

The view that the reduction of hours of labour and the increase of wages secured during the past half century has been due to any very large extent to the action of trade unions may probably be subject to modification; but among other tendencies, the tendency to corporate action has unquestionably eventuated in the labourer being placed in a position of greater advantage than he formerly was in making his bargain.<sup>1</sup> When we realise that the employer on any large scale controls, as a rule, not alone his own capital, but the combined capitals of many persons, and when we find that he employs not the labour of one man, but the labour of a great number of men, we see at once that he represents a combination "more compact than any trades union is likely to be."<sup>2</sup> The development of the banking system and the system of credit has rendered the large industry possible, but it has destroyed the small master, and by so doing has changed the plane of competition.

The labour market without combination became relatively overstocked with sellers, while the buyers became relatively fewer. It is true that they bought in the aggregate more largely<sup>3</sup> than the larger number of small masters under the preceding system, but the relative smallness of their numbers operated as a restriction of the market as regards buyers. The only counterpoise to this, apparent to the present generation of labourers and capable of prompt application, is combination.

(1) "Whether the employer be an individual or a corporation, it is as though there were but one man wielding the force of the entire capital of a productive establishment, in the effort to secure advantageous terms from the workmen. If now the workmen act not collectively, but individually, if they compete vigorously with each other for employment, they divide their force against themselves, assist the capitalist, and forfeit all hope of a successful issue of the contest. The army of labour fires, as it were, into its own ranks. . . . The strategic inequality in the position of capitalists and labourers would be at a maximum if there were but one employer in a locality, and if employees were numerous, unorganised, and unable to emigrate. If, in addition to this, the ethico-economic rule of "every man for himself"—were a recognised principle of action, the result would be a society composed indeed of men, but completely dehumanised in its organic action. It would be a collective brute. . . . A maximum of justice in distribution is attained where the brute forces are evenly matched, and where moral influences are efficient. A minimum of justice results where brute forces are unequal, and moral forces are wanting."—Prof. J. B. Clark. "The Philosophy of Wealth," p. 133.

(2) Cf. Prof. Marshall, Address B. A., p. 8: "There was not only a class injustice but a logical confusion, in prohibiting combinations among workmen, on the ground that free competition was a good, and that combination being opposed to free competition was for that reason an evil."

(3) That is, machinery increased employment.