

the same industry. Let me analyse one of these representative cases. Some eighteen months ago a strike at an Aberdeen cotton mill was occupying public attention. The directors represented that they carried on their business at a disadvantage, being so far from the markets and the coalfields that the cost of transportation of raw material and manufactured goods handicapped them in competing with Lancashire firms in the cotton trade. In spite of these disabilities their profits for the half-year immediately preceding the strike were over 11 per cent., and since 1880 have never been less than $7\frac{1}{2}$ per cent., although, by a "writing off" device, the dividend has been made to appear as if it did not exceed $3\frac{1}{2}$ per cent. year by year.* These figures were communicated to me by two members of the local Trades Council, who took part in the negotiations connected with the dispute. My informants further ascertained by an analysis of the profits made and wages paid that in order to pay the 5 per cent. increase in wages demanded by the strikers a deduction from the profits of the then last half-year of only 1 per cent. would have been required. Now, here is a factory running at a disadvantage in an industry subject to keen home and foreign competition; yet we find that they can net a profit of 11 per cent., and that 1 per cent. of these profits would mean 5 per cent. of wages. If 1 per cent. profit is equal to 5 per cent. wages, it follows that 5 per cent. profit is equal to 25 per cent. wages.

The foregoing may be taken as a typical case, showing the profits made in the staple industries of the country, and affording likewise an example of the relation which wages bear to profits. If we take it as a representative case, and institute a comparison between it and other concerns, we must make allowances that are favourable to our view (that the average capitalist can afford to pay the present rate of wages for eight hours' work), as the capitalists here appear to stand on an unfavourable competitive footing. Textile industries and the iron trade are perhaps harder pressed by external competitive forces than any other department of production, and to take a cotton factory as a specimen case is to adopt a particularly safe average. I need only remind you that a little way back we found $\frac{1}{2}$ per cent of the railway

* A correspondent of *The Labour Tribune* supplies the following list of manufacturing companies, with their dividends, fully justifying the conclusions here arrived at:—

Crawford Co., Rochdale, - - - 10 per cent.	Star Co., Royton, - - - - 10 per cent.
Arkwright Co., Rochdale, - - 15 "	Shaw Co., - - - - - 8 $\frac{1}{2}$ "
Thornham Co., Royton, - - 10 $\frac{1}{2}$ "	United Co., Oldham, - - - 10 "
Central Mill, Oldham, - - - 10 "	Gladstone Co., Failsworth, - 16 "