

INDUSTRIAL ECONOMICS.

PROFESSOR MITCHELL'S THEORY.

SOLUTION IN MEN'S HEARTS.

The address by Professor Mitchell, of the Adelaide University, on "Christianity and Industrial Questions," drew a big attendance to the Pirie-street Church on Monday morning, and from first to last it proved absorbing. The professor was introduced by the president of the Methodist Conference (Rev. W. H. Cann).

It seemed at first peculiar, said Professor Mitchell, that Jesus should have said so little about the industrial codes of society. In saying that the kingdom of God was within, the Lord had not meant that it had nothing to do with externals, but only that the nature and value of those externals depended on the spirit which formed and used them. It was not long before that became apparent in regard to slavery, which was the industrial system of that time. Neither Jesus nor the Apostles, nor the early fathers had condemned it, but the slave was to be treated as a spiritual brother, an equal member in the kingdom of God, and under such conditions it was not possible that the evils of the institution could remain. Thus, although Jesus confined His teaching to a kingdom within the individual—to spiritual freedom—it in due time became a question of economic freedom, and later of political freedom, for the laborer. (Applause.) They saw the same thing when they turned from labor to capital. Jesus did not condemn interest, and the argument that interest was robbery was now known to be an error, for there did not need to be a borrower and a lender in order that there should be interest. If a man used his own capital in his business it returned interest, just as if he had lent it. Under modern conditions, capital was used largely by those who did not own it, and the question was whether the actual owners of the money had the right to live on the interest paid them by the users. The question whether everyone ought not to take his share in the work of the world could now have only one answer, though at one time there was no notion of any such obligation. Thus in regard to capital as in regard to labor, the idea of the kingdom of God within men had come to include the world outside them. It was only in recent times that it had seemed even possible that not a miracle, and not the secular arm, but just the kingdom of God within the hearts of men was to be the real power by which an ideal community might be set up and maintained. (Applause.) To have secured that principle was the greatest conquest Christianity had made in the industrial order. When to the old divisions of economics—the production, distribution, and exchange of wealth—there was added a new and central division, the consumption of wealth, then the science of economics lost its soulless character. The goods they produced consisted of necessities and other goods. Of the latter there were many for which they had no inherited appetite, and these depended on the culture and character of the people for their consumption. Thus economics now demanded an ever higher life of the spirit to keep pace with the growing powers of production and the opportunities of leisure. Economics condemned waste in ostentation and condemned enervating luxury. The fundamental Christian principle was that wealth was only a means, and that the end to be served was the betterment of the whole life.

Socialism and Individualism.

The severest criticism of the individualistic system was that it would give rise to a mere play of cunning and greed, to having one's eye always on the main chance, to the starvation of the rest of one's nature. If individualism was to continue to rule it must be on the assumption that competition would elevate even those who were defeated, and not simply drive them to the wall. The argument for Socialism must also be spiritual, and its chief condemnation would be that it led to slackness and demanded more loyalty and unselfishness than human nature could give. Whichever system triumphed, order must be maintained by a community of spirits in which the kingdom of God was realised. The industrial system did not present such a community. The spirit must be taught, and an ideal system would come; but to hold that any system would produce the necessary community of spirit, though an attractive theory, was, like all easy paths, fallacious. (Applause.) To-day the commercial man had become the employer and director of industry. The simplest way to observe his function was to notice that the prices of commodities paid everything and everybody. It was that man of enterprise—the employer—who made the present system, which dated from the industrial revolution of 150 years ago. Before that it

was considered wicked, if not actually criminal, to buy wheat or even fish to sell again. Now the merchant who took the business risk and guaranteed their shares to the producer, manufacturer, and workmen was the main factor in the industrial system. Even the fortunes of manufacturers were due largely to the commercial enterprise associated with the distribution of the goods.

Sharing the Profits.

Now, when a working man compared his wages with the commercial profits and the factory in which he worked with the office and sweatless ease of his employer he naturally thought he was being defrauded of his proper share of the price paid by the consumer for the goods, and that the other was a parasite on the industrial body. He was wrong, of course, for the commercial man, like himself, could only get his share because his work was necessary. There was nobody to do it for less, and his profit was frequently little more than the salary of a hired manager of the same grade of ability. Considering the number of persons and companies that lost their capital the average profit was possibly less. (Applause.) One of the best economists, Professor Smart, of Glasgow, thought it was less, and that the employer's profit was relatively speaking the smallest part in the price that the consumer had to pay. (Applause.) But if they compared the shares received by the various agents they were struck at once by the fact that the most painful or unpleasant parts of an industry were the worst paid. The reason was that if there was a plentiful supply of anything it was cheap. Unskilled labor was the cheapest, though often the work was the hardest.

Educate the Masses.

One result of education must be to make unskilled labor scarcer and dearer, and the higher kinds of labor more plentiful, and therefore cheaper, or else more efficient. Thus there would be a better and more equitable distribution of the price paid by the consumer among those who took part in the production or manufacture of the commodity. (Applause.) To secure a better division there must be less competition near the bottom and more near the top. Men must be made more efficient and the industrial ladder must be kept clear all the way to the top. The question was asked, could not a better division of the price be brought about more easily than in the way above suggested? Could not trades unions and the unions of unions do it, backed by courts, and, if need be, a general strike? He thought not. Strikes, wages boards, and courts, useful as they were, did nothing to stop the competition of different classes of labor with one another. Nor was there anything in Socialism to stop it. Nothing could stop it so long as men were paid according to their deserts and so long as their deserts were limited by the market price of what they produced. To seek to stop it was to say that men should be paid according to their needs and not according to their deserts or market value. That might be desirable, but it could not be enforced. Most men, for instance, who lived on wages or salaries, began to lose their price in the open market as they passed middle-age, and if they got their deserts—the price they could command in the market—they would be in a bad way. But surely, some would say, it was their desert, after long and faithful service, to be better paid than a new man. Yes, it was their desert, and it should be given them, not from pity, but from gratitude, but it could not be enforced. The employer himself and all the middlemen only got their shares because they were necessary. If a cheaper way were found or they were made less indispensable, they would get less, or nothing at all. That was the skeleton of the present industrial system. All agreed that the Christian virtues and the religious, moral, and social forces should not merely clothe the skeleton to make it respectable, but should take possession of it and work it. (Applause.)

The Duty of the State.

The State was not to be pictured as a bidding market. Consisting of persons, it was best represented as a person. There was no duty laid on the individual that was not also laid on the State. It was the duty of the State to abolish poverty no less than to abolish crime. (Applause.) It was its duty to refuse industries that did not give a proper livelihood, and to prevent any abnormal growth that might drain the strength of the other parts. (Applause.) There was no limit to the taxation the State had the right to

impose if the revenue went to a worthy purpose, and not to perpetuate incompetence, or to plaster over-festering sores. Everything the State must make for a higher level of living. The best practical guide to all social reform was that it must give fuller scope and energy to the individual spirit. Theoretically and practically there was no other limit to the functions of the State as it grew wealthy. True, there was no socialism in this theory. There was, he thought, the contrary, if the State were really to be great, and like, not a machine, or a mere living being pursuing its appetites, but like a person. For the first and best demand of a person was to be free, and the State must give him freedom and keep him free. (Applause.) In the popular view, the problem of the industrial system was one of distribution, because it could be attacked by external means, i.e., by strikes and courts. But, behind that, and more fundamental, were the problems of production and consumption. Production always tended to outstrip consumption in modern life, and what was called over-production was really under-consumption. The market depended ultimately on the demand, and the character of the demand depended on the character of men. No national progress was worth the name that could not be measured by a decline in the numbers on the lowest rungs of the ladder. The popular cause given for the congestion on the lower rungs was that the money stayed on top with the employer. The only permanent relief for the congestion was efficiency. It was their common duty to pursue the best things until they had an appetite for them, instead of merely indulging the appetites they were born with. Then would the whole standard of the industrial system be raised. But such a theory could only be put into practice through their individual hearts and wills. (Applause.)

The Rev. F. Lade, M.A., in thanking Professor Mitchell, said Adelaide was to be congratulated on having connected with the University men who were prepared to contribute to the solution of the pressing problems of the day. It had seemed so appropriate for the professor to say to them, whose special work it was to elevate, that man's appetite should be refined in order that there might be increased consumption. The problem the men of the rank and file were attacking to-day was that of distribution. They said, "Here is all the money being hoarded up by a few men. Let us cut the locks out of the circulatory system, and the money will flow easily." But that was not the real problem. They must continue the great work of education and refinement, or civilisation would suffer a tragic defeat.