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What Communities Lose by the Competitive System

MAN'S primacy in the animal kingdom was made possible, first, by his manifestation of the gregarious instinct; and second, by his becoming conscious of this instinct and the power within it which worked for his own good and permitted him to endure. Natural selection, undeviating, pitiless, careless of the individual, destroyed or allowed to perpetuate, as the case might be, such breeds as were unfittest or fittest to survive. In this sternest of struggles man developed the greatest variability, the highest capacity for adaptation; thus he became the favored child of the keenest competition ever waged on the planet. Drawing his strength and knowledge from the dugs of competition, he early learned the great lesson: that he stood alone, unaided, in a mighty battle wherein all the natural forces and the myriad forms of organic life seethed in one vast, precarious turmoil. From this he early drew the corollary, that his strength lay in numbers, in unity of interests, in solidarity of effort — in short, in combination against the hostile elements of his environment. His history substantiates it. From the family to the tribe, to the federation of tribes, to the nation, to the (today) growing consciousness of the interdependence of nations, he has obeyed it; by his successes, his mistakes and his failures, he has proved it. There is much to condemn, much which might have been better, but in the very nature of things, not one jot or tittle could have been otherwise than it has. And to-day, while he might felicitate himself on his past, none the less vigilant must be his scrutiny of the future. He cannot stop. He must go on.

But of the various forms of combination or coöperation which have marked the progress of man, none has been perfect; yet have they possessed, in a gradually ascending scale, less and less of imperfection. Every working political and social organism has maintained, during the period of its usefulness and in accordance with time and place, an equilibrium between the claims of society. When the balance was destroyed, either by too harsh an assertion of the right of the single life or the right of the type, the social organism has passed away, and another, adjusted to the changed conditions, replaced it. While the individual has made apparent sacrifices in the maintenance of this equilibrium, and likewise society, the result has been identity of interest, and good, both for the single life and the type. And in pursuance of this principle of the coöperation of man against the hostile elements of his environment, social compacts or laws have been formulated and observed. By the surrender of certain rights, the friction between the units of the social organism has been reduced, so that the organism might continue to operate. The future and inevitable rise of the type and the social organism, must necessitate a still further reduction in the friction of its units. Internal competition must be minimized, or turned into channels other that those along which it works to-day. This brings us to a discussion of the present: What the community loses by the competitive system.

Division of Land

All things being equal, ten thousand acres of arable land, under one executive, worked en bloc, say for the purpose of growing wheat, utilizing the most improved methods of plowing, sowing and harvesting, will produce greater returns at less expense than can an equal number of acres, divided into one hundred plots, and worked individually by one hundred men. If the community, believing this friction of its units to be logical, farms in the latter manner, it must suffer a distinct pecuniary loss. And the effects of this loss — call it lack of gain if you will — though apparently borne by the agrarian population, are equally felt by the urban population. Of the many items which at once suggest themselves, consider the simple one of fences. For the division of land in the state of Indiana alone, their cost is computed at two hundred million dollars, and if placed in single file at the equator, they would encircle the globe fourteen times. Under a scientific system of agriculture they would be almost wholly dispensed with. As it is, they represent just so much waste of energy, just so much real loss of wealth. And these losses, of which the preceding is but one of a host, may be attributed to a certain asserted right of the individual to private ownership in land.

To this division of land among individuals, whether in the country, in the city or in franchises, may be traced numerous other losses and grotesque features of the community. Lack of combination in the country causes expensive crops; in the city, expensive public utilities and service, and frightful architectural monstrosities. If a street railway corporation can issue an annual dividend of ten per cent to its shareholders, the community, through lack of the cooperation necessary to that railway for itself, has lost the ten percent, which otherwise it might have enjoyed in bettering its transit service, by the building of recreative parks, by the founding of libraries, or by increasing the efficiency of its schools. With regard to architecture, the presence of coöperation among individuals is most notable where it occurs, most notorious where it is absent. Some few of the public buildings, and many tasteful portions of the select resident districts, are examples of the one; sky-scrapers and rattle-trap tenements, of the other. A pumpkin between two planks, unable to obtain a proper rotundity, will lengthen out. Want of combination among adjacent property-owners, and the skyscraper arises. A pumpkin is denied volition; man is not. The pumpkin cannot help itself; man may remove the planks. There is a certain identity in the raison d'être of the pumpkin and the skyscraper. Man my remedy either, for to him is given the power of reacting against his environment.

Loss of Effort

If one were to hire two men to do his gardening when there was no more work than could reasonably be done by one, how quickly his neighbor would decry his extravagance! Yet in the course of the day, with the greatest equanimity, that same neighbor will fare forth and pay his quota for a score of services each performed by two or more men where only one is required. But he is dense to this loss to the community, which he, as a member, must pay. On his street from two to a dozen milkmen deliver their wares, likewise as many butchers, bakers and grocers; yet one policeman patrols and one postman serves the whole district. Downtown are a dozen groceries, each paying rent, maintaining fixtures and staffs of employees, and doing business within half as many blocks. One big store could operate the distributing function performed by these dozen small ones, and operate it more efficiently and as far less cost and labor. The success of the great department stores is a striking proof of this. The department store, in wiping out competition, gets greater returns out of less effort. And having destroyed competition, there is no longer any reason that it should exist, save as a common property of the community's common

good. It cannot be denied that the community would gain by so operating it, and not only in this but in all similar enterprises.

Take, for instance, because of this prerogative of friction the units of society maintain as their right, another series of burdens borne by the community. To make it concrete, let the drummer class serve as an illustration. Certainly fifty thousand is a conservative estimate for the drummers or traveling men of the United States. And it is very conservative to place their hotel bills, traveling expenses, commissions and salaries at five dollars a day per man. Since the producer must sell his wares at a profit or else go out of business, the consumer must pay the actual cost of the article — whether it be the legitimate cost or not — plus the percent increment necessary for the continued existence of the producer's capital. Therefore the community, being the consumer, must support these fifty thousand five-dollar-a-day drummers; this, aggregated, forms a daily loss to the community of a quarter of a million, or an annual loss of upward of a hundred millions of dollars. Nor, from the economic view, is this the sum total of the community's loss. These drummers are not legitimate creators of wealth. The cost they add to the articles they sell is an unnecessary one. The function they carry on in society is absolutely useless. Their labor is illegitimately expended. Not only have they done nothing, but they have been paid as though they had done something. Assuming eight hours to be the normal working day, they have, in the course of the year, taking Sundays and holidays into consideration, thrown away one hundred and twenty millions of working hours. The community has paid for this and lost it. It possesses nothing to show for their labor, save a heavy item in its expense account. But what a gain there would have been had they devoted their time to the planting of potatoes or the building of public highways! And it must be borne in mind that this is but one of a long series of similar burdens which may be assembled under the head of "commercial waste." Consider the one item of advertisement. To make the advertisements which litter the streets, desecrate the air, pollute the country, and invade the sanctity of the family circle, a host of people are employed, such as draftsmen, paper-makers, printer, bill-posters, painters, carpenters, gilders, mechanics, et cetera. Soap and patent-medicine firms have been known to expend as high as a half a million dollars a year for their advertising. All this appalling commercial waste is drained from the community. Commercial waste exists in many forms, one of which is the articles made to sell, not use, such as adulterated foods and shoddy goods; or, to travesty Matthew Arnold, razors which do not shave, clothing which does not wear, watches which will not run.

Let one other example of the loss of effort suffice: that of competing corporations. Again to be concrete, let the example be a public municipal utility. A water company has the necessary water supply, the necessary facilities for distributing it, and the necessary capital with which to operate the plant. It happens to be a monopoly, and the community clamors for competition. A group of predatory capitalists invades the established company's territory, tears up the streets, parallels the older company's mains, and digs, tunnels and dams in the hills to get the necessary commodity. In view of the fact that the other company is fully capacitated to supply the community, this is just so much waste of effort; and equally so, some one must pay for it. Who? Let us see. A rate war ensues. Water becomes a drug on the market. Both companies are operating at ruinous losses which must ultimately destroy them. There are three ways by which the struggle may be concluded. First, the company with the smallest capital may go under. In this case the capitalists have lost the money invested, the community the labor. But this rarely happens. Second, the wealthier company may buy out the poorer one. In this case it has been forced to double its invested capital. Since it is now become a monopoly, and since capital requires a certain definite rate of interest, the community's water bills must rise to satisfy it.

Third, both companies being of equal strength, and a Kilkenny-cat conclusion being impossible, they combine, with double capital which demands a double return. In one of these three ways the competition of corporations must inevitably result; nor can the community escape the consequent loss, save by the coöperative operation of all such industries.

Costliness of Effort

Because of the individual performance of many tasks which may be done collectively, effort entails a corresponding costliness. Since much that might have been included under this head has been previously discussed, such labors as may be purely individual shall be here handled. In the field of household economics there are numerous losses of this nature. Of these, choose one. Contemplate that humble but essentially necessary item, the family wash. In a hundred houses, on washing-day, are one hundred toiling housewives, one hundred homes for the time being thrown out of joint, one hundred fires, one hundred tubs being filled and emptied, and so forth and so on — soap, powder, bluing, fuel and fixtures, all bought at expensive retail prices. Two men, in a well-appointed small steam-laundry, could do their washing for them, year in and year out, at a tithe the expense and toil. Disregarding the saving gained by the wholesale purchase of supplies, by system, and by division of labor, these two men, by machinery alone, increase their power tenfold. By means of a proper domestic cooperation, if not municipal, each of these housewives would save a sum of money which would go far in purchasing little luxuries and recreations.

Again, consider the example of the poorer families of a large town, who buy their food and other necessaries from at least one hundred shops of one sort and another. Here, the costliness of effort for which they pay is not theirs but that of the people they deal with. Instead of one large distributing depot, these one hundred petty merchants each order and handle separate parcels of goods, write separate letters and checks, and keep separate books, all of which is practically unnecessary. Somebody pays for all this, for the useless letters, checks, parcels, clerks, bookkeepers and porters, and assuredly it is not the shopkeeper. And aside from all this, suppose each shop clears for its owner ten dollars a week — a very modest sum — or five hundred dollars a year. For the one hundred shops this would equal fifty thousand dollars. And this the poorer members of the community must pay. The people have come partially to recognize this, however. To-day no man dreams of keeping his own fire-fighting or street-lighting apparatus, of maintaining his own policeman, keeping his street in repair, or seeing to the proper disposition of his sewage. Somewhere in the past his ancestors did all this for themselves, or else it was not done at all; that is to say, there was greater friction or less coöperation among the units of society then than now.

Trade and Commercial Crises

At one time our forefathers, ignorant of hygiene, sanitation and quarantine, were powerless before the plagues which swept across the earth; yet we, their enlightened descendants, find ourselves impotent in the face of the great social cataclysms known as trade and commercial crises. The crises are peculiarly a modern product — made possible by the specialization of industry and the immense strides which have been taken in the invention of labor-saving machinery, but due, and directly so, to the antagonism of the units which compose society. A competent coöperative management could so operate all the implements and

institutions of the present industrial civilization, that there need never be a fear of a trade or commercial crisis. Boards or departments, scientifically conducted, could ascertain, first, the consuming power of the community; second, its producing power; and then, by an orderly arrangement, adjust those two, one to the other. These boards or departments would have to study all the causes which go to make the community's producing power inconstant — such as failure of crops, droughts, et cetera — and so to direct the energy of the community that equilibrium between its production and consumption might still be maintained. And to do this is certainly within the realm of man's achievement.

But instead of this logical arrangement of industry, the community to-day possesses the chaotic system of competitive production. It is a war of producers, also of distributors. Success depends on individual knowledge of just how much and at what cost all others are producing, and of just how much and at what prices they are selling. All the factors which decide the fluctuations of the world's markets or the purchasing power of its peoples, must be taken into account. A war-cloud in the Balkans, a failure of crops in the Argentine, the thoughtless word of a kaiser, or a strike of organized labor, and success or failure depends on how closely the results of this event have been foreseen. And even then, because of a thousand and one fortuitous happenings, chance plays an important part. Even the footing of the wisest and the surest is precarious. Risk is the secret of gain. Lessen the risk, the gain is lessened; abolish it, and there can be no gain. Individual strives against individual, producing for himself, buying for himself, selling for himself, and keeping his transactions secret. Everybody is in the dark. Each is planning, guessing, chancing; and because of this, the competitive system of industry, as a whole, may be justly characterized as planless. The effort lost is tremendous, the waste prodigal. A favorable season arrives. Increased orders accelerate production. Times are prosperous. All industries are stimulated. Little heed is taken of the overstocking of the markets, till at last they are flooded with commodities. This is the danger-point. The collapse of a land-boom in Oregon, the failure of a building association in Austria — anything may start the chain of destruction. Speculations begin to burst, credits to be called in, there is a rush to realize on commodities produced, prices fall, wages come down, factories close up, and consumption is correspondingly reduced. The interdependence of all forms of industry asserts itself. One branch of trade stops, and those branches dependent upon it, or allied with it, cannot continue. This spreads. Depression grows, failures increase, industry is paralyzed. The crisis has come! And then may be observed the paradoxical spectacle of glutted warehouses and starving multitudes. Then comes the slow and painful recovery of years, then an acceleration of planless production, and then another crisis. This is friction, the inevitable correlative of a disorderly system of production and distribution. And the losses incurred by such friction are incalculable.

Commercial Selection

The forces of evolution, effecting their ends under various guises are, after all, one and the same principle. They are conscious of neither good nor evil, and work blindly. In any given environment they decide which are to survive and which to perish. But the environment they do not question; it is no concern of theirs, for they work only with the material that is. Nor are they to be bribed or deceived. If it be a good environment, they will see to it that the good endure and the race be lifted; if an evil environment, they will select the evil for survival, and degeneration or race deterioration will follow.

In the world primeval, man was almost utterly the creature of his natural environment. Possessing locomotion, he could change the conditions which surrounded him only by removing himself to some other portion of the earth's surface. But man so developed that the time came where he could change his natural environment, not by removing but by reacting upon it. If there were ferocious animals, he destroyed them; pestilential marshes, he drained them. He cleared the ground that he might till it, made roads, built bridges — in short, conquered his natural environment. Thus it was that the road-maker and bridge-builder survived, and those who would make neither roads nor bridges were stamped out.

But today, in all but the most primitive communities, man has conquered his natural environment and become the creature of an artificial environment which he himself has created. Natural selection has seemingly been suspended; in reality, it has taken on new forms. Among these may be noted military and commercial selection. Intertribal warfare, in which farming and fighting are carried on alike by all male members of the community, does not give rise to military selection. This arises only when tribes have united to form the state, and division of labor decides it to be more practicable that part of the community farm all the time, and part of the community fight all the time. Thus is created the standing army and the regular soldier. The stronger, the braver, the more indomitable, are selected to go to the wars, and to die early, without offspring. The weaker are sent to the plow and permitted to perpetuate their kind. As Doctor Jordan has remarked, the best are sent forth, the second-best remain. But it does not stop at this. The best of the second-best are next sent, and the third-best is left. The French peasant of to-day demonstrated what manner of man is left to the soil after one hundred years or so of military selection. Where are the soldiers of Greece, Sparta and Rome? They lie on countless fields of battle, and with them their descendents which were not. The degenerate peoples of those countries are the descendants of those who remained to the soil — "of those who were left," Doctor Jordan aptly puts it.

Today, however more especially among ourselves military selection has waned, but commercial selection has waxed. Those members of the social organism who are successful in the warfare of the units, are the ones selected to survive. Regardless of the real welfare of the race, those individuals who better adapt themselves to the actual environment are permitted to exist and perpetuate themselves. Under the industrial system as at present conducted, in all branches the demand for units is less than is the supply. This renders the unit helpless. Trade is unsentimental, unscrupulous. The man who succeeds in acquiring wealth, is assured of his own survival and that of his progeny. Much selfishness and little altruism must be his, and the heritage he passes down; otherwise he will not acquire his wealth, nor his descendents retain theirs, and both he and they will be relegated to the middle class. Here the keenest and usually the more conscienceless trader survives. If he be unwise or lenient in his dealings, he will fail and descend to the working class. Conditions here change. The individual who can work most, on least, and bow his head best to the captains of industry, survives. If he cannot do these things well, his place is taken by those who can, and he falls into the slum class. Again conditions change. In the slums, the person who brings with him or is born there with normal morals, et cetera, must either yield or be exterminated; for the criminal, the beggar and the thief are best fitted to survive in such an environment and to propagate their kind.

Briefly outlined, this is commercial selection. The individual asserts its claims, to the detriment and injury of the type. It is well known that the intensity of the struggle has increased many-fold in the last five decades, and it is self-evident that its intensity must still further and frightfully increase in the next five decades, unless the present system of production and

distribution undergoes a modification for the better. Retaining it in its entirety, there are two salutary but at the same time absurd ways of ameliorating things: either kill off half the units, or destroy all machinery. But this is as temporary as it is unwise. Only a little while and commercial select would again prevail. Besides, man must go forward; he can neither stop nor turn back. Commercial selection means race prostitution, and if continued, race deterioration. Internal competition must be minimized and industry yield more and more to the coöperative principle. For the good of the present and the future generations, certain rights of the individual must be curtailed or surrendered. Yet this is nothing new to the individual; his whole past is a history of such surrenders.

The old indictment that competitive capital is soulless, still holds. Altruism and industrial competition are mutually destructive. They cannot exist together. The struggling capitalist who may entertain philanthropic notions concerning the conduct of his business, is illogical, and false to his position and himself, and if he persists he will surely fail. Competitive industry is not concerned with right or wrong; its sole and perpetual query is, How may I undersell my competitors? And one answer only is vouchsafed: By producing more cheaply. The capitalist who wishes to keep his head above the tide must scale his labor and raw material as relentlessly as do his business rivals, or even a little more so. There are two ways of scaling raw material: by reducing quality and adulterating, or by forcing the producer to sell more cheaply. But the producer cannot scale nature; there is nothing left for him to do but scale his labor. Altruism is incompatible with business success. This being so, foul air, vile water, poor and adulterated foods, unhealthy factory work, crowding, disease, and all that drags down the physical, mental and moral tone of the community, are consistent and essential adjuncts of the competitive system.

The Esthetic Loss

As being the more striking, the only form of art here considered will be that which appeals to the mind through the eye; but what is said will apply, subject to various modifications, to all other forms of the esthetic. Art is at present enjoyed by a greatly favored but very small portion of the community — the rich and those that are permitted to mingle with them. The poor, lacking not only in time and means but in the training so essential to a just comprehension of the beautiful, and having offered to them only the inferior grades, and because of all of this, reacting upon an already harsh environment, live unlovely lives and dies without having feasted their souls on the real treasures of life.

And even to the rich and those that cling about their skirts, only fleeting visions may be had of art. Their homes and galleries may be all the soul desires; but the instant they venture on the streets of the city, they have left the realm of beauty for an unsightly dominion, where the utilitarian makes the world hideous and survives, and the idealist is banished or exterminated.

Art, to be truly effective, should be part and parcel of life, and pervade it in all it interstices. It should be work-a-day as well as idle-day. Full justice should be accorded the artist of the period; to do this the whole community should enjoy, appreciate and understand the work of on who has toiled at creating the beautiful. Nor can this be done till the belly-need is made a subsidiary accompaniment of life, instead of being, as it now is to so many, the sole and all-important aim.

Present-day art may be characterized as a few scattered oases amid a desert of industrial ugliness. Not even among the rich can all refresh themselves at the founts. The nineteenth-century business man has not time for such. He is the slave of his desk, the genie of the dollar.

The artist exerts himself for a very small audience indeed. The general public never attains a standard of comprehension; it cannot measure his work. It looks upon his wares in the light of curiosities, baubles, luxuries, blind to the fact that they are objects which should conduce to the highest pleasure. And herein great injury is done the artist, and heavy limitations are laid upon him. But so long as "society flourishes by the antagonism of its units," art, in its full, broad scope will have neither place nor significance; the artist will not receive justice for his travail, nor the people compensation for their labor in the common drudgery of life.

Individuality

Variety is the essence of progress; its manifestation is the manifestation of individuality. Man advanced to his dominant position among the vertebrates because his "apelike and probably arboreal ancestors" possessed variety to an unusual degree. And in turn, the races of man possessing the greatest variability advanced to the center of the world-stage, while those possessing the least retreated to the background or to oblivion.

There should be no one type of man. A community in which all men are run in the same mold is virtually bankrupt, though its strong-boxes be overflowing with the treasures of the world. Such a community can endure only through a process of vegetation; it must remain silent or suffer ignominy. An instance of this is afforded by Spain and her Invincible Armada. The Spaniards were great fighting-men; so were the English. But the English could also build ships and sail them, cast cannon and shoot them. In short, the English possessed and utilized variety. Spain, through a vicious social selection, had lost the greater part of the variety which was hers in the former times. Nor was this loss due to an innate degeneracy of her people, but to her social, political and religious structures. A people must have some standard by which to measure itself and its individuals; then it must shape its institutions in such manner as will permit its attaining this standard. If the measure of individual worth be, How much have I made? the present competitive system is the best medium by which to gain that end; but under all its guises it will form a certain type — from the factory hand to the millionaire there will be the one stamp of material acquisitiveness. But if the measure be, What have I made of myself? it cannot be attained by the present system. The demand of the belly-need is too strong; the friction too great: individuality is repressed, forced to manifest itself in acquisitiveness and selfishness. And after all, the greatness of a community lies not in the strength of its strong-boxes, nor in the extravagant follies of a few of its members, but in its wisdom, its power for good, and its possibility of realizing itself the highest and the best. It were well to stand, as Doctor Jordan has said, "for civic ideals, and the greatest of these, that government should make men by giving them freedom to make themselves."