

## ASSOCIATION AND ASSOCIATIONS.

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Association, in the politicoeconomical sense, consists either in a union of efforts tending to the same end, or in a community of goods, interests, or of consumption. Its determining causes are found either in the sentiments of affection or benevolence, or merely in personal interest.

—The questions pertaining to association have been considered in the works of the principal economists from a rather narrow point of view; most of them have confined themselves to pointing out the advantages it affords for the execution of great works of public utility; they have given but little attention to the examination of the numerous cases in which it has already been applied, nor have they endeavored to discover under what conditions it can be used to advantage.

—On the other hand, other classes of publicists, and especially those belonging to the different socialistic schools, have discovered in association the dominant question of our time; it seemed to them that all social misery could be remedied by association and all social difficulties solved by it. They seem convinced that there are yet undiscovered new forms, new modes of association destined to change completely the organization of modern society, and the progress of mankind.

—I. Among nations advanced in civilization, association has a multitude of various applications and appears under different forms which we shall briefly enumerate.

—1. The Family. Dictated by the most powerful instincts of our nature, the intimate association of father, mother and children is as old as humanity itself; its conditions may be modified in certain respects according to the belief, morals and institutions of each people; but we find it everywhere manifesting the most invariable example of unity of effort and community of interest.

—2. The Commune. The simple fact of a greater or less number of families residing in one place, renders it necessary for them to put together a part of their means to satisfy their wants. All can understand that if they acted separately they could not construct nor maintain properly objects intended for use by all, such as roads, churches, bridges, etc.; that they could not themselves provide with the requisite authenticity births, marriages and deaths, nor effectually provide protection against all attacks upon person and property. They must therefore inevitably intrust these different services to town-councils or corporations, invested with the authority and supplied with the material means necessary to accomplish them. These are the causes which led to the establishment of municipalities.

—In proportion as population increases, as industry and civilization develop, as wealth increases and as learning is diffused, communes become more important. cities are formed and grow, collective wants increase in number and urgency, and municipalities are led to extend the circle of their powers accordingly. They provide for religious service, interments, public feasts and ceremonies, and for the paving, cleaning and lighting of the streets, they see to it that the buildings or works of individuals do not interfere with traffic and are not injurious to health and safety. They draw up and enforce regulations as well for this latter purpose as for the

maintenance of good order and tranquility in the city. They provide and distribute the water necessary for drinking and domestic uses; they found, or concur in founding or in supporting hospitals and other charitable institutions, colleges, schools, libraries, museums, theatres, parks, etc.; lastly, they determine and collect the local contributions necessary to defray the expense of all these services. Thus we see that the commune, as its very name implies, associates and unites a multitude of interests and consumptions, and this *de facto* communism, as has already been remarked by the renowned administrator, Horace Say, becomes more inevitable, more exacting, and more extended in proportion as the density of population increases.

—3. Other collective interests, of the same nature as the preceding, associate together the communes of the same district, or the same province; in France, for instance, the communes of each department are associated together for the building and maintenance of highways, departmental routes, and certain prisons; for the care of foundlings and the indigent insane; for the necessary expenses of certain judicial or public services, etc.

—4. The powers with which the government of each nation is invested also establish between provinces, communes and families, associations of force and communities of interest for a great many important objects: first, for the defense of person and property, whether against the aggression of foreign nations, or against the violence or fraud to which they might be exposed at home; also, for the foundation, support, or enjoyment of national property, such as forests, streams, rivers, highways, canals, light-houses, harbors, etc.; and also for certain services, for the performance of which sufficient guarantees could not be given, without the concurrence or control of public authority, such as the carrying of the mail, the coining of money, the general management of forests and streams, the regulation of weights and measures; finally, for other services, of which the administration of some states assumes the direction, such as those of religious worship and education.

—5. Religious Associations. Among Catholics there are a great many associations founded on religious belief; they generally practice community of labor and of consumption, and frequently, community of goods.

—6. Private Charitable Associations. In addition to the public charitable institutions, that is, those founded or controlled by local administration and governments, there is a multitude of others founded and governed by voluntary associations of individuals which put into a common fund to be used for charitable purposes the money contributed or collected by their members, whose personal services they also make use of in different ways.

—7. There are numerous other philanthropic associations formed for the advancement or propagation of science, for the progress of the arts and of industry, for reforming habitual drunkards, etc, the members of which mutually contribute, besides their personal services, material resources.

—8. Insurance Societies. The aim and result of these associations is to lighten the losses occasioned by certain specified accidents, such as fires, shipwrecks, etc., by sharing them in common. When the number of associates is very large, the assessment levied upon each is hardly felt, and nevertheless it suffices to save the one insured, upon whom the calamity falls, from the ruin or reduction of fortune which it would otherwise cause. At the same time, insurance gives to all the benefit of security against the accidents in question.

—9. Savings Associations. This class comprises the tontine or life insurance, and societies for mutual aid among workmen. The money accumulated by these establishments is intended for use in time of sickness or other misfortunes, and, like the insurances of which we have just spoken, serves to lighten the consequences of the misfortune to the individuals or families stricken by it, and to increase the security of the other associates.

—10. Agricultural, Manufacturing and Commercial Associations. After the associations just enumerated, these associations are the most important because of their number, and of the aggregate of interests which they put in common. All those who concur in the same productive operation, by furnishing either land, capital or labor, by this concurrence alone unite their productive services and their interests, no matter how the share of remuneration belonging to each of them is determined. From this point of view, association would embrace almost all kinds of labor. However, those only are ordinarily regarded as associates, in the sense of partners, in industrial enterprises, who are expressly entitled by previous agreement to share in the chances of the profit or loss which these enterprises may offer; but even reckoning among the number of these industrial associations only those based upon this sharing of profit and loss, they nevertheless control a very large proportion of the entire production. In agriculture, they embrace all farms cultivated on the metayer system, in the cultivation of which the owner and the farmer share the risk. In manufacturing industries, there are few enterprises of any importance that have not a certain number of associates. In great enterprises such as mines, iron works, railroads, canals, banks, navigation, etc., whose capital is usually divided into shares, the associates are counted by hundreds and thousands.

—II. Our intention in briefly enumerating, as we have just done, the nature and object of the different existing associations, has not been to explain each of them, and to point out its respective advantages and inconveniences, or to discover the modifications which it might profitably receive. Our desire here has been to give a general idea of the different kinds of associations that may be formed, and the extent of their operations. Surely, never before have associations embraced such a diversity of labor and interests; and we do not think it would be any exaggeration to affirm that in England and France, for instance, the number of persons who combine their efforts and their capital for a common end, the community of interests and consumption and the importance of the resources of all kinds devoted to the various species of associations, are to-day at least ten times greater than they were a century ago.

—But this prodigious increase of common interests, although we have but to open our eyes to see it, seems to have escaped general attention, for in our own days more than at any other time declamation has everywhere been loud on the alleged increase of the isolation of interests and of individualism, and on the necessity of substituting for this state of things association, that is, apparently, associations new and entirely different from those with which we are acquainted. Some socialistic reformers have, in fact, ventured to formulate new modes of association; but their formulas have exhibited such false judgments of men and things, such folly and extravagance, that the most prudent socialists, without ceasing to recommend association as the panacea for all our ills, now abstain from specifying precisely the use they would wish to make of it.

—These vague tendencies toward new forms of association, in which, by some unaccountable illusion of the imagination, they hope to find an inexhaustible source of abundance and prosperity, are, however, of late years directed to an appreciable object, to the method of remunerating workmen in industrial enterprises. The socialists seem to believe that if workmen, instead of receiving wages, determined beforehand and independent of the final results of the enterprise, had a share in these results, their condition would be improved.

—They say that wages fall below what is requisite to supply the workman's wants, only because the system of wagehire puts the workingman at the mercy of the contractor or the capitalist; that it is absurd to suppose that the workingman is at liberty to argue about the price of his labor, when hunger forces him to accept whatever is offered. They say too, that association in the profits of enterprises would interest the workman in its success, and would stimulate the development of his useful faculties, would hasten the perfecting of the processes of labor, and would put an end to the antagonism between employers and workmen, which causes strikes, suspensions of work, collisions, etc. In a word, they think the interest of the working classes requires all those who desire to improve the condition of these classes to labor for the realization of the principle the suppression of wages, by association.

—These ideas had at one time sufficient power in France to cause the national assembly to assist in founding certain associations of workmen and employers, or of workmen alone, by devoting to that object, under the title of a loan, sums amounting to three million francs. In spite of the ill success of the experiments made, with the assistance of this loan, the opinions which led to them are still widespread, and as they tend, in our opinion, to urge men into evil ways, and to turn their attention from useful and practical reforms, to make them follow after a chimera, we do not believe we can do anything better than endeavor to lay bare the error and delusion of these opinions.

—The various services necessary in all productive operations are united together by the care of the capitalist-employer. When he disposes of the productive resources of others, he usually agrees with them beforehand upon the price he is to pay for their use: he pays rent to the land owner or house-owner, interest to those who loan him capital, and wages to the workmen whom he employs. When public authority does not interfere in regulating these transactions, these three kinds of remuneration, rent, interest and wages, are all freely discussed and agreed to on both sides, and it is not true that the urgency of his wants leaves the workman less liberty in this respect than the man who employs him; the employer's need of the workman's services is at least as urgent as the continued payment of the workman's wages to him; the employer who is without workmen loses not only the price of his personal services, but also the interest on all the capital engaged in his business; he loses, besides, his patronage and his market, which last fact alone would suffice to render his need of the workman's labor, perhaps, more imperiously urgent than the wants of the workman himself. This is proved by strikes; for, although these suspensions of labor, continued sometimes for several months by the will of the workmen, are prejudicial to all and never beneficial to any, yet the injury recoils upon employers and not unfrequently causes their ruin. It is certain, therefore, that the urgency of the want on both sides is at least equal, and that the liberty of the workman, in fixing the wages for which he will work, is no more constrained by his position than that of his employer.

—But this is not all; in order that the capitalist-employer should be disposed to take advantage of the position of the workman, to compel him to accept insufficient wages, he must have an interest in doing it. and to have an interest in doing it, he must be able to appropriate to himself the amount of the reduction in the workman's wages; but this is not the case. If we except monopolies, in all branches of labor in which there is competition, the capitalist employer can no more profit by the lowering of workmen's wages than he can sell his products, if of the same quality as those of his competitors, at a higher price than they: with perfectly free competition, it is impossible for a reduction to occur in the cost price of products, and consequently in wages, without its being followed by a corresponding reduction in the selling price of these same products; this is a universal fact so constant, and so plainly evident to all, that nothing can give rise to a doubt concerning it. It can not be supposed that the capitalist employers enjoy the

benefit of a lowering of wages; it is clear that they have no share in this benefit, which goes entirely to the consumers.

—There can be but two causes of a permanent lowering of wages; it must be occasioned either by an inopportune increase in the number of workmen, or a decrease in the demand for labor. Now these two causes which depend upon the general movement of the population, revenue, and consumption, are absolutely independent of the will of the capitalist-employer. When the supply of labor is less than the demand, he is forced by competition to raise the wages of his workmen, and when, on the contrary, the supply is greater than the demand, competition compels him to lower these wages; for if he were to keep them up, as the cost price of his products would be higher than that of his competitors, he could not sell his products, and would speedily fail.

—So true is it that capitalist-employers are not benefited by the lowering of wages, that we invariably find that their business is most prosperous when wages are high; nor is this difficult to explain, for the wages paid in any branch of industry never increase but when the demand for its products increases, and the capitalist-employer naturally profits by this increase as well as his workmen; if there is, on the contrary, a falling off in the demand sufficient to cause a noticeable reduction in labor and wages, the capitalist-employer inevitably suffers a corresponding reduction, in the returns he receives for his capital and personal industry.

—Finally, it is so radically impossible to raise wages above the rate determined by the relation of the supply and demand of labor, that it could not be done, even if all the capitalist-employers should combine to attempt it. In fact, to raise wages would be to decrease consumption, for all consumers combined have together but a certain amount of resources, and to make them pay more for products, would evidently be equivalent to reducing the amount of products which these resources could buy; this would be to diminish production, or the amount of labor; so that the wages of some can not be arbitrarily raised without taking away the wages of others, by depriving them of their share of labor.

—These are mathematical truths against which it would be vain to contend. It will indeed be said that they are severe and inexorable, that economists in stating them, prove their insensibility, and—as they have been reproached with doing—that they substitute a figure for the heart. This puerile kind of declamation can work no change in the nature of things, nor alter the fact that there is a more profound, more manly and more real feeling of humanity and benevolence toward the suffering classes in the laborious researches of science which seek to ascertain the only real means of improving their lot, than in all the cheap affectation of zeal in the cause of those classes, an affectation which has to this day done nothing but encourage among them illusions always followed by disappointment.

—But, is it true that the position of the laboring classes would be improved by their general association in the enterprises in which they are employed, by changing the mode of remuneration and substituting, in the place of wages, a share in the final profits of the business? We do not think so.

—Many are apt to exaggerate the magnitude of the profits which capitalist-employers may realize, because they direct their attention principally to enterprises unjustly favored by regulations restricting competition, or by legal monopolies, or enterprises which are placed in exceptional circumstances. The truth is, that, in most branches of industry, competition does not allow the profits to exceed what is strictly necessary to pay for the use of the capital engaged and the personal industry of the capitalist-employers. If we will but notice within the sphere of

our own observation, the position of the farmers, manufacturers, mechanics, and merchants, we will readily perceive that for one head of an industrial enterprise that succeeds and makes a fortune, there are ten who scarcely do more than realize the amount of profit indispensable to the continuance and to the maintenance of their business, and at least one who fails and is ruined. This condition of things, which has long been that of most of the agricultural, manufacturing and commercial enterprises of France, is hardly calculated to justify the opinion which sees in the sharing of workmen in the chances of industrial enterprises a means of considerably increasing their remuneration.

—We must ever bear in mind that the services of heads of industrial enterprises suppose knowledge, talent and special qualities and faculties more or less indispensable to the successful management of an enterprise, and which by no means fall to the common lot of all men. Under the present system, those who possess these faculties and employ them in establishing or conducting a business, generally receive in the shape of profits only a remuneration proportioned to the importance of their services, and in keeping with the state of supply and demand relatively to this kind of service: would it be otherwise if workmen shared the profits of the business? Certainly not. If these associations were optional, (and to render them obligatory would be going farther than even Louis Blanc), the men possessed of the qualities of a good capitalist-employer would remain only as long as the advantages they received were equal to those they could obtain outside the association, and as long as this equality was assured to them, either by the amount of their share in the value produced, or in some other way; all that could be expected of them would be that, in consideration of the participation of the workmen in the chances of loss, they would exact for their services not quite so large a share of the profits, and this concession would be exactly compensated for by the risks which the associated workmen would assume. These associated workmen would therefore be obliged to give from the profits of their common labor, for the services of the agents who would supply the place of the capitalist-employer, a share proportioned to the value of these services, that is to say, equivalent to what they now generally receive; thus there would remain for the workmen to divide only a sum equal to the amount of their actual wages. If they should attempt, on the contrary, to reduce the remuneration to be paid to the agent or manager whom they employ below its proper rate, they could not obtain the services of a capable manager, their association would be unable to sustain the competition of the well-conducted enterprises which would continue to employ workmen for wages, and they would, of their own accord, soon give up association to return to their former manner of working.

—In every productive industry, success depends entirely upon the action of the man who superintends the work, buys the raw material, sells the products; in a word, who fills the post of capitalist-employer. When all the chances of loss and gain fall upon this agent alone, all his useful, available faculties are actively stimulated and strive for success with all the energy which they can command; and we may rest assured that, under these conditions, his management will be as efficient as possible. But this efficiency can not but become more uncertain in proportion as the interest of the manager is lessened, and as he is less exclusively responsible for the results of the business, and in proportion as others are called to share the risks with him. It is, therefore, very likely that, if it were possible to associate workmen in the chances of industrial enterprises by making them sharers in their losses or gains, and thus lessening the interest of capitalist-employers or managers, this association would lessen the chances of success, and render losses more frequent. The increased interest which the workmen would have in the success of the business could not compensate for the interest which would be lacking in the action of the manager, for they could not interfere in the management of the business without renouncing unity of management, the loss of which would surely precipitate the ruin of the enterprise; their zeal could therefore only be applied to matters of detail, and it is doubtful

whether, even in these, it would advantageously replace the active surveillance of a capitalist-employer under the present system.

—We feel authorized to conclude from what precedes that, if workmen, instead of being paid a certain predetermined remuneration, were associated in the chances of industrial enterprises, the total amount of the remuneration they would thus receive would not net them a greater income than they now receive in the form of wages. Under like conditions, the revenue of the workmen would only be more variable and more uncertain, and they would need more foresight than they ordinarily exhibit, to save the surplus of prosperous years to make up for the deficit of unsuccessful ones. Is it not evident that the present system, by procuring them at least the same amount of income, and distributing it to them in a surer and more equal manner, is more advantageous to them?

—Another truth, moreover, which controls all these considerations, is that with freedom of labor and of business dealings, the remuneration of workmen and of their employers is just what it should be, whatever the manner of determining it. Whether this remuneration come to the former in the shape of wages determined before hand, and to the latter in the form of resulting profit, or whether it is based for all upon the resulting profits, their general and permanent relations will suffer no change; the capitalist-employers or managers will always deduct, under one form or the other, the share which the state of the supply and demand of their services allows them, and the workmen will never receive more than the share similarly determined by the supply and demand of their labor. Under a free government, these natural laws alone determine the just value of each kind of service, and any new combination of free associations would be as powerless permanently to modify this value as to change the level of the ocean.

—We are, therefore, firmly convinced that all researches looking to the discovery of new processes of voluntary association, capable of improving the condition of the laboring classes, are absolutely vain, and that to be successful, the efforts of those who are interested in the cause of the workingmen must take another course. In France, for instance, these efforts might be usefully applied to influencing public opinion in favor of a simpler and cheaper system of administration, and one less calculated to excite covetousness and ambition, less compromising to public security than the one to which that country has been subjected for many years. They might be effectually employed also in inclining public opinion to suppression of all opposing legal obstacles in promoting the prosperity of certain particular interests, and the freedom of labor and business. The reforms which a change of public opinion could obtain would serve to render productive forces more fruitful, and to increase the demand for labor and for workmen.

—III. To complete the task which we have undertaken, we have still to assign the limits or general conditions beyond which association can not be practiced for the greater benefit of all.

—Association, notwithstanding the grandeur of its results, can never obtain the marvelous power which some have attributed to it. Men have made use of this means of increasing their prosperity ever since the world began, and it is undoubtedly true that its most effectual combinations have already been discovered and put in practice: they are the family, the commune, the state, the great enterprises of public works, etc.; and if there still remain any methods of association which have not been discovered or applied, which during forty or fifty centuries have escaped the incessant search of personal interest, we may be sure that they would not offer any very certain or very important advantages. Be this as it may, we would approve of granting entire liberty to the attempts of new associations, so long as they result in no disorder or prejudice to general interests; but we could wish, at the same time, that there were less inclination to indulge in dreams of this kind than generally exists to-day.

—The advantages and saving to be realized from living in common, from community of consumption, in particular, have been greatly exaggerated. It is true that if a limited number of individuals, twenty or thirty for instance, agree to combine their resources and share in common their expenses for food, lodging, clothing, furniture, fuel, washing, etc., they will be able to economize very largely in these expenses; but, because this economy is practicable for a limited number of persons, on condition of a more or less rigorous discipline, of a similarity of habits more or less irksome to each, and of a regulated management, we must not conclude that the saving would be still greater as the community became more numerous; for this conclusion would be contradicted by facts. We will furnish the reader the means of judging of this for himself, by citing two conclusive examples.

—Standing armies afford occasion for the greatest community of consumption to be found anywhere, and if it be true that the economy which results from this community is greater, in proportion as there are more persons combined to share in it, the individual expense for each soldier taken separately should furnish the strongest proof of this truth. Now, according to the French budget of 1849, the cost of supplying 320,000 soldiers (not including officers) with food, fuel, clothing, bedding, etc., is estimated at 136,000,000 francs, or 424 francs per man; and still this expense does not include the cost of administration and surveillance, which are always indispensable and necessarily very considerable in every large community of this kind. We should, therefore, add to the amount stated, the pay of the officers, and the cost of military administration; this, according to the same budget, would increase the amount to 262,000,000 francs for a force of 338,000 men, including officers, which makes the expense for each man 775 francs. It is evident that the economy obtained by this community of consumption is not very wonderful; assuredly, the greater part of these soldiers, especially those from the country districts, did not spend at home for the objects of consumption we have mentioned, more than 775 francs, nor even more than 424 francs each; for the average consumption in France, according to the largest valuation made of the total annual products, would not exceed from 300 to 350 francs for each individual.

—We will take as our second example the consumption of the individuals received into and cared for by the hospitals and hospices of Paris.

—The ordinary expense of these establishments shows the average cost of one bed occupied throughout the year to be.

For the hospitals taken together... 656 fr. 37 c.  
For the hospices and maisons de retraite... 406 fr. 21 c.  
For endowed hospices... 528 fr. 35 c.

And we must note that these figures do not include one single centime for interest on the very large amount of capital employed in the establishments in question, so that, we would come very near the truth if we were to place the real expense of each individual entertained in these establishments, at from 800 to 1,000 francs.

—So, for the soldiers and the indigent received into hospitals, (two classes of persons whose wants surely are not more expensive or better supplied, on an average, than those of the individuals of all other classes taken together), community of consumption has no other result than to increase this consumption in the one case to double and in the other to treble that of the average individual consumption of the entire population.



—This shows what the magical power of association amounts to in this regard.

—These results, which so ill conform to the exaggerated notions of the advantages of community of consumption, can, however, be very readily explained. In proportion as these communities increase, their administration becomes complicated, intermediary agencies are multiplied, the necessities of surveillance and control require personal services more and more numerous, the cost of which is necessarily added to the cost of consumption proper. On the other hand, the chiefs and employés of the administration act as public officers generally do, that is to say, the special points of interest to them about their mission are almost without exception, the position and personal advantages which it confers upon them; so that we can hardly expect of them, so far as good management and economy are concerned, anything more than is strictly necessary to relieve them of responsibility. Now, when the object of their management interests the general public, or a considerable portion of the population, this responsibility is not of a kind to require any great effort at improvement, when we consider that the general control of the administration can be exercised only by delegates, who have no direct or very special interest in discovering its defects, and that this interest is, besides, weakened by the thought that the ill consequence of these defects or abuses is hardly felt by each one separately on account of the great number interested. The very complicated nature of the administration itself offers, moreover, almost insurmountable obstacles to the exercise of an effectual control. By increasing the means of surveillance and auditing, and, in consequence, the expense, theft, waste, and the more evident abuses can be restrained; but that incessantly watchful attention, with its care for every moment and application to every detail, which are necessary in the management of every business in order to discover the simplest and most efficacious means of practicing all possible economy, can be prompted by personal interest alone; a government can never obtain them. This is one of the chief causes which will always prevent community of consumption from being as great a source of economy in large bodies as when practiced in families.

—Small communities, administered by their own members and under the eyes of all the associates, may, nevertheless, save considerably by this system, because by it the same dwelling, the same fire, the same light serves, at the same time, for a great many persons, because by purchasing their supplies of all kinds in larger quantities and of the same quality, they obtain them on better terms. But these advantages have long been known, and still (except in religious associations, which are determined by motives other than temporal interests) people seem little disposed to make use of them. We hardly ever see several families uniting to live in common; the reason is, that in order to obtain the advantages of this system, it is indispensably necessary for the members to submit to uniform rules, to subordinate to them their wills, their individual tastes and their personal convenience, and because each one prefers the preservation of his liberty to the economy thus realized. Now, this obstacle to community of consumption will last as long as men prefer liberty to constraint; it is not probable, therefore, that this method of association will ever be very extensively adopted, unless men are involuntarily compelled to submit to it.

—We have yet to assign the conditions, without which association when applied to labor ceases to work for the general good.

—There is in political economy no better established truth than that of freedom of labor which asserts competition to be the indispensable condition of the improvement of industry, of the increase of wealth, of goods, and of its equitable division. Still, competition has many enemies among publicists; but it is likely that many of them are merely misled by a prejudice against the word competition, for most of them would not want to be regarded as enemies of freedom of

labor. Besides, when under another form, liberty or competition seems to be generally approved, for no one undertakes openly before the public the defense of monopoly, which, ostensibly at least, is condemned by all, and finds defenders only on condition that it conceal its name. Now we can not reject monopoly without admitting liberty, and consequently competition.

—In any case, all who think free labor preferable to monopoly will probably admit the following proposition without hesitation:—Association ceases to be advantageous, when, applied to works capable of being surrendered to competition, it renders, or tends to render, competition impossible.

—This proposition supposes that the suppression of competition, and consequently the establishment of monopoly, may result from association, and it remains for us to prove that this is really possible. We will first briefly recall the reasons why competition is preferable to monopoly.

—By the freedom of labor, all capabilities of individuals, which are infinite in variety, receive the application most advantageous for all, inasmuch as each one, prompted by personal interest, endeavors to make the best use of his faculties; and, under a system of liberty, this best use is precisely that which renders the most service to all, since in the general exchange of services no one obtains more than the equivalent of what he has given. The effect of this system, therefore, generally is not only to apply each particular faculty to the labor for which it is best suited, and in which it can work most successfully, but also to maintain in all pursuits an active emulation, and a constant disposition to make improvements and inventions calculated to render labor more fruitful. Competition does not allow any capitalist-employer to remain behind in this movement, for if he allows himself to be passed by his rivals, his services will be dispensed with at once. The general result of these energetic and incessant efforts is a rapid increase in the number and importance of the services which we mutually render one another, that is to say, in our general well-being.

—Monopoly deprives the majority of men of the choice of the kind of labor in which they shall engage; and those for whom the employments which it offers are reserved, can not change the task assigned them by managers. Individual initiative is thus in great part suppressed, on the other hand, the tendency toward progress is null or nearly so, because the efforts for improvement have no longer the stimulant of competition, nor even that of personal interest, monopoly having done away with these efforts, in order to secure the disposal of its products. Under this system, therefore, there are no longer any innovations, improvements or inventions, but those conceived or approved of by the managers of monopolies; and experience has superabundantly proven that monopoly is as sterile in this respect as liberty is fruitful. Under the system of liberty, each one's remuneration is the equivalent of the services which he has rendered to others; it is therefore proportioned to the service rendered; and this is perfectly just. Under the monopoly system, the profit is proportioned to the extent and urgency of the wants which the monopoly supplies, and to the obstacles which it puts in the way of people seeking to supply their wants elsewhere; monopoly profits are proportioned, therefore, to the degree of oppression which the monopoly exercises. In short, the general results of monopoly are to retard or suppress progress, to reduce the number and importance of our means of prosperity, to secure an iniquitous division of these means, and to paralyze or enfeeble the useful faculties.

—We may now say, there is no doubt but that association may lead, and in fact does lead to monopolies more or less absolute. All great concentration of industrial enterprises is a step toward this result, the realization of which is more or less probable according to the nature of the work which they suppose. In France, for example, those working in mines and foundries are

more likely than those in most other branches of production to lend themselves to the founding of monopolies by way of association; the reason of this is that the heavy-bearing veins of mineral are thinly scattered through that country, and too far apart for the products of the miners' work to come into competition; so that the miners working in each mine, who are never very numerous, could by associating themselves together easily suppress all competition, if not at all the points which their products can reach, at least throughout the whole extent of the market wherein most of the sales are effected.

—We conclude, therefore, that association can contribute to the bettering of man's condition only to a certain extent, and that when it passes beyond the limit we have assigned it, when it amounts to monopoly, its results, far from being beneficial, are injurious.

AMBROISE CLÉMENT.