

society, that whatever may be the difficulties attending a general application of the proposed temporary remedy, it is in the last degree imperative that we should ascertain what can be done.

One phenomenon which accompanies the downward movement of profits is the tendency for labour to get more and more socialised. Production and distribution are conducted on an ever-increasing scale. The manufacturer best able to stand his ground is the one who has a large capital invested, who runs many machines, and those powerful and efficient, who subdivides minutely the labour in his factory, and who, by virtue of his large overturn, can afford to sell on a comparatively low percentage of profit. Much of this holds good of the merchant—the mere distributor of products—as well as of the manufacturer. The manufacturer and the shopkeeper in a small way find that they have to maintain an increasingly unequal contest with their big rivals. In trade, as in everything else, success is to the strong. It may be noted in passing that this aggregation of labour is paving the way for the community in its organised capacity to take over these big monopolies, and, as trustees, for the whole people, become itself the sole monopolist. In the meantime, however, a knowledge of the small percentage of profit gained under this consolidated system of trade acts as a deterrent to the worker when he feels disposed to strike for better terms with his employer. It frequently affords the latter an excuse for refusing to grant an increase in wages when it could be done, and it stays the denunciation of the labour agitator, who feels that he cannot make much of a “case” out of the capitalist whose dividends do not exceed 6 per cent. All are liable to forget that 6 per cent. may mean a larger gross profit in one instance than 20 per cent. means in another instance where the amount of capital and the yearly overturn are not so great. I have dealt at some length with this phase of the labour problem, because it is of paramount importance in any consideration of the ability of capitalists to pay higher wages.

It is wellnigh impossible to ascertain what profits are being made in particular industries. We occasionally fall in with the balance-sheet of a manufacturing company, and at least learn how some concerns are paying. But every concern does not pay alike; and we have to consider whether the particular business whose profits we have ascertained may be taken as constituting an average, and if not, how much above or below the average those profits may be. In short, we have to guess at the relation which those particular profits bear to profits in general within