

Mixer and Server, 1916

HOW TO BOOST WAGES.

By George A. Briggs.

I don't know whether many people have the same feeling about it, but I do know that every time I read serious articles about Efficiency, Thrift, Sobriety, and so forth, they give me the fidgets. I am not opposed to these things, of course, but what a will-o'-the-wisp it is to expect any of them to better the condition of labor.

If all men doubled their efficiency, then the work of the world could be done by half the number of workers. And they would do it for less pay per day than they now get. That conclusion to me seems inevitable.

If through thrift and economy people lived on half as much as they do now, then wages would be correspondingly reduced. What else could happen in a world where, due to artificial conditions, there are always more men than there are jobs. The law of competition is written as deeply in the economical constitution of things as is the law of gravitation in physics.

Practically it means that when there are more men than jobs the tendency of wages is down to the lowest amount on which the workers can live. On the other hand, if there were more jobs than men, then the tendency of competition would be to raise wages to the level of what the worker produces.

I have no fault to find with competition. It is simply a natural law. In itself it is neither good nor bad. Its goodness or badness depends on the way society adjusts itself to it. If there are more jobs than men, then competition is good. If there are more men than jobs it is bad. The real question then is not what we shall do about competition, but how we may create a condition where the existing ratio between men and jobs will be reversed.

This can be done in many ways, but only one of them seems practicable. One impractical way would be to encourage drunkenness. If enough workers were incapacitated by drink the sober ones would get better wages. This would not be because they were sober, but because the others were drunk. When the drunks

signed the pledge and went back to work, then the number of sober men competing for jobs would be so increased that wages would fall.

This suggestion is absurd, of course, but it is none the less logical. There is a way, however, by which the ratio between men and jobs may be permanently changed; by which the wages of all men may be increased. And under such circumstances every one could be free from the fear that his increase was at another's expense.

This way had a try out in this country. It is responsible for the fact that wages, as a rule, have been higher here than elsewhere. Let me tell you about it.

When our country became a nation it consisted of thirteen colonies scattered along the Atlantic seaboard. Back of these colonies, stretching out for three thousand miles to the Pacific, was a vast "back yard" of fertile and unused land. If Bill Jones or Tom Smith, working in a factory in Boston or Baltimore or elsewhere, became dissatisfied with his job it was a simple thing for him to leave and take up a quarter section or whatever he could work of this unused "back yard."

By doing this he took himself out of competition with the workers of Boston and Baltimore. He became the employer of his own labor. It was a cinch that he would not go back to his old job for less than he could make working for himself. But he did not get all the benefit. Not by any means. When enough Bill Joneses and Tom Smiths had followed his example, there was a scarcity of labor in Boston and Baltimore. Every worker there was benefited. Wages went up. The workers that remained automatically received this benefit without effort on their part.

The departure of enough Bill Joneses and Tom Smiths did the trick for all. It created a condition in the cities wherein there were more jobs than men. It automatically established a minimum wage. That minimum—for all workers—was the amount any average man could make for himself on the hitherto unused land in our national back yard.

Alexander Hamilton saw all this and tried to head it off. He tried to have a law passed whereby the national domain would not be sold except in such large tracts that no one but the rich could buy. Fortunately, he didn't succeed. And because he didn't succeed, the wages of American labor were fixed—so long as free land was

available—at what average ability could produce employing itself in agriculture."

That free land is now all, or practically all gone. There is no further outlet for surplus labor. If it were not for labor unions and other similar influences, wages would soon fall to the European level. They would thus fall because in this country there are now more men than jobs.

Very well, you may say, but what are we going to do about it? I can give you my notion of what we ought to do. I said a moment ago that practically all of this free land is gone. I didn't mean that. It hasn't gone away. It is still here. But it isn't free.

The most valuable part of it—that which lies in the cities—is largely owned by the Astors, the McCormicks, and others of their ilk. Look about in your own town or city. You will soon discover that a relatively small number own all the land. Then in country districts there are the Scullys in Illinois and Nebraska that own vast tracts. There are Miller and Lux, in California, who own whole counties. There are the Farwells, in Texas, who received three million acres for building a State Capitol.

Now most of this land is held out of use for speculative purposes. More than half of the land in every town and city is so held. It is the same way in the country. Although the land is not used, you can not get it. At least you can not get it on terms you can accept. The landlords, otherwise called groundhogs, are too wise to permit anything of the kind.

They want to live without work. They want to get big rentals for the land they permit to be used, and then to live on the income. When they have occasion to employ labor, they want it to be cheap. It is a beautiful scheme. And it works. When you look at your pay envelope, you know it works.

Now, let's beat them at their own game. Let's get busy in politics and work for a reformation in our tax laws. We have a rule by which to proceed. A tax discourages the thing taxed. Let us then tax everything we don't want, and untax everything we do want. That's simple, isn't it? Now first of all, we don't want land held out of use for speculative purposes. That hurts all of us. The workers have to pay the drones for every speculative advance in land values. So let's tax land speculation. But how? Simply by placing a big tax on the value of land—not the acreage, but the value, mind

you—regardless of whether or not the land is used.

Then the man who uses his land will not be hurt. But the man who holds his land out of use, or who only partially uses it will be soaked. And he's the man we're after.

The beautiful thing about it is that when land values are taxed the landlord can not add the tax to his rent. The law of competition prevents that. Roughly speaking, the rent of any site is its desirability measured by the competition of those who want it.

Now, if by taxation we soaked land speculators so hard that they could no longer hold their land out of use, they would have to bring it into use or let some one have it who would. That would increase the number of available sites. And any such increase in sites without a corresponding increase in the number of people who want them, inevitably reduces rents. And reduced rents mean cheaper land.

So, all we have to do is to make the tax on land values high enough, and all sites would then be available. Since the State of Texas has enough land to support the present population of the world, think what it would mean if land speculation were abolished in this way.

Good land would then be almost if not quite as cheap as Bill Jones or Tom Smith found it just after the war of the American Revolution. Anyone who wanted land for use could get it practically without money and without price. All he would have to pay would be the taxes.

Now of course all men are not farmers. All men would not want to go onto farms. They wouldn't have to do so to get the benefit of this fundamental reform. If a very small percentage of men did so then by taking themselves out of the labor market, they would so change the ratio between men and jobs that the wages of all men everywhere would be raised automatically by the competition of jobs for men.

The man who operates a lathe at the gear works would benefit no less than the man who actually left the city and went onto a farm of his own.

Just as gravity pulls a rock down the mountain side, while at the same time it pushes a balloon into the skies, so also competition will depress or elevate wages according

to the ratio between men and jobs. And by a stiff tax on land values this ratio may be reversed so as to increase the wages of all men everywhere.

I'm for it. Are you?