen. Some could not but believe that it was a far-fetched scheme for reducing their wages. Leclaire, however, gave an ocular and practical demonstration of his meaning. Calling those of his workmen together who were to share in the profits, he placed upon the table a bag of money containing 11,886 francs (about £475), and there and then distributed to each his share, averaging more than £10 per worker. After that there was no doubting his meaning or purpose. Mistrust gave place to confidence.

Leclaire's experience in inaugurating the principle of profit-sharing was almost the same as M. Godin experienced thirty years later. M. Godin relates his experience as follows:—

"An illiterate population, living in the country, and accustomed to a certain daily work, was clearly not prepared for ideas of association so largely conceived. Men came and told these people that I wanted to entrap them, to condemn them to slavery, that my promises were only lies. You know what the human mind is. Doubt and bewilderment got such a hold on their minds, that at the time of the first division, before the society was constituted, when I offered to share more than £4,000 with the workers—£8 to one, £12 to another—the majority of them refused. As the day when the division was to be made came round, their heads had been turned; they came to say, 'We don't know why this is given us.' I put the orders back in my safe, and subsequently the workers came one after another to ask for them. The idea had been comprehended, and afterwards the association was founded without difficulty. The sum divided has grown since then from £4,000 to £40,000. You will see by this that the body of workers have opened their eyes and become eager to be associated."

When Leclaire announced his intention of dividing profits, the newspaper *L'Atelier* accused him, as M. Godin was afterwards accused, of manœuvring in this way to reduce wages; his promises, it said, were only lies; but Leclaire, as did also M. Godin, lived down this obloquy, and survived to see a mighty influence in the friendly and co-operative relations of capital and labour firmly established.

In 1838 Leclaire established a Mutual Aid Society: it derived its funds from monthly subscriptions of the workers who became members. The original statutes of the society provided that a division of its funds might be demanded at the end of fifteen years from the date of its foundation. In 1853 a liquidation took place, but the society was reconstituted, and from that time the funds of the society have been chiefly drawn from a share in the profits given by the firm at its usual stocktaking.

The Mutual Aid Society forms an insurance and superannuation fund, and has now a capital of 1,500,000 francs (£60,000); its income from investments, &c., is 60,000 francs (£2,400) in addition to 25 per cent. of the profits from the business. An associate member of the house is entitled to an interest in the Mutual Aid Fund giving him a pension of 1,200 francs (£48) per year on attaining the age of fifty, or after twenty years' work in the house. The widow of an associate receives 600 francs (£24) a year for her life. In 1882 there were 51 pensioners receiving an aggregate of £2,060 per annum from the society.*

Leclaire died in 1872 but so perfect were the arrangements made for the continuity of the house, it has prospered and flourished since he ceased to take any active part. Its constitution is of a twofold nature. First, there is the commercial

* The Mutual Aid Society in the 'Maison Leclaire, the Assurance Fund of the Familistère at Guise, and similar funds that have been established in several French working-men's societies and profit-sharing houses, is but the reproduction of one of the leading features of the ancient guilds. Historians agree that the ancient trade and craft guilds were founded as benefit societies for mutual helpfulness and friendly encouragement. In the Report of the Royal Commission on the City of London Companies, we read—"The provincial guilds of England, in the reign of Richard II., seem to have been associations of neighbours, or of members of the same trade, which assembled for the purposes of common worship and feasting, and which served—*to borrow the language of modern life—as benefit societies and burial clubs.* They were also private tribunals for the settlement of disputes, and the craft guilds seminaries of technical education. The incomes of all the guilds were, up to a certain point, expended in the same way—viz., the maintenance of the hall, the expense of feasting, the payment of salaries, the relief of poor members, and of the widows and orphans of poor members, the finding of portions for poor maids, and the payments for funerals and obits; the funds were also applied to the binding of apprentices, to loans to young men starting business, the purchase of new receipts and inventions, and the prevention of adulteration. Both social and craft guilds also relieved the poor." The work the associations of capital and labour are now doing in France could not be more accurately described than the work the old trade and craft guilds sought to do in their day is described in the Report of the City Companies' Commission. The guiding principles of the ancient and modern associations are co-operative action and mutual helpfulness; the method of applying these must of necessity be different now to what it was in the Middle Ages, but the principles are nevertheless the same.

part of the institution, and then the Mutual Aid Society. Each, though closely connected, may be worked separately and independently of each other. The capital of the house is £16,000, half of which is held by the two managing partners, the other half by the society which is the collective embodiment of the workers. There is also a reserve fund of 100,000 francs (£4,000), which has been formed by a retention of 10 per cent. of the annual profits. The Mutual Aid Society possesses, as I have already shown, a capital of £60,000, of which one-third is invested in securities guaranteed by the State, and two-thirds lent upon interest to the house. The two managing partners receive £240 each per annum, as salaries for superintendence and management; they receive interest at five per cent. for their capital. The society receives the same on its capital. Twenty-five per cent., or one quarter of the nett profits, go to the two managing partners conjointly. Seventy-five per cent., or three-quarters of the nett profits, is allotted to the workers; twenty-five per cent. of this is placed to the pension fund in the Mutual Aid Society, and fifty per cent. is paid in cash each year to the workers according to their respective earnings. The workers do not individually participate in losses, but they do so collectively, for in the name of the Society they have large investments in the business, and also provide half the capital.

The share in profits averages about £16 a year for the regular workman, constantly employed, but if a man works only an hour, he receives his fraction of the profits. Either in cash bonuses, or contributions to the Mutual Aid Society, from 1842 to 1882 inclusive, no less a sum than £133,045 was paid out of profits for the benefit of the workers. The yearly turnover at the time of Leclaire's death in 1872 was £80,000; in 1882 it had reached £125,580.

There are 400 workers employed, 126 of whom have an interest in the Mutual Aid Pension Fund. The workers annually nominate two delegates, who go through the accounts and see the profits are divided according to the rules of the associ-

ation. The results, morally and economically, of this method of association and participation in profits have been marvellous. The workers know that it is their interest to do their work well, to be careful of tools, and prevent all possible waste. If they do their work efficiently, they know the reputation of the house is kept up, and further work ensured; if they are careful of tools and economise at all points, they know there will be a greater amount of profit to divide. Before the commencement of the participation, forty per cent. of the workers did not work on Mondays, and drank excessively; this number does not now exceed one per cent. The members are jealous of their character for morality and honesty; any worker or associate guilty of immorality is at once excluded.

Leclaire's life was a success from a worldly point of view; he attained to a position of influence and comparative wealth. In 1865, he wrote, "I maintain that if I had gone on in the beaten track of routine, I could not have arrived, even by fraudulent means, at a position comparable to that which I have made for myself." Although he made no profession of faith in any of the dogmas of any Christian sect, when in sight of death he made the following grand confession of faith and duty:—

"I believe in the God who has written in our hearts the law of duty, the law of progress, the law of sacrifice of one's self for others; I submit myself to His will, and bow before the mysteries of His power, and of our destiny. I am the humble disciple of Him who has told us to do to others what we would have others do to us, and to love our neighbour as ourselves. It is in this sense that I desire to remain a Christian until my last breath."*

I might give further proofs of the success, from whatsoever point of view it may be looked at, of the principle of association of capital and labour by what is known as "participation," by referring to the Co-operative Paper Mill at Angoulème, employing 1,500 workers; to the Parisian Cabinet-Makers,

* See Mr. Sedley Taylor's "Profit-Sharing," p. 25.

Limited, with 215 workers; to the Association of Working Tailors, the Association of Cabdrivers, the Association of Tin-workers, and to the printing house of A. Chaix et Cie.; and to numerous other convincing proofs of the power and efficacy of the principle of association, all clearly showing that when once the interests of master and workman, of capital and labour, are made mutual in the only way they can be so made—namely, by mutually sharing the profits of their conjoint labour—the results achieved are increased production and superior workmanship, less waste, and an all-round effort to achieve success.

These various forms of association in productive enterprise, which the French Legislative Chamber, French statesmen, and French employers of labour now appreciate as a fulcrum for levering the workmen into a higher social life, and for smoothing the hitherto rugged pathway along which capital and labour must—whether amicably or in a hostile spirit—travel together, are—in a modernised and more economically efficient form—reproductions of the ancient village community, or the brotherhood of the mediæval trade and craft guilds. They accomplish, by no greater power than that of moral union, what the ancient communities and guilds sought to attain by force of law. The ancient and the modern associations, however, all acknowledge that man doth not live to himself alone. Prosperity and happiness are most assured by abnegation of self. Society is an aggregation of individuals: there can be no real nor lengthened happiness to the true man if the society or community in which he lives is not prosperous and happy; therefore the good of self is only to be found in seeking to promote and secure the well-being of the community.

In these associations we find no trace of the brutal law of the fittest surviving, nor do we see an ill-regulated scramble for wealth. We find well-organised systems suited to the various trades, in which work, intellect, and capital are rewarded according to their respective merits and productiveness. We find a provision made for old age and

a shield and protection for the widow and the fatherless—the workmen are not left to be fleeced and swindled by Friendly Societies, which prey upon the pockets and work upon the ignorance of the uneducated and unbefriended workman, as many of our English Friendly Societies do.*

In these associations the workman is insured out of profits, and his means of subsistence are not reduced; as a matter of fact, he is insured out of his own increased productiveness; the insurance fund is managed without exorbitant commissions and fees—these run away with half the premiums in many English Workmen's Friendly Societies. England boasts of being the home of free trade, of liberty, justice, and enlightenment—the working-man's paradise. The great princes of industry in England have much to learn from France, much to learn of their duty to their fellow-men, of the obligations of capital.

Amid all the great names in English industrial enterprise —although many have made fortunes of millions, and some, after attaining success in commercial life, have been honoured in the political world—there is not one that will be esteemed so highly in future generations for having done noble deeds and Christian service in the business world, as Leclaire of Paris, and Godin of Guise.

The first step in the emancipation and freedom of labour must be made in the economy and organization of distribution; if there is useless expenditure and waste in the process of distribution, it is undoubtedly a tax on production and consumption.

In the associations for distribution, the organizations of which I have explained, and their federal association with pro-

* It is a deplorable fact that many Friendly Societies are irretrievably insolvent; in some cases the expenses amount to seventy per cent. of the income; the directors and agents swallow up three-farthings of every penny contributed. There are exceptions to this disastrous condition of affairs, but as in the solvent societies the branch lodges are mostly held in public-houses, the members have the temptation to spend as much or more in drink as they do in a provision for sickness or death.

ductive establishments founded on the principles of association of capital and labour, such as I have shown exist in the Familistère at Guise and Maison Leclaire in Paris, and many other industrial foundations in France, labour will be freed and receive its fair share of the proceeds of its industry, the yoke will be easy, the burden lightened.

Despite the now historical case of the Messrs. Briggs at the Whitwood Collieries, Messrs. Fox, Head and Co., Sir W. Armstrong, and other spasmodic and weak attempts to form industrial partnerships, we have not yet had tried in England a solid and well-determined plan of association of capital and labour in productive enterprise. In every case there has been clearly visible the elements of future shipwreck ; the plans have not been thoroughly mutual : labour has not received its fair share in the councils, nor its equitable participation in the profits; the interests not being mutual, the first little storm has laid bare the want of confidence in each other.

In the federal combination of the two forms of association which I have described, I venture to submit that we should have an automatic system of general co-operation which Robert Owen, Fourrier, Marlo, and the earlier advocates of association and co-operation would have supported, which more recent but, alas ! now departed economists, like Mill, Fawcett, and Jevons, would have pleaded for, and which the great body of living and energetic co-operators and social reformers must support if they remain true to their professions.

At the Co-operative Congress at Oldham, one of the French delegates who had been deputed by French co-operators to express their good-will to their English fellow-workers in the cause of the social elevation of labour, was reported to have said that "the English co-operative societies, being engaged chiefly in distributive enterprise, were taking the bull by the horns : they in France, having devoted their efforts to co-operative association in production, were taking it by the tail ;" but the animal to be put under proper control requires to be taken bodily. This

federal union of morality and economy in distribution, and justice and equity in production will, I maintain, give freedom to labour and justice to every interest concerned in that which makes up the social and industrial economy.

In a speech made at a dinner given in celebration of American Independence on July 5th, 1885, Mr. John Bright, M.P., is reported to have said :—"I hope the time will come when there will be another Independence Day in the United States, not to free bodies of white and black men, *but to free permanently and as freely as I believe we have done in this country, the labour of the whole population.* I want the two nations to be one people. I want them to be foremost in political and religious freedom. I want, also, and hope the time will come when there will be that other freedom which the States may be as proud of as the great bulk of Englishmen are of the freedom we have achieved."

In these two sentences we have a clear repetition and statement of the error Mr. Bright and his free-trade friends seem incapable of dispelling from their minds. The bulk of Englishmen are proud of the labour and achievements of Cobden and Bright and their associates, in the agitation for the Repeal of the Corn Laws, and for their advocacy of customs' reforms and free imports; but to suppose that the removal of customs' duties on many articles has been the emancipation and freedom of labour, is a grievous mistake. Can labour be called free, when it works for starvation wages? Can labour be free, when thousands are willing to work but cannot find employment? Is labour free, when there is land that needs cultivation but the labourer is not allowed to work it? According to Lord Thurlow, the labourer is left to starve, yet all the while if he was free to labour nature he might produce for himself enough and to spare. Can labour be free, when the industrial labourers receive an unjust share of the proceeds of their labour? Can labour be free, when between the producer and the consumer there is a tax — an unnecessary tax—for distribution, amounting to at least £200,000,000 per annum more than is natural and necessary?

Ask the half-timers, the children who work in factories for 3s. per week of 28 hours' labour, equal to one penny-farthing per hour. Ask the youths engaged in spinning, who earn 9s. per week for 56 hours of work: about twopence per hour. Ask the weaver who earns 14s. a week for weaving 110 yards of a certain kind of dress stuff, equal to about 1½d. per yard; if for her own consumption she buys back the production she has helped to make, she has to pay to the distributors a profit of 1s. 6d. per yard, that is, twelve times the amount of her wages. Ask the seamstress earning 8s. per week, the slop-tailor, the matchbox-maker, the agricultural labourer earning his 10s. to 12s. a week. Agricultural labourers earning 12s. a week pay 3s. a week for rent and 1s. a week for school fees; on the 8s. remaining they have to support a wife and family of three or four children. In giving the 8s. in exchange for food and clothing, they are mulcted in a usurious rate of profit or cost of distribution to the tune of 50 to 100 per cent.; when 10 per cent. would be more than sufficient for the necessary cost of making the exchange. The owners of the land live wantonly on their toil, the middlemen who exchange their products grow rich and are clothed luxuriously, whilst they are in rags. If this is not "oppressing an hired servant that is poor and needy," what can be? Where is freedom in such labour? It is such as these that constitute the great industrial army that is the making of England. If you ask them, they will tell you their labour is too free: too free in the giving of the labour, and too scant in getting their fair share of the proceeds. It is by the exchange of each others' labour the social circle is completed; the exchange should be for their mutual benefit, but it is performed for their mutual disadvantage: for the exchange of their productions, even after the capital employed in production has had its reward, the labourers have to pay a usury of not less than 50 per cent.—more frequently it is 100 per cent. With the bulk of labourers it is a constant struggle for existence. The sellers of their labour and distributors of the productions grow rich and live in luxury;

the labourers are habitually poor, content with the barest means of subsistence.

From the paper I have already quoted, read by Mr. MacDougall on the causes of pauperism in Manchester, it appears that in the Manchester Union $8\frac{3}{4}$ per cent. of the population were in receipt of relief for longer or shorter periods during 1884. The astounding fact was brought to light that one death in every six was that of a pauper. This points, says Mr. MacDougall, to the conclusion that a large number of the inhabitants have no resources for support and medical treatment during serious illness. This pauperism is, moreover, proved to be non-hereditary, only two per cent. can be traced to hereditary taint.

Thus, in Manchester, the home of free trade—and therefore, according to Mr. Bright, it should be the home of free labour—one in eleven of the population is a pauper receiving parish relief, and one in six of the population dies a pauper's death—rather a sad condition this for free labour!

How, then, can Mr. Bright say we have freed labour? In the United States, under the pretence of protection to native labour, they put excessive import duties on foreign productions. In this country, as a first step to freedom of labour, we have removed most of our previous import duties; but neither in the United States is labour protected, nor is it in this country free, for in both cases it is mulcted in unnecessary charges, and privileged classes exact toll of it. The evils in the English system may be less than in the United States, but it is only a question of degree.

In customs duties from 1840 to 1883 inclusive, the amount of customs duty repealed in the United Kingdom was £29,405,679; the amount of new duties imposed or old duties increased was £5,020,450; giving a net total reduction during the whole period of forty-four years of £24,385,229. This is all the reduction in the direction of free imports that the free-trade policy has made. In lieu of this reduction in customs

duties, internal taxes, direct and indirect, have to some extent been imposed and increased.

I am cognisant of the fact that the benefit of free imports and tariff reforms is not to be measured solely by the amount of the reductions made in the customs tariff; the benefits are indirectly shown in the increased volume of trade. I readily admit these benefits; but say it is a misnomer to call the removal of customs duties the consummation of free trade and the entire freedom of labour.

I have before stated that the principle of free trade is based on the law of natural value. If a person buys an article for consumption on which an import duty of ten per cent. has been imposed, and for which a profit or charge of fifty per cent. was also made for distribution, it is clear the ten per cent. for the import duty made the article so much dearer than its natural value, and if the legitimate cost of distribution could have been covered for thirty per cent. less than was charged, it is also clear that besides the import duty of ten per cent. the consumer also paid twenty per cent. more than the natural price.

Distribution, as I have striven to show, is but a part of production. When the cost of distribution is unnecessarily great, then it is as pernicious and as much a tax on commodities, a restriction upon production and labour, as any customs duty. A reform in the process of distribution would confer as great if not greater benefits on the people than the removal of import duties has conferred. Like the reform in customs tariffs, the benefits would not only be seen in the amount saved (and the saving would far exceed the reduction of import duties), but would be of greater benefit in the increased consumption it would create, and the wider diffusion of employment such increase would occasion. Until this reform is made in distribution labour cannot be free; until then it will not receive its fair reward.

It may be satisfactory to Mr. Bright to think the removal of import duties has freed labour, it may be satisfactory to those who have made enormous fortunes since the commencement of

the free-trade policy, but it won't do for the student of economics nor will it stand the criticism of the future historian of this period of industrial and national history.

The most powerful argument now in the hands of the free-trade politicians is the waste and destruction of wealth in the military systems of Europe. The estimated army and navy expenditure for 1884 of the whole of the European powers was £171,514,740. It is a favourite argument with free-trade politicians that it is in the waste of this sum expended in non-productive labour, taken by taxation out of the results of industry, we have one of the greatest causes of trade depression. But it never strikes these gentlemen that in our own country we have a yearly waste in the distribution of the necessaries of life equal to the whole annual naval and military expenditure of "burdened Europe;"—the one is just as much a tax on industry as the other. We may agree with these gentlemen that this martial expenditure is wasteful and depressive of trade and industry we may join with them in advocating its reduction and abolition; but are not the greatest of virtues the domestic ones? Here at home, within our control, we have a waste of wealth, a tax on industry, as great as that which we complain of in the warlike expenditure of the powers of Europe. We plead for the abolition of the latter on the principles of peace and goodwill amongst the nations; but by practising peace and goodwill in our own social and industrial organisations, we may speedily remove as great a burden as we complain of.

To preach to foreign nations on their internal policy is a presumptuous proceeding, very likely to be resented. If the disciples of the apostle of peace and brotherly love will set to work to remove this domestic burden, the load of trade depression will be removed. A greater amount of practical good will be accomplished in five years, than preaching for twenty years to foreign nations on their military policy will accomplish.

It is as futile to talk of a free breakfast table as it is to represent that we have freed labour by removing import duties,

for neither a free breakfast table nor free labour can exist until distribution is reformed and freed from its present waste and costliness, and, I must also add, the usurious spirit actuating those engaged in it. Representations are made to the effect that a free breakfast table would exist if the remaining customs duties on articles of food were repealed; in our customs tariff, the requisites for a free breakfast table on which import duties are now imposed are tea, coffee, chicory, and dried fruits; the revenue raised on tea is £4,000,000 a year, this sum is added to the cost; I am assured by a gentleman of great experience in the tea trade, that the price consumers pay averages not less than 50 per cent. more than the price at which the tea leaves the custom house, after prime cost, duty, and all charges are added; therefore, consumers have to pay the dealers a profit of £2,000,000 on the £4,000,000 of duty, which they, (the dealers) pay the government in other words, instead of the tax being £4,000,000 as it nominally appears, it is really a tax of £6,000,000. In like manner we pay a nominal duty on imported tobacco and snuff of £8,900,000 a year, but snuff-takers and smokers are really taxed £12,000,000, for to the duty of £8,900,000 must be added the profit thereon of distributors.

Suppose the customs duty on tea and every food requisite was removed and absolutely abolished, it by no means follows we should then secure a free breakfast table, for so long as the cost of distributing these requisites and the cost of exchanging them was 30 per cent. more than is necessary, just so long would the breakfast table be taxed; there is no difference whatever between taxation by customs duty and taxation by exorbitant charges and unnecessary cost in distribution; they both raise prices, both are a tax on labour, and have to be paid for out of the proceeds of labour.

Speaking of customs duties and taxation leads me to make a digression, briefly referring to the question of taxation in general. Reform in distribution will not be complete until all

indirect taxes are abolished, and the expenses of government raised by direct taxation; there is an enormous waste in indirect taxation, not only in the cost of collection, but also in the indirect way it increases the cost of necessaries. I hope to see the time when all customs duties will be abolished, and our ports made free to receive, without let or hindrance, all foreign produce we require; so soon as distribution is done associatively for the benefit of producers and consumers, then shall we be ready for this sweeping customs reform. With a thorough reform in local government and one sole rating authority constituted in every district, I do not see why the imperial government should not, after the votes have been passed by the House of Commons, make precepts on each local authority for its proportion of the national expenditure. School-boards now receive their funds, in so far as they are raised from local rates, after this fashion, by making precepts on the constituted local authorities. If we had one rating authority in each local district it would levy its rates under various headings; for instance, there would be the rate required by the local government for sanitary and general purposes, then the poor rate, and after that the imperial rate. The rateable value of the whole country would be ascertained, the imperial expenses would be so much in the pound, and each local district would be called upon for its proportion. Besides legacy and succession duties, and stamp duties, taxation would come directly from owners and occupiers of property; licensing laws, and the regulation of the drink traffic left entirely in the hands of local authorities, there would be no overlapping of tax-collectors, customs and inland-revenue officers. The question of taxation is large enough to occupy a volume to itself. I cannot now further enter into it; what I wish to point out is that if distribution was reformed, wealth would be more equitably distributed, and direct taxation could be adopted more readily and with greater justice. Direct taxation would be the best security for economy, a double check would be made on extravagant expenditure, whether

local or imperial, costly wars would not be lightly entered upon, and wasteful military and naval expenditure would be closely scrutinised.

Apologising to the reader for this digression, and also for what may appear a digression in an inquiry into what capital consists of, we will proceed to sum up the benefits to be gained by a thorough reform in distribution, such as in previous pages we have been advocating.

That which we call capital is not money, nor gold, for there is not as much gold in the whole world as the capital value of one of our largest cities. The ancients used a more accurate and expressive term: what we call capital they called goods. The early English economists called it stock.

The capital of an agriculturist consists in land, buildings, cattle, produce, and implements; that of a manufacturer in land, buildings, machinery, cotton or wool, yarn, or manufactured goods. If you invest money in a railway, you do not invest it in gold or money; your investment consists of carriages or engines, rails or land or buildings. Money is simply the measure of exchange. Bankers who deal in money are mediums of exchange; through them differences in values of exchange are settled. One pound in gold is sufficient to settle the difference in exchange of £500 worth of goods. Bankers, besides being mediums of exchange and agents for the collection and payment of debts, are also "engines of credit;" it is only as mediums of exchange and agents for collection and payment of debts I have here to deal with them: these are the bankers' legitimate functions. The more capital is employed in direct production and distribution without the employment of any intermediate agency of credit, and the more banks are restricted to their proper functions as mediums of exchange and agents for payment and collection of debts, the better it will be for the stability of commercial and industrial affairs. I know a village where £80 in coinage pays £4,000 a year in wages. The workers, on getting their weekly wages, take them to the village store in exchange for provisions and clothing

the manufacturer employing the labour gives a cheque to the storekeeper every week for £80, and gets, week after week, the self-same coins. The storekeeper hands the cheque to his banker, and against it draws cheques in payment for goods which he has bought in various parts. These cheques find their way to the Bankers' Clearing-houses in London or Manchester; the cheque of one dealer or trader is set off against another. A few pounds in coinage settles the difference in transactions of thousands. The process goes on *ad infinitum;* in twenty years, allowing for wear and tear of the coins, the same £80 would pay £80,000 in wages.

But this is not all: the manufacturer pays his debts to the people he buys from in cheques or bills, and is paid by the parties he sells to in like manner; bankers take these cheques and bills, and thus become the agents for collection and payment of debts; therefore, besides the £80 wanted in coins for payment of wages, and the cash the manufacturer requires for his personal expenses, and the small amount of coinage required by the bankers for the settlement of differences in clearing the cheques and bills, there is very little money dealt in; the manufacturer for his personal expenses may use the same coins over and over again, so will the bankers use the identical coins many times in payments and repayments of differences; we may, therefore, safely say £120 in money, coins, or cash, is all that is needed to do the turn-over of the manufacturer, which may be taken at £20,000 a year. The same £120 in cash serves not only for one, but ten, twenty, thirty, forty, or fifty years and more, so that in fifty years (with a little wear and tear to be allowed for) £120 in coins or money suffices for the conducting of a business, the payment of wages, and every process of buying, and selling, and exchange, of an aggregate turn-over of £1,000,000. This is a small illustration of what is going on in the whole of the transactions of the country. A little reflection will show what a small part actual money really plays in the making of what we call capital.

Therefore, when we speak of a great increase in capital, we simply mean a great increase of goods; when we talk of an accumulation of capital, we really mean an accumulation of goods; when we talk of a glut of capital, we ought to say a glut of goods; when we say there is over-production, we simply imply there are more goods being made than the owners thereof will allow to be consumed, for they cannot get what they consider an equitable exchange.

If some large public works are to be constructed—such, for example, as large docks, railways, or waterworks — at an estimated cost of £1,000,000, it is customary for us to say one million of money will be spent on them; as a matter of fact, no money whatever is spent. If, instead of saying £1,000,000 would be spent on them, or invested therein, we were to say the workers employed in constructing the works would consume goods of, say, the measurable value of £750,000, and also use other goods of the measurable value of, say £250,000, we should get a clearer idea of what actually happened; £4,000 in cash would be all the money required and all that would be used throughout the gigantic operation. This sum would pay and repay the workers' wages times without number, and would remain in existence after the whole of the works were completed. There would not be £1,000,000 of money invested in the works, there would simply be goods of the measurable value of £250,000 transferred thereto, and labour of the measurable value of £750,000 put therein. The said goods would be the savings of past labour. So, too, the goods the labourers consumed during the construction would be goods the results of savings from some previous labour. The investment of the proprietors or shareholders would therefore consist, not in money—for the whole of the money required during the construction of the works would be in existence after they were finished and paid for—but in the value of the works, which would represent merely so much labour.

The £4,000 in cash employed would merely be the

measure of exchange between the labourers and the investors who were allowing goods of past accumulation to be consumed by the labourers. The investment they would get in return would be the docks or railway, which would be the results of the work of the labourers, thereafter to be called "capital." The £4,000 in cash, as I have before said, after being the measure of exchange, would be in existence after the works of the measurable value of £1,000,000 were completed.

If we have a right conception of what capital is, and what it consists of, we shall have a clearer idea of the importance of its distribution. If we were to say that goods must be more equitably distributed, instead of saying that capital must be more equitably distributed, the human mind would at once grasp its full meaning; the importance of distribution in all its varied functions would at once be seen.

The foundation and origin of the English system of weights was the grain of corn: so many grains of corn were taken to make up so many ounces, and so many ounces made a pound. The pound weight was the measure of exchange between corn and any other commodity. The pound sterling is also but a measure of exchange; of itself it is not wealth; it represents a given quantity of goods, and measures the relative values of articles.

Just as in primitive times it was demanded for the safety and protection of the community that weights and measures should be attested and stamped by an official—for by that means it was known that the pound weight actually represented so many grains of corn—so to-day I ask that distribution and exchange between man and man shall have the moral protection of the collective interests of all, that we should not simply rely on the stamped gold, which is after all only somewhat of a token, but upon a higher standard of exchange which shall take cognizance of actual services rendered and work done.

If, then, we rightly conceive that capital consists of goods, land, buildings, or machinery—in other words, in what we live in, on, or by—and that money is only a valuable and

convenient measure of exchange, this question of morality and economy in distribution and exchange will appear of threefold importance; and as we have previously seen what are the factors in the creation of capital, and now having a true idea of what capital is when created, we may proceed to summarize the advantages to be derived from a thorough reform in the various functions and processes of distribution. The benefits, amongst others, will be :—

1. The prevention of an enormous waste, which is a tax on consumers and a depression and limitation of labour.

2. The possible saving is not less than £200,000,000 a year, an amount greater than the normal yearly naval and military expenditure of the whole European powers, and two-and-a-half times as much as our normal national expenditure.

3. The possible savings to be made by association for the mutual benefit of producers and consumers in the distribution of goods for home consumption is well-nigh as great as the value of the whole of our exports of home produce and manufactures, and far exceeds the value of our exports of textile manufactures.

4. The savings to be made in the cost of distribution would benefit labour by reducing the cost of the necessaries of life, consumption would be increased, and a greater demand for labour created.

5. We should be less dependent for our prosperity on trade with foreign nations. The cries for Fair Trade and Protection would lose their potency, for the distribution of goods being in the hands of producers and consumers for their mutual benefit, they would buy nothing abroad they could produce themselves, but would gladly buy from the foreigner anything necessary for their comfort and happiness, and such things they would desire to have at the cheapest rate, free from all protective duties. The present trade depression would be effectually remedied by increased productiveness and consumption at home.

6. A reform in distribution would ere long reduce the cost of living in this country one-fourth.

7. A reform in the distribution of goods together with a reform in the distribution of the results of industry, by the mutual association of capital and labour in productive enterprise, which a reform in the distribution of goods by the mutual association of producers and consumers for their collective well-being would make much more possible and feasible than hitherto, would tend to the more equitable distribution of wealth, the extremes of excessive wealth and pressing poverty would be moderated, and society elevated.

8. By making distribution a helpmeet to production, and a moral and economic system of exchange, speculation would be discouraged, accumulations of capital or goods would be directly employed in increased production; the outcome of further production would be an increase of goods, and a permanent tendency to lower prices.

9. Lower prices, which must of necessity follow a wider expansion of civilization, and an increasing knowledge of the arts of industry would, under an economic and moral system of distribution and exchange, be a loss to no one but a benefit to all. Growth of civilization, and an increasing knowledge and use of applied sciences, must bring about an increase of goods. An increase of goods cannot be disastrous, but ought to be a positive gain, giving greater comforts and more leisure to all. If the farmer had to take a lower price for his wheat, he would be compensated by supplying his wants in other articles at proportionately lower prices. If the growers of wool received lower prices for their wool, they would be compensated by purchasing their cloth at proportionately lower rates. If the ironmaster received lower prices for his iron, compensation would be made to him by supplying him with everything he wanted in exchange for his iron at lower rates. If the wages of the workers in the iron trade, the coal trade, or the textile manufactures were reduced because of lower values, they would be more than compensated by the cheapness of provisions and every article necessary to their well-being. If the owners of land or houses had to accept reduced rents, com-

pensation would be made them in lower prices for everything they needed; they would in reality be richer than before.

10. A reform in distribution would impartially distribute the benefits of lower prices; under existing systems of individual competition and enterprise, one class becomes rich out of the losses of another, the benefits of lower prices are not distributed for the collective good, the producer is depressed and the consumer extorted. A reform in distribution would make all interests mutual, measure would be given for measure, a spirit of thorough mutual helpfulness and interdependence would actuate the whole of our social relationships.

CHAPTER XII.

Democracy in Government, Oligarchy in Industry—The two Incompatible—The Most Active Advocates of Free Trade Policy the Most Diligent in Bringing about this Inconsistency—Mr. Samuel Morley, M.P., on Money-Bags in Parliament and the Incapacity of their Owners to Take an Intellectual Part in the Work of the House—The Archbishop of York on the Need of Social Reforms—The Representatives of the Oligarchy in Industry in Parliament—Their Public Professions and Private Practice Compared with the Works of Godin and Leclaire—Private Enterprise and Individual Effort Compared with Collective Enterprise—It is by Collective Enterprise in Public Works that our Artificial Civilisation is made Possible—The Waste and Costliness of Distribution by Private Enterprise Compared with Possible Saving and Economy of Associative Distribution—Past Class Legislation and Depression of the Labourers—Recent Legislation in the Repeal of Old Laws Favouring Employers, and the Enactment of New Laws Protecting the Community against the Encroachments of Private Enterprise.

In the friendly and amicable understanding arrived at for drafting and passing through both Houses of Parliament the bills for the extension of the franchise to every householder in the country and for redistribution of seats, each of the great political parties—Liberals and Conservatives alike—have admitted that the government of the nation and its destinies may be entrusted to the democracy.

In a democratic form of government the power is in the hands of the many; its security rests on the assumption that the collective interests and rights of the many are greater collectively than those of any one person or of a few persons; and as the end aimed at in government is good, the greatest good, the happiness of all, is particularly the end of good government, and this end the democratic form of government, public opinion in this country has unmistakably expressed the conviction, is best calculated to secure.

The oligarchic is that form of government which is the direct opposite of the democratic. In an oligarchy the govern-

ment is in the hands of a few individuals, the supreme power is lodged with the rich, the privileged few. Mediæval England illustrates the oligarchic, the constitutional government of the United States the democratic, form of government. The rule of the Stuarts, as compared with the Commonwealth, may be taken as another illustration in principle, whatever may have been the shortcomings of the latter in practice. In England we have this century seen a great extension of democratic principles in government. In the agitation preceding the passing of the Reform Bill of 1832, the stirring times of the agitation for the Repeal of the Corn Laws, and for the removal of the shackles that fettered industry, the passing of the Reform Bill of 1867, and more recently the agitation for extending county franchise, and the agitation that came out of it in the autumn of 1884 for the reform of the House of Lords—the flag of liberty has often been unfurled, the rights of man proclaimed, and the everlasting principle of justice expounded.

Notwithstanding all this progress of liberty, freedom, and justice in political affairs, in constitutional government, imperial and municipal, there has contemporaneously grown up a contrary spirit in the organization of industrial affairs. In constitutional government we have now a democracy—the government of the people by the people, but in industry in the business world we have an oligarchy—the government of the many in the hands of the rich and privileged few. The two are inconsistent, and cannot stand together; the social structure erected on so glaring a contradiction of vital principles will be at the best unstable; if the one is true the other must be false. Society is an aggregation of individuals bound together under a form of government for their collective good, and therefore for each individual's happiness; laws are made for mutual protection and benefit; if, as is admitted, in the democratic form of government the collective interests of the many are greater than those of the few, and if, as is also admitted, the collective wisdom of the many in seeking their collective good is greater than that of the privileged few; and if, as both

political parties have admitted, the people of this country are possessed of moral worth and discernment sufficient to enable them to see in what ways their collective good is most likely to be secured, democracy in government and democracy in industry must go hand-in-hand together.

In a perfect state of democratic government legislation must be passive rather than active, for in a people of high moral worth, where in the eyes of the law man is the equal of man, as the democratic principle implies, there will be little law-breaking and therefore little necessity for law-making. The duties of the administrator will be negative rather than aggressive. Social economy in such a state will be founded on the unwritten law—the laws of morality, justice, and truth, of man's obligation to his fellow man, and mutual helpfulness; therefore in a democracy industrial organizations are the most important of all. No matter what may be the nominal principles of constitutional government, be they ever so democratic, so full of expressions of freedom and justice, if these principles do not pervade every organization in which men work for their daily bread, social peace and true progress cannot exist.

As in political government justice is supposed to hold the balance between class and class, so in everyday life, in the working for the necessaries of life, in the workshop, the factory, and the store, it must be justice that shall allocate to each his share of the proceeds of labour and industry, the sweat of the brow must be rewarded in proportion to the amount of wealth it has created.

It was demanded that for the good of the community increased production was needed, but the economies of mechanical production, and the gains made thereby, have been appropriated by the few. The oligarchic spirit has prevailed, labour has more and more become the slave of capital accumulated from the proceeds of previous labour. Economies, and new methods of production, which might have been and which ought to have been made conducive to the collective

good of the many, have enriched the few and left the masses little if any better than before.

It is an inconsistency which for ever will redound to their discredit, that the most active advocates of the policy of free trade and democracy in government have been most diligent in bringing about this oligarchy in industry; they have spared no words in denouncing the monopoly of the landed proprietors, but all the while they have practised none of their doctrines in the organization of their own businesses. In the political world it has seemed fit to them to preach up Christian principles and high moral and humane doctrine, but in the race for wealth their definition of the law of competition has justified them in the formation of "rings," and the establishment of customs as despotic and detrimental to the interests of the many as was ever a feudal baron with his prerogatives and despotic power; in their eyes competition in the race for wealth has justified them in depressing wages to the lowest possible limit, in extorting the longest possible number of hours for the least possible pay, and with unblushing effrontery the productions which are the outcome of this depressed labour are sold back to the same labourers at a usury of 100 per cent. When the collective production of the labourers at home has by the aid of machinery been far more than the depressed wages they are paid would allow them to consume, the same oligarchic spirit has made the capitalist manufacturer grumble and complain because foreign nations would not buy his surplus productions on his own oligarchic terms.

Mr. Samuel Morley, M.P., in a speech reported in the *Daily News*, July 11th, 1885, said: "his experience had been that most of the Members of Parliament were sent there because they possessed money-bags, and these were absolutely innocent of taking an intelligent and intellectual part in the work of the House."

The Archbishop of York, in a sermon preached August 2nd, 1885, said: "We wanted a new school of politics, which should demand from the representatives of the people not

dull adherence to the torn skirts of old party traditions, but an earnest insight into great social questions."

The reformed Parliament bids fair to contain as many money-bags as of old; so powerful are the machinations of party politics, the first requisite of a candidate for parliamentary honours must be a dull adherence to the torn skirts of party policy and traditions; the second requisite is, that he has a money-bag and can pay the cost of the contest and bear those other local and general expenses entailed on a Member of Parliament. Granted these two qualifications, the intellectual requirements Mr. Morley demands are of little consequence, if the member votes straight and according to the wish of the local caucus; it is not necessary he should take an intelligent and intellectual part in the work of the House, nor possess an earnest insight into great social questions.

Not long ago I read of a Member of Parliament, in a speech on the Egyptian question, referring to the late General Gordon, saying that Gordon may have been a good man, but to his mind and according to his reading of the Scriptures, it was impossible for a man to be a successful and distinguished soldier and at the same time a good Christian; he for one did not believe in a Christian soldier.

The gentleman I refer to is a fair representative of the capitalist radical politician; he is a large employer of labour, a devoted advocate of free trade, an upholder of the rights of the people, a non-interventionist in foreign affairs, a liberationist, a member of the Peace Society, in fact he is an advocate and supporter of that political party that is for the removal of every monopoly and every abuse, of course excepting any monopoly its members may individually possess; in their eyes the rights of property in land should be limited and restricted, land must be free, no monopoly; if the exigences of the case demand, the rights of real property must be sacrificed for the good of the community. These are noble sentiments, no doubt, and very attractive, but we never hear of these representatives of the oligarchy in industry saying anything of the rights of the

factory operative or of the coal miner, or of the miserable wretches who eke out a living on the starvation wages paid in many branches of industry; but it is out of the labour of these they hold their wealth.

It is not for me here to criticise Gordon's life, nor to say how far he lived a Christian life, nor of the possibility of a successful soldier being a good Christian; but I have read of the great Apostle of Peace saying that it is hardly possible for they that have riches to enter the kingdom of heaven. The most humiliating spectacle we see in public life is the one where representatives of the industrial oligarchy, rolling in the riches accumulated from the toil and labour of their operatives and workers, obtain election to parliament and set themselves up as defenders of the rights of the people, who for the sake of popularity and power are ready to advocate state socialism and many economic fallacies; the hope may be indulged that the day is not far distant when the intelligence of the people will penetrate these shams and inconsistencies, and appraise them at their true worth. If those of the class to whom I refer had proved themselves benefactors of their race, if, whilst they had been diligent in business they had served God and their fellow men, and shown a love of equity such as was shown by Leclaire or is being shown by M. Godin, then we might have honoured them as Nature's noblemen; but in no case do I know of a democratic-capitalist-free-trader-millionaire who has divided his profits with those who have helped to make them; true, we have cases where charities have been endowed, but we want justice before charity.

In the expansion of industry new towns have grown up. In some cases the capitalist manufacturer, to escape the local government of boroughs, and more fully to enforce the oligarchic spirit, has built a new hive of industry, and founded a new town in some country spot, away from the heavier taxation and closer supervision of local authorities. Many of such towns and villages have been referred to as model communities, and held up as examples of benevolence and philanthropy; but I

can see no benevolence nor philanthropy in buying a large plot of land and building as many houses as could well be crammed on to it, with money borrowed on the security of the land and buildings at four per cent. interest, and charging the tenants, who are also the workers in the mill or foundry, a rental based at the rate of twelve-and-a-half per cent. interest on the capital invested, which was borrowed for the purpose at four per cent. This may be good business, for it makes two profits out of the labourers: one, a profit on their labour in the industry the proprietor is engaged in, the other a profit beyond the current rate of interest on the investment in the houses they must live in—but there is no philanthropy nor self-sacrifice in it.

Leclaire and Godin, as I have shown, founded a democracy in their businesses; they gave freely, as a right to their co-workers, what a few of our English millionaires have scantily given as a charity when they could not take it away beyond the grave. In Socialistic France they bid fair to settle the feud between capital and labour by association and the equitable distribution of the proceeds of their joint production; in England we seem to be running the danger of having Socialistic legislation agitated for by factions that have done most to create the evils they seek to remove. If English radical capitalists had acted in their industrial relationships in the same spirit of democracy which they avow in politics, the evils they seek to redress would never have existed.

More is expected of legislation and laws than laws and legislation can do. "Laws," as Paley says, "cannot regulate the wants of mankind, their mode of living, or their desire of those superfluities which fashion, more irresistible than laws, has once introduced into general usage, or, in other words, has erected into necessaries of life. . . . Laws, by their protection, by assuring to the labourer the fruit and profit of his labour, may help to make a people industrious, but without industry the laws cannot provide either subsistence or employment; laws cannot make corn grow without toil and care, or trade flourish without art and diligence."

All that need be asked of the law or the legislator is the old Reform cry of "Justice to all, favour to none." Granted this broad principle of equitable treatment was acted upon, the reforms most calculated to ensure prosperity and progress are to be inaugurated and carried to a successful issue by mutual association, by mutual helpfulness and forbearance; they lie outside the power and function of the legislature.

In the patriarchal days it was a custom rigorously observed for the corn in the corners of the field, the odd sheaf, and the gleanings and fallen fruit of the vineyard and the cornfield to be left for the poor; they enjoyed the privilege as a right, not as a favour. But the greed of modern capitalism leaves not even the sweepings of the floor; in the scramble for wealth, before capital must suffer the labourer must starve.*

In this country we have been so much accustomed to hear sung the praises of private enterprise and individual effort, we scarcely ever think of looking at the other side of the question, but as a matter of fact it is collective enterprise that has made the progress we boast of so much. Railways, which have opened up communication and supplied our large towns with food, are the outcome of collective enterprise.† The canals, which preceded the railways, were the work of collective enterprise, and so were many of the roads that gave the means of communication in the olden time. Our waterworks and gas-works, whether administered by joint-stock companies or municipal authorities, are the results of conjoint action and collective enterprise; so, too, are the postal and telegraphic services and our insurance societies; joint-stock banking, which has done more than all the private enterprise put together to develop our commerce and industry, is the collective employment of the capital of the country. Private enterprise has succeeded on two main grounds, the labour and productiveness of the workers

* The right of gleaning existed in many districts in England until very recently. Canon Girdleston says that the use of machinery for cutting and reaping takes up the crops so clean there is nothing left worth gleaning.

† In 1883, 2,502 miles of railway were open in the United Kingdom; the total amount of paid-up capital was £784,921,312.

on the one hand, and the credit and facilities offered by the banking system on the other. No doubt private enterprise is justly entitled to a fair return for any needful service it renders the community, but in the absence of any standard of measurement or any details of quantities of such services, the public are justified in looking on private enterprise with some mistrust.

Joint-stock banking may be said to date from 1834, the time of the establishment of the London and Westminster Bank. The growth and expansion of our commerce and industry has been contemporary with the extension of the collective employment of capital in the joint-stock banks.* It is a most flattering acknowledgment of the success of joint-stock enterprise in banking that private banks have gradually been absorbed or supplanted by them. Messrs. Glyn, Mills and Co. have owned this success, for whilst they are a private bank they now voluntarily publish their balance sheet and accounts as if they were a public company; this for no other purpose than to merit the continued public confidence they have for so long enjoyed and deserved.

Gas companies by law are not allowed to pay more than ten per cent dividend on capital; if the profits exceed what is sufficient to pay that amount, the price of gas to consumers must be reduced. Railway companies, by Act of Parliament,

* In 1840 four London joint-stock banks—viz., the London and Westminster, London Joint-Stock, the Union Bank and London and County—held deposits amounting to £3,348,188; at the end of 1884 the same four banks held deposits to the amount of £72,828,705. The total value of imports and exports in 1840 was £118,899,000; in 1883 the value was £732,328,649. The amount of deposits in the four principal London joint-stock banks in 1884 was upwards of twenty-one times more than in 1840; the total imports and exports increased during that period only a little more than six times. On May 16th, 1885, *The Economist* published a return of 108 joint-stock banks in England and Wales, two in the Isle of Man, ten joint-stock banks in Scotland, and nine in Ireland, showing deposits and current accounts amounting to £430,170,590, and paid-up capital of £66,376,591. Of these amounts £341,585,905 were employed in discount advances, on loans, bills, overdrawn accounts, and other securities. In these figures we have abundant proof of the advantages of the collective employment of capital in joint-stock banking, also the extent to which private enterprise is nursed thereby.

are bound to run a certain number of trains on every line at one penny per mile per passenger. When this restriction was first imposed it was considered a great hardship on the companies and too liberal a concession to the public; but so enlightened have many of the companies now become, perceiving that serving the interests of the public is the best way of serving their own, they go beyond parliamentary restrictions, and run workmen's trains and give other facilities much more liberal than the original Act of Parliament insisted upon. In the appointment of the railway commission, with powers to arbitrate and settle differences as to rates and accommodation, and in many other restrictions which might be named, there is clear evidence that in the opinion of the legislature there is a point beyond which a public company must not go in making a profit out of the public.

If, then, all the great public works that make this artificial civilization possible are the results of collective enterprise, if our railways and docks, postal services, telegraphs and telephones, waterworks and gasworks, banks and insurance companies are the outcome of the co-operative employment of capital, if the blessings of municipal and local government are the outcome of the collective wisdom and co-operative action of local communities, and a modern growth and reproduction of the ancient village community, what has been left for private enterprise to do? Private enterprise has mainly been engaged in producing and distributing the necessities and luxuries of life, food, clothing, furniture, etc., and in the erection of buildings.

I have previously shown that the consumption of these necessities, food, clothing, and household effects, is not less than £720,000,000 per annum, the cost of distribution by private and individual enterprise is not less than £240,000,000 per annum. By association for mutual benefit the cost of distribution need not exceed £40,000,000 per annum. There is, therefore, a waste of £200,000,000 per annum, which must be debited to private enterprise. Just now I said the

£200,000,000 was wasted. It is, in any case, a needless tax on production and an increase of the cost of living which must come from labour. In the waste and useless cost in distribution hundreds of miles of streets and shops have been built, where one mile would be more than sufficient; the value of property has been risen to a fictitious price because it has been built upon an unreal and unnatural demand, the great depreciation in the value of real property now experienced is simply the fall to its natural value. I am very certain if natural value is ruled by natural and only necessary demand, values must go much lower. All the capital employed in creating this unnatural and fictitious value has sought its return, firstly in a tax on commodities, but ultimately in a tax on labour. If distribution had been made a helpmeet of production performed by association for the collective good, the increase of wealth would have been employed in increased production founded on a greater consumption, and would have tended to reduce prices, to the great benefit of the whole community. Private enterprise, then, must also be debited with the fictitious value of property and the tax it imposes on consumers.

The legislation of this century may be divided into two classes—first, Acts of Parliament which repealed the statutes of previous class legislation, such, for example, as the repeal of the Conspiracy Laws, which prevented the organization of labourers and made it illegal to establish labour partnerships; the repeal of the laws which empowered magistrates at quarter sessions to fix the wages of labourers in all industries, the abrogation of the law of compulsory apprenticeship, the abrogation of the law of settlement, which, together with the law empowering magistrates to fix wages, made the English workman a slave, tied him to his native village or town, there to work for whatever wages the magistrates, who were his masters, chose to fix as legal. These Acts and others of a similar spirit were the legislation of a faction, the offspring of the privileged few in whose hands the government rested,

the outcome of private enterprise. The other class of legislation which has this century distinguished the British Parliament, more particularly since the passing of the Reform Bill of 1832, has been remarkable for the spirit which pervades the numerous Acts of Parliament protecting the rights of the many against the encroachments of private enterprise.

The numerous Factory Acts for regulating the hours of labour of women and children, the provisions they make for securing the health of the workers, are most important illustrations of this truth. The causation of these Acts was the brutal inhumanity of private enterprise in working children that should have been on their mothers' laps, all hours of the day and night for the merest pittance. The provisions of act after act were evaded, and ultimately enforced by the appointment of inspectors and the vigorous application of the powers conferred on them. Further illustrations of the necessity the legislature saw for the protection of the masses against the gain of private enterprise, may be seen in the Adulteration of Foods Acts, the abolition of the Truck System, the Act enforcing the compulsory testing of weights and measures, the inspection of mines, the Employers' Liability Act, the Agricultural Holdings Act, but more especially in the Irish Land Acts. The suppression of the slave-trade in the Colonies in 1833 cost this country £20,000,000, paid as compensation to the slave-owners; a sad example of the boundless greed that private enterprise will run to in the race for wealth; it will even traffic in the flesh and blood of its fellow man. The Municipal Corporations Act of 1835 conferred the boon of local self-government. The history of local government is a continuous recitation of the struggles of the collective interests of the many against the privileged few. But for the powers conferred on local government in its embodiment of the collective interest of the many, our towns would be unbearable. The marked improvements that have been made in our provincial towns, their fairly good sanitary condition and good administration, are grand proofs of the benefits of collective

enterprise. If they had been left to private enterprise they would have been dens of fever and wretchedness. Abundant proof of this will be found on perusal of the report of the Royal Commission on the Housing of the Working Classes and the evidence given before it. London does not enjoy the benefits of a thoroughly representative system of municipal government. Had it done so, many of the evils the Commission deplore would not have been permitted; the report of the Commission is a strong condemnation of the outrages perpetrated on the poor by private enterprise.

When making improvements for the good of the community, local authorities are extorted by private enterprise. Those who doubt this statement will have their doubts removed by reading the Report of the Royal Commission on the Housing of the Working Classes, pages 44 to 49. The evidence of Mr. Forwood, Mr. Shaw-Lefevre, Sir Curtis Lampson, Mr. Chamberlain, Mr. Young, and others, convincingly proves that millions sterling have been paid by local authorities to private individuals as compensation, to which they were not morally entitled. In many cases, although the improvement is a benefit to the individual demanding compensation, the community have to pay for the improvement and be extorted in compensation also. Many improvements are not made, for fear of excessive demands that will be made by private enterprise.

CHAPTER XIII.

Individual Freedom to be Attained by Collective and Mutual Associations—The Moral and Social Condition a Hundred Years Ago—The Progress of Education—the Diminution of Crime—The more Artificial Civilization becomes, the Greater the Need of Education and a More Perfect Social Organization—Von Stein and the Emancipation of the Prussian Peasantry—The Real Wealth of Nations—Conclusion.

INDIVIDUAL freedom is the most precious of all liberty; governments in ages past, and representative governments in modern times, by the will of majorities in the holy name of liberty have committed crimes and put chains upon the people. In the reforms I have endeavoured to explain, the reforms in distribution and reforms in production, individual freedom will be extended, the principle of mutual association on which they are founded is untainted by tyranny, the task-master is unknown. Man has been called a social animal; the higher he rises in civilization the more precious social happiness becomes; the more highly his mental faculties are cultivated and developed the less inclination has he to suffer any injustice or oppression. The association in distribution and the association of capital and labour in production which I have dwelt upon have for their foundation the closest and dearest of all social ties, the bond of brotherhood, the family tie. This bond of union requires for its enforcement neither sword nor truncheon, nor even statute law. It rests on the highest of all laws, the moral law: man's duty to man and mutual interdependence and helpfulness.

Doubtless the question will be asked, is the moral elevation of the people sufficiently high, are the masses sufficiently educated, is the organization of society ripe for such association? The reply to these objections and questions is that these forms of association, these reforms, are good in themselves, they are

sound economically, and will succeed on commercial grounds, apart from any moral or social advancement. No man who cares for or thinks of the progress of his fellow-men can help deploring the condition of thousands in this country, their degradation, morally and intellectually; but there is moral degradation in the upper and middle classes as great as in what are called the lower orders. If the lower working class or the working classes generally are not what the new ideal of intellectual and moral worth could wish, do not let us forget that the British workman is what society has made him; let us remember that he is the descendant of that class who in the early centuries of the Christian era was degraded from the collective ownership of the soil into the position of a serf and a vassal. After the Plague, the ancestor of the English workman of to-day was branded on the forehead like a brute, if he refused to work for his lord at wages that would not keep him from starvation, and made to work in chains. By the laws of the Edwards, Henries VII. and VIII., and Elizabeth, in the statute of labourers, the statute of apprentices, the law of settlement and the poor law, the laws empowering magistrates to fix wages, most of which have been abrogated or repealed this century, the English workman was robbed of individual freedom, treated with scarcely so much regard as his superiors treated their cattle—in all this degradation he was left uneducated, and treated as if the Creator had given him no mental faculties. Even, comparatively speaking, a few years ago, all the education the English workman was considered to stand in need of was to be able to say Amen after the parson, and make his obeisance to the squire. By degrees, through the growth of morals and Christian teaching, freedom has been extended and more of justice has been seen. It cannot but be wondered at that the moral and intellectual status of the English lower classes is no worse than we now find it; considering the condition of society in the well-to-do and so-called educated classes a hundred years ago, the marvel is that it is so good as it is.

We deplore the vice of drunkenness and other debasing

vices. Dr. Smiles, in his work on "Thrift," says:—"Though drunkenness is bad enough now, it was infinitely worse a hundred years ago. The publicans' signboards announced 'You may get drunk for a penny, dead-drunk for twopence, and have clean straw for nothing.' Drunkenness was considered a manly vice. To drink deep was the fashion of the day. Six-bottle men were common. Even drunken clergymen were not unknown. What were the popular amusements of the people a hundred years ago? They consisted principally of man-fighting, dog-fighting, cock-fighting, bull-baiting, badger-drawing, the pillory, public whipping, and public executions. Mr. Wyndham vindicated the ruffianism of the Ring in his place in Parliament, and held it up as a school in which Englishmen learnt pluck and the manly art of self-defence. Bull-baiting was perhaps more brutal than prize-fighting, though Wyndham defended it as 'calculated to stimulate the noble courage of Englishmen.' . . One can scarcely imagine the savageness of the sport, the animal mutilations, the imprecations of ruffians, worse than brutes, the ferociousness and drunkenness, the blasphemy and unspeakable horrors of the exhibition. Yet, less than a hundred years ago, on the 24th May, 1802, a Bill for the abolition of bull-baiting was lost in the House of Commons by sixty-four to fifty-one."

Not many years ago the English workman was too often paid his small earnings in the public-house, and every temptation put before him to spend them there. Within this century the workman was expected to take out his wages at his master's tally-shop; in recent years he has been paid the minimum of wages and charged the maximum of an expensive and wasteful system of distribution, when giving those wages in exchange for the necessaries of life; the rental of his house has been raised to a fictitious value. Left without education, without cultivation of his mental faculties to raise him higher than the brute, he has had the temptation ever before him of a public-house at every street corner. Lacking a higher moral culture, the temptation has been too strong; wages which

should have been used to increase the happiness of his home have gone to fatten an indolent class, that never rendered a useful service to the community, but made themselves rich on the ruin of others.

I, for one, will not believe that man is the only part of God's creation that is imperfect. I have faith in man attaining a higher life here on earth. The progress we have made during the past hundred years will, I believe, be as nothing compared with the higher progress that will follow. It is a good augury for the future, considering the darkness, the injustices, and the oppression of the past, that the past was no worse than history proves it to have been, and the present is as good as we find it.

There are those who are so satisfied with their own righteousness and culture they scarcely believe in any moral qualities of the masses, as they choose to call those beneath them. They go about bowing their heads like a bulrush, and mourn the unfitness of man for even this worldly life; they believe in no regeneration here on earth. While they mourn their fellow-man's shortcomings, they take good care to have hold of the money-bags; they alone are worthy to have possession of them. Noah, who found grace in the eyes of the Lord, and did all that God commanded him in building the Ark, and who, with his wife and sons and sons' wives, was saved from the flood, was a direct descendant of the murderer Cain. The most prosperous colonies of the English Crown have been founded by convicts or the immediate descendants of convicts. Poor consolation this for those who insist on the degeneracy of man!

In the treatment of the insane, it has been found that the desire to escape is greatest when locks and keys and severe restraint are used. Also, in the treatment of criminals, "the great amelioration in our penal code initiated by Romilly has not been followed by increased criminality but by decreased criminality; and the testimonies of those who have had most experience—Maconochie, in Norfolk Island, Dickson, in West-

ern Australia, Obermier, in Germany, Montesinos, in Spain—unite to show that in proportion as the criminal is left to suffer no other penalty than that of maintaining himself under such restraints only as are needful for social safety, the reformation is great, exceeding indeed all anticipation." *

The secret of progress is confidence—there must be confidence between class and class, employer and employed, before we can have social elevation. There cannot be confidence without open-handedness; measure for measure must be given. Morality and publicity must prevail, for they alone can beget confidence; they must hold the balance, and reward each one according to his talents and the use he has made of them in ministering to the well-being and advancement of the community. If the working classes were trusted more, if more confidence was shown in them, the trust would not be misplaced; they are alive to their interests, and instinctively know when and how those interests can be promoted.

It is most gratifying to know that crime is decreasing as education becomes more widely diffused. In 1851 there were 132 prisoners in the prisons of England and Wales for every 10,000 of the population. The census of 1881 showed the number had fallen to 107 for every 10,000 persons. In 1851 reformatory and industrial schools were not fully established; in 1881 no less than 16,856 juveniles were inmates of these schools, being educated and trained as possible useful members of society, whereas, under the old system, they would probably have been driven to crime.

In 1869, in the United Kingdom, 26,979 criminal offenders were committed for trial; in 1883 the number had fallen to 20,247—a decrease of 25 per cent. In 1869 there were 19,384 convictions out of those cases committed for trial. In 1883 the number was only 15,001, a decrease of 22 per cent. During this time the population increased from 31 to 36 millions.

It may be only fair to add that the strength of the police

* Mr. Herbert Spencer's "Study of Sociology," p. 13.

force during the same period increased from 43,164 in 1869 to 53,330 in 1883. The police force perform many duties not connected with crime; such, for example, as the regulation of street traffic and attendance at public buildings. If crime had been on the increase rather than decreasing, the increase in the police force would have resulted in an increased number of committals and convictions. It is the schoolmaster, not the policeman, that has decreased crime; the decrease in the convictions is largely in the juvenile class.

In 1869, 10,337 primary schools were inspected; in 1883 the number had doubled, and numbered 21,630. In 1869 the number of children present at inspection was 1,639,502; increased in 1883 to 4,203,902, or upwards of 160 per cent. In 1869 the average number of children in attendance at primary schools in Great Britain was 1,332,786, and in 1883 3,560,351. In 1869 one in twenty-four of the total population of the United Kingdom attended school; at the present time one in every ten goes to school. In 1870 the amount of Parliamentary grants for primary schools in Great Britain was £840,336; in 1884 the sum was no less than three-and-a-half millions sterling.

With educational progress like this, the men and women in the workshop, the foundry, the fields and the factory of twenty years hence will be as highly educated and have as much mental culture as the average middle-class tradesman and manufacturer of to-day. The more mental culture and education a people possess, the less inclined are they to suffer any injustice. Can it for a moment be supposed the working man of the next generation will quiescently suffer the inequalities in the distribution of the proceeds of his industry which the working man of the past and the present has suffered and is suffering?

"The competition of the world," we are told, "has become a competition of intelligence; and if we desire the nation to continue first among industrial nations, we must train the people to be foremost in the knowledge of science and art,

which lies at the root of modern manufacturing industries." By all means let us have the people trained to the knowledge of arts and sciences; the increased productiveness of the earth, and increased production of man's labour they give us, clearly point to the conclusion that their use must give to toiling men greater leisure for intellectual pursuits, and time to learn something more than hitherto of the wonders of nature and the mysteries of creation. The spread of knowledge will decrease the power and might of riches. The uses of machinery, and all the economies that science has given us, make man's domain over the earth more powerful and complete; obtaining the necessaries of life is no longer the problem, the art of distributing them is now the burning question. Can we for one moment think that working people foremost in the knowledge of science and art will be content to work for semi-starvation wages, whilst their masters are nursed in the lap of luxury? Not they, indeed; people cultured in art and science will know that man does not live by bread alone—that there is a higher duty than the accumulation of riches, and a nobler end and aim in life than being a mere machine working for other men's gain.

The more artificial the civilization on which a community is built up, the greater need is there of education and a most perfect social organization. British civilization is the most artificial the world has ever seen. In these Isles we have a greater disparity between the population and the produce of the soil than was ever known before, greater extremes of poverty and wealth, the population is concentrated in large towns to such an extent no parallel is to be found in history. Living as we do in a less natural way than our forefathers, it behoves us to exercise a greater wisdom in our social organisms. It is because of this that I ask a serious consideration of the reforms I have endeavoured to set forth.

In 1807, when Prussia was at the feet of the first Napoleon, Von Stein came forth and expounded to his countrymen his plan for emancipating it and giving freedom and liberty to the

people. "What the State loses," said Von Stein, "in extensive greatness it must make up by intensive strength. The true strength of the kingdom was not to be found in the aristocracy but in the whole nation. To lift up a people it is necessary to give liberty, independence, and property to its oppressed classes, and extend the protection of the law to all alike. Let us," said he, "emancipate the peasant, for free labour alone sustains a nation effectually. Restore to the peasant the possession of the land he tills, for the independent proprietor alone is brave in defending hearth and home. Free the citizen from monopoly and the tutelage of the bureaucracy, for freedom in workshop and town-hall gave to the ancient burgher of Germany the proud position he held. Teach the landowning nobles that the legitimate rank of the aristocracy can be maintained only by disinterested service in country and State, but it is undermined by exemption from taxes and other unwarrantable privileges. The bureaucracy, instead of confining itself to pedantic knowledge and esteeming red tape and salary above everything else, should study the people, live with the people, and adapt its measures to the living realities of the times."

Von Stein died in 1831, mourned by the whole of Prussia, and leaving the reputation of one of Prussia's greatest statesmen. His plans were mostly carried out. In 1877 a monument to his memory was erected in Berlin.

The power of England, I am afraid, rests more on its extensive greatness than its intensive strength. Whilst we should be sorry to see its extensive greatness wane, who would not help on aud increase its intensive strength? It is to lift up the people, to give them the necessary liberty and independence of which Von Stein spoke, that I venture to invite public opinion to a consideration of this Distribution Reform, for in it social reformers, philanthropists, Christian workers—aye, even those who estimate the progress of the nation by statistics of capital employed in various industries—will find a lever wherewith to help on the work they make their delight.

The wealth of a nation does not consist of the money value of its capital, neither is the number of its millionaires any indication of its intensive strength. Nations that have not known the use of money have been surpassing rich. In the islands of the Pacific there are peoples who know not the blessings of civilization nor the value of gold, that are richer than we. They have no paupers, nor any half-starved citizens. The wealth of a nation consists in the ease with which it obtains the necessaries of life, in the liberty and independence of its people. The money value of commodities may be great or small; but it is in the abundance of the supply that wealth exists. The more artificial the civilization, the more perfect should be the industrial organizations for obtaining that supply, and for its distribution.

Under existing systems of production, it may be possible for increased supplies and falling prices to be a loss to the individual and an indirect gain to the community; if production was organized for the collective good of producers, and distribution organized for the collective good of consumers and producers, falling prices could not be considered disastrous. In depreciations, rises and falls, the results would be distributed; if the gains overbalanced the losses, the benefit would be collective, and individual good would come out of the collective good.

I base the reforms advocated on grounds of general progress, and a higher life of society generally. I wish to see class bias removed, and therefore ask for no favours for a particular class; I simply plead for justice for all. If the working classes are under existing systems proportionately less favoured than other classes, then in a just measure of reform they will be proportionately more benefited; but in the strain and tension of social and industrial organizations it is not only one particular class, but the whole community, that now suffers. It is for the relative well-being of all that this question demands serious consideration.

Considering the wonderful diversity of character and varied

aspirations of the human mind, its boundless power of research and grasp of knowledge, its capacity for the divination of laws which govern the universe—aye, even its capacity for divining God's will to man—it is clearly evident that men were never intended by the Creator to be on one dead level of mental equality. The powerful mind and cultured intellect will attain a higher sphere, and consequently have greater influence, than the less cultured. All we ask for in this reform is justice to all, and fair play to intellect and labour in the industrial world, and their reward in proportion to results. If we are to have an aristocracy, by all means let it be one of mind, and moral and intellectual worth, rather than one of wealth.

The growth and amount of the capital in Savings Banks is often referred to as a proof of the well-being of the working classes. At the end of 1883 the amount of capital in the Post-Office Savings Bank was £41,768,808, and in the Trustees Savings Banks £44,987,123; in all, £86,755,931. If these savings do belong to the working class, and if they were to employ a twentieth part of them in forming distributive associations such as I have described, I will venture to predict that in less than twenty years' time they would have the distribution of the products of their industry in their own hands, and would then be able to dictate the conditions on which productive enterprises should be established and carried on. Labour would then indeed be emancipated. But rather would I see this work undertaken without class bias; rather would I see capitalist and labourer join in the work for their mutual good, and by degrees gradually bring about that co-operative action which is indispensable to their mutual well-being. In the success of such associations we should have a solid guarantee for national prosperity; it would be easy for all to obtain enough, difficult for any one to accumulate inordinately. Wealth and power would be associated with intellect and personal worth; the people would be contented, because prosperous; the great ends of life more nearly attained than we have yet seen.

The smallest price on which a new bishopric can be founded would appear to be £100,000. A direct successor of the Apostles, the Galilean fishermen and the tent-makers, who did their Master's will from love of duty and devotion to His cause, must, it seems, have a minimum income of £4,000 a year guaranteed before he can begin work. The first Apostles, whose direct successor he claims to be, went forth "provided with neither gold nor silver nor brass in their purses, nor scrip for their journey, neither had they two coats nor shoes nor yet a staff." They trusted the Master's promise, and laid no store on, nor made any provision of, worldly wealth. To-day the oligarchy of money—plutocracy—is to be seen in our churches and chapels as well as in parliamentary and industrial life; the worshippers in them are the well-to-do, the opulent hold in them the places of honour and influence; the poor and needy are not seen therein, the observance of Christian worship is left to the well-dressed few. Well may the Bishop of Manchester lament the little of Christianity remaining in England. The practice of the Christian religion has been crowded out by the love of wealth, and the race for its possession.

If the amount required to endow a new bishopric were employed in distributive and productive associations, on the principles I have laid down and explained, it would do more good in five years, bring about more of a spirit of true religion and practical Christianity, than will be done in twenty years of dogmatical preaching or theological speculation.

The prophet Isaiah reproved the hypocrisy of his time; his righteous condemnation of the counterfeit fast might have been written for the present day—his expressions of the true fast, and the earthly happiness following the observance of it are within the possible reach of any community. In the fifty-eighth chapter of Isaiah we read—"Cry aloud, spare not, lift up thy voice like a trumpet, and shew my people their transgression and the house of Jacob their sins. Yet they seek me daily and delight to know my ways as a nation that

did righteousness and forsook not the ordinance of their God; they ask of me righteous ordinances, they delight to draw near unto God."

"*Wherefore have we fasted, say they, and thou seest not? wherefore have we afflicted our souls, and thou takest no knowledge? Behold, in the day of your fast ye find your own pleasure, and oppress all your labourers. Behold, ye fast for strife and contention, and to smite with the fist of wickedness: ye shall not fast as ye do this day, to make your voice to be heard on high. Is such the fast that I have chosen? the day for a man to afflict his soul? Is it to bow down his head as a rush and to spread sackcloth and ashes under him? wilt thou call this a fast, and an acceptable to the Lord. Is not this the fast that I have chosen? to loose the bonds of wickedness, to undo the bands of the yoke, and to let the oppressed go free, and that ye break every yoke? Is it not to deal thy bread to the hungry, and that thou bring the poor that are cast out to thy house? when thou seest the naked, that thou cover him; and that thou hide not thyself from thine own flesh? Then shall thy light break forth as the morning, and thy healing shall spring forth speedily, and thy righteousness shall go before thee; the glory of the Lord shall be thy reward. Then shalt thou call, and the Lord shall answer; thou shalt cry, and he shall say, Here I am. If thou take away from the midst of thee the yoke, the putting forth of the finger, and speaking wickedly; and if thou bestow on the hungry that which thy soul desireth, then shall thy light rise in darkness, and thine obscurity be as the noonday: and the Lord shall guide thee continually, and satisfy thy soul in dry places, and make strong thy bones; and thou shalt be like a watered garden, and like a spring of water, whose water fail not. And they that shall be of thee shall build the old waste places; thou shalt raise up the foundations of many generations; and thou shalt be called the repairer of the breach—the restorer of paths to dwell in.*"

Here we have a positive affirmation of the truth that the well-being, prosperity, and happiness of a people is the result of individual sacrifice, and that individual happiness and peace of

mind are alone to be found in the material progress and well-being of the whole.

To those who would see the hungry fed, the naked clothed, the bands of the yoke broken and the oppressed go free; to those who would see a provision made from the proceeds of industry for the fatherless and the widow; those who would see virtue flourish where vice now prevails, those who would see the brightness of noonday in the lives of the people, the waste places made fruitful, the breach between class and class repaired, I recommend an earnest consideration of this question of Distribution Reform.

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