

Rent and Wages in Great Britain

By DOUGLAS J. J. OWEN

THE relation between Wages and Rent, which Henry George placed upon a scientific basis in "Progress and Poverty," is being exemplified in practice in war-time Britain. In a debate on Agricultural policy, in the House of Lords (July 30), Lord Brocket said: "In the past all the wage standards in the country had been built up on the much-too-low wage standards of the agricultural workers." He was pleading for a long-term land policy in which the great aim should be "security" for everybody, including "security of tenure for the efficient landowner." As he advocated also "security for the provision of adequate finances" it seems like the subsidy policy over again. The reply came from the Secretary to the Ministry of Agriculture, no other than the Duke of Norfolk, one of the biggest landowners in the country, who deprecated any legislation at all during the war, saying that "they had to consider not only the political parties but the various interests connected with agriculture," and he went on to say that the Government had given a guarantee of fixed prices for at least one year after the war to insure stability.

Though the Conservative Lord Brocket thinks farm wages "much-too-low," and the interests of farmers and landowners have been safeguarded, the Central Wages Board have just rejected the claim of more than 400,000 farm workers through their two unions for an advance of the minimum wage of 48s. to £3 per week. The Board says some advance may be necessary but it cannot decide till after the harvest. They will hold their fifth meeting on the subject on November 3, not before. The farmers' representatives gave a point blank refusal to make any offer, saying that £3 could only be paid if there were a Government subsidy. That means, of course, more taxes on the people, and, as Georgeists know, and experience confirms, the subsidies would be distilled into rent.

After the Board's decision, Mr. Dann of the Agricultural Workers' Union said: "Although they are the lowest paid workers they have to go waiting. Many farm workers' wives say they cannot get enough food to keep their men in full physical fitness." Fortunately some of the County Wages Committees are not waiting for the Wages Board and are making some advances on the 48s minimum, but not, so far, up to £3. The farm workers' leaders saw the Minister of Agriculture on July 30, asking him to remove the ban which now prevents farm workers seeking jobs in other and better paid industries. We have not heard that the ban has been lifted. The law of the mobility of labor explained in "Progress and Poverty" is thus prevented from working for the laborer's benefit.

The day before the debate in the Lords there took place in the Commons the great debate on Production, which was wound up by Mr. Bevin, Minister of Labor. "Regarding the difficulties of fixing wage rates," he said, "it was time class differences came to an end. If a person got a £1000, £2000, or £3000 job it was regarded as being purely traditional, but if a workman got over £25 a week some persons thought the world was coming to an end." Mr. Bevin was referring to the indignation that has been worked up because for once working men have in some cases been able to earn good wages; £12 a week has been quoted with horror by some commentators as an example of such working class rapacity. *The Daily Express* in April spoke of a docker who had drawn £14 for his first State pay for the week. It turns out this docker had worked that week 110 hours! The minimum wage for dockers is still £4.2s.6d. per week or 2s.6d. per hour.

These so-called high wages are considered to be one of the causes of another industrial vice, that of absenteeism, or what *The Daily Telegraph* calls "Slacking in the Workshops," referring to the "fellow who, heedless of the nation's pressing emergency, stays away from his work without notice or excuse . . . the slacker who takes an unauthorized day off by his own sweet will . . . with no better reason than they have earned as much as they need for the week." They are only a small minority, the paper admits, chiefly younger men, "who, had they not been reserved, would have been called to the Forces." Here is the old threat of Conscription being advocated to supplement the immobilization of labor and to enforce industrial control.

Absenteeism is a passing phenomenon, so that now rising wages are made to bear responsibility for the inflation danger. Inflation is, of course, an evil, because it automatically deprives the worker of any expected increase in purchasing power, but it is probably dreaded as much by the wealthy because it spells higher public expenditure and taxation, thus eating into war profits.

Hence the British Government's White Paper entitled "Price Stabilization and Industrial Policy." This states that the official policy is to avoid modification of the existing voluntary machinery for wage negotiations which is working successfully; leaving wage tribunals free to decide in view of the relevant facts, such as the rises in the cost of living. Here seems to be recognition of the fact that rises in wages come *after* rises in living costs. It is not a case of the "vicious spiral" here, for all the great organized industries have wage agreements based on the cost of living. Other industries beside the farm workers are making claims

for increases of pay including the miners, engineers and railwaymen. It is true that after each wage advance there usually follows a rise in prices, but it is arguing *post hoc ergo propter hoc* to say that the former is the cause of the latter. Another fallacy used in this discussion by many is that high wages mean high costs of production. *The Manchester Guardian* (July 27) for instance, discussing the White Paper, says the Government "allowed the price of coal to go up (to cover an increase in miners' wages) . . .," implying that this was the only way that the higher wages could be paid for.

What about the other end of the see-saw,—Rent? Henry George shows us that "With increase in productive power, rent tends to even greater increase, thus producing a constant tendency to the forcing down of wages." Previous articles have given samples from the many instances of the inflation of Land Values reported in *Land & Liberty*. That there is no question about these steep advances in rents and prices of land is evidenced by the steps the Government has been forced by public opinion to take in setting up Committees to watch and report on the subject. But the contrast is striking between the steps so haltingly taken to deal with increasing land charges, and the vigorous strides that have led to the control of wages. There is Lord Reith's Committee on planning; chairman, Mr. Justice Uthwatt; no striking results up to the present. Whilst the Chancellor of the Exchequer continues to refuse any valuation of land or taxation on its value. So Rent takes what Wages is denied. In the enormously increased production of wealth — though it may be wealth destined for destruction — the ultimate distribution of the total product must be still what Henry George proves it always is—a division between Rent and Wages, so that the more one factor receives the less there is for the other. To attempt to pay higher wages through guaranteed prices to producers can only be done by taxing the public to provide the subsidies; in other words, to take with one hand and give part back with the other. The only method of redressing the balance between wages and rent is by the obvious method of taking from rent and giving to wages, that is, of course, by taxing land values. As this would encourage the fuller and more economical use of land, the production of foodstuffs would increase without existing restrictions and there would be an automatic check to inflation. This would apply to all products of peace and war, none of which can be created in any other way than by the application of labor to land. This is elementary to readers of "Progress and Poverty," who will also know how to fit Capital into this simple analysis. The facts underlying these conclusions are well known to our organs of public opinion. *The Daily Express* points out that "Because we cannot import cattle food it has been decreed that the number of cattle in Britain must be decreased. One in every 20, or 300,000 cattle in all, must be

slaughtered and not replaced. The rest must live during the winter largely on crops preserved in the form of silage. Every blade of grass has become important." Then, after hinting that it is the farmers' methods that are to blame, this paper says: "We let our own land rot." Bad farming cannot be blamed for the fact that 300,000 cattle cannot find pasture, when, as was quoted in a previous article, even Lord Winterton has declared there is a huge area of land cultivable but not cultivated in this country. The forcing of this land into use by a tax upon land values would, as we know, provide pasture for cattle, cheaper and more abundant food for the people in these stringent days, and enable the workers to produce the wealth from which they would draw their wages, while purchasing power would be maintained by the prevention of speculation in land.

Thus Rent restriction — by the Georgian method — means secure Wages, normal prices and a stable currency. These would seem to be sufficiently important war time objectives. But the reluctance to desecrate the holy of holies of land monopoly prevents the doing of justice.

At the time of writing (August 7) a debate has taken place in the House of Commons on Farm Wages. Mr. Tom Smith (Labor) opened by arguing the inadequacy of existing rates based on 48s., and said that farmers should get enough for their products (presumably by subsidy) to enable them to pay higher wages. The Minister of Agriculture, replying to the debate, said it was not the Ministry's job, and passed the task on to the Wages Board, also pointing out that the County Committees, in 14 out of 62 counties, had already made advances. So the matter rests for the present, and readers must be asked to wait, like the farm laborers, till after November, to hear what the Wages Board decide at their next meeting, as to what they consider a just wage on the land.

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ACCORDING to a United Press dispatch, the city of Muskogee, Oklahoma, proposes to tax all toilet seats twenty five cents per month. This, according to the report, is for the purpose of balancing the city budget. Here we have an illustration of a bad taxing system and the political resort to imposing nuisance taxes to balance the budget, rather than any attempt at reducing the cost of local government. The story will no doubt create much laughter among New York "punsters." How many realize, however, that New York City taxes toilet seats, but they are included in the real property tax as being fixtures in the building. And not to be forgotten is the two per cent sales tax imposed when an owner buys a new toilet seat. "It is to laugh."

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