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WHY, IN SPITE OF THE INCREASED PRODUCTIVE POWER OF LABOR, WAGES DECREASE.

BY THOMAS HUNT.

FROM the time of the first settlement of the Western Hemisphere by European immigration, down to about 25 years ago, there was a gradual rise in wages, not only in this country but in western Europe. Owing to the shifting of monetary standards, and the variation in the purchasing power of money, this increase in wages can not well be stated in terms of money, but it is conclusively shown in the gradual improvement in the standard of living, and the increase in the comforts of the producing classes, which marked this period. Coincident with this increase in wages, there was also an increase in the productive power of labor. Invention has followed invention, and improvement succeeded improvement, until the wealth-producing power of labor has been enormously increased above what it was 300 years ago.

But while the march of invention still continues, and the wealth-producing power of labor is still increasing, wages are no longer rising. On the contrary they are declining, not only in this country but in Europe. That the standard of living of the wealth-producing classes of this country has been greatly lowered during the last 25 years, is a notorious fact that no one familiar with industrial conditions will care to dispute, and the great reduction of wages of the New England cottonmill operatives last winter, and the strike of the Chicago stone-cutters the other day against a 25% reduction, only emphasizes this fact; while in Europe the old cry of "bread or blood," which is again being heard with alarming frequency on the streets of its great cities, tells of the lessened incomes and harder conditions of the industrial classes.

For this condition, which is admitted by all except the wilfully blind, various causes are assigned. By many it is believed to be due to the demonetization of silver; by

others, the protective tariff is said to be the cause; while it is claimed by still another large class that the increased use of labor-saving machinery, the growth of trusts and syndicates, and the monopolization of the larger industries by great capitalists, are responsible for existing conditions.

But when we look over the world we see that the same conditions prevail where silver is money and where an inconvertible paper currency is the only medium of exchange, as well as where gold is money; the same conditions prevail in countries where high protective tariffs hamper trade, lessen exchanges and check production, but they also prevail in countries with a purely revenue tariff; they prevail in countries where industry is carried on in its most primitive form and with the simplest tools, as well as in countries where labor-saving machinery has reached its highest development; in countries where large capital is unknown as well as in countries where great aggregations of capital threaten to exterminate the small producer.

To find the cause of a state of things common to countries differing so widely in their monetary systems; their fiscal regulations; their industrial development, and their use of capital and of labor-saving machinery, we must seek for some condition that is common to them all, then inquire if its influence be sufficient to produce the effect under consideration; if it prove to be so, we are logically justified in pronouncing it the "efficient cause."

Now the one condition that is common alike to this country and the various countries of Europe is private property in land; the monopoly of the source of wealth. Let us examine the effect of land monopoly upon the production and distribution of wealth.

All the things which are necessary to sustain life; all the things which satisfy human wants and gratify human desires, may be grouped together under the general term wealth, and they are all obtained by the application of labor to land, and in no other way. Give a man free access to land and he can by the exertion of hand and brain, that is by labor, produce wealth in any form he desires to satisfy his wants; and it is but a truism to say that the greater the wealth-producing power of his labor the more wealth he can produce. Now the wealth thus produced, whether he work for himself or an employer, is his wages, and the more he is assisted by capital, the more

the effectiveness of his labor is increased by the use of laborsaving machinery, the greater his wages will be, whether he work for himself or for another; for he will not work for another for less wages — that is to say for a less amount of wealth — than he can produce working for himself.

But divorce a man from the land and it becomes utterly impossible for him to produce wealth in any form, to obtain in any way the things absolutely necessary to sustain life. A fish out of water is not more helpless.

Now the effect of making land private property is to divorce man from the source of wealth, from the only storehouse wherein he can obtain, by his labor, the things absolutely essential to his existence. So long as there is in any country free land to which labor can have access on nominal terms, wages can not fall below what a man can make working for himself on this free land, and the more the effectiveness of labor is increased by the use of labor-saving machinery, the higher the wages will be in that country, as the earnings of labor on this free land is the factor that determines the rate of wages in that country. But when the land is all reduced to private ownership, wages no longer bear any relation to the earnings of labor, the laborers are then helpless, and as they are compelled to bid against each other for the privilege of exerting their labor, wages are soon forced down to the barest minimum that will sustain life. Now, looking back over the history of this country, we see that from its first settlement down to about the year; 1870, there was always free land to which the laborer could obtain access upon some terms. It is true that he was sometimes forced to fight the Indians and always compelled to go a long distance beyond the verge of civilization, where his labor was much less effective than in a settled community, in order to obtain it. It should also be remembered that the taxes levied in this country, are nearly all indirect taxes which fall not upon accumulated wealth, but upon the earnings of labor. So that it was not the full earnings of labor, but what was left after taxes for the support of state and National governments were deducted from the earnings of labor expended upon land far removed from settlement, where time and expense involved in making exchanges greatly lessened its productiveness, which fixed the wage-rate in this country. Nevertheless the existence of this free land, this "public domain," as it was termed, was the great factor which molded our National life, and shaped our industrial condition. It not only caused a steady rise of wages in this country, but improved the condition of the people of western Europe. So long as it remained there were no

tramps in this country; no great armies of unemployed bidding against each other for work and forcing wages down.

When land is made private property, and labor is compelled to pay landowners for the privilege of using it, wages will not be the full earnings of labor, but what is left after paying rent and taxes, and the more that is paid as rent for the use of land, the less will be left as wages for labor. This is so plain that the most stupid person living ought to understand it. But what prevents the great majority of people from seeing this simple truth, is their failure to realize their dependence on the land. When the use of land is referred to the mind instinctively reverts to farming, and it is common for the mechanic to say when the land question is under discussion: "O that doesn't interest me. I don't want to use any land. I don't want a job farming, I want work at my trade in the shop." The molder bending over his casting in the foundry, the printer setting type on the top floor of a sixteen-story building, are just as much land users as a farmer. He does not use so large an area of land, but he does use far more valuable land. And just as the sum paid for rent by a tenant farmer for the use of a farm lessens the returns for his labor, so does the sum paid as rent for the land upon which a great manufacturing and commercial city stands, lessen the wages of every worker in that city. And as reducing the tenant farmer's rent, if he produce as much as before, must inevitably increase his income (there is not a man living so stupid that he can not see this), so reducing the rent of the land upon which a city stands will just as inevitably increase the wages of the workers in that city. Now, it is only natural that every landowner should desire to obtain as much for the use of his land as he possibly can, and very often this prompts him to ask more than labor can afford to pay and make a living, so the laborer and the land both remain idle. This doesn't make any difference to the landowner, as it doesn't hurt the land any to lie idle. but the laborer starves. This is the reason why we see so much idle land and so many idle men in every community — the landowners ask more for the use of the land than labor and capital can afford to pay.

As it is absolutely impossible for labor and capital to produce wealth without using land, and as it is to the interest of the landowner to force rent to the highest possible point, even though capital rusts and labor starves; how can we force such a reduction in rents as will enable labor and capital to engage profitably in production, so that not a single man may seek in vain for work? There is but one way, and that is to impose a heavy tax on land that will compel every man holding valuable land idle

on speculation to put it to use at once. Forcing all idle land on the market (as a heavy tax on land values would do) would, of course, cause a great reduction in rents. And whether it be farming land, forest land, coal, iron, silver or gold mining land or a vacant city lot, the owner could not possibly put it to use without employing labor, consequently such a tax would create the most tremendous demand for labor that the world has ever known.

Our inquiry is ended. The reason why the wages of labor decrease in spite of increase in productive power, is that rent tends to an even greater increase, and if we would put all idle men at work and raise wages to the full earnings of labor, we must destroy land monopoly by adopting the Single Tax.

#### A SOCIALIST'S VIEW OF THE PROBLEM\*

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Note.—This article should have appeared in the June number, but as it takes more space than is usually allowed contributors, its appearance was deferred.—Ed.

#### THE SINGLE TAXER'S POSITION ATTACKED.

I HAVE read, from time to time, with varying degrees of interest, the articles on Single Tax that have at different times appeared in the Journal, and my attention was particularly attracted to the one by Mr. F. T. Moreland, who sought to reply to the arguments of a previous contributor who had taken issue with him. Like many other articles from the pen of our Single Tax friends, it resolves itself into a eulogy of Henry George and the principles he so ably advocated. Mr. Moreland tells us that Henry George was the greatest master the world has known in the art of using words; and he might have added that seems to be an affliction from which all of his followers have since suffered.

But let us review his argument. I agree with Mr. Wainwright when he said that "Single Taxers are but half-way reformers." They say free the land, and they seem to think that is all that is necessary. Of what use would free land be to an ordinary wage slave, who possesses no tools to work it with? Socialists do not oppose freeing the

land; we go further; we want free tools to work it with, and we want them used co-operatively by every man that is physically and mentally able. How is it possible to tax land free? Perhaps Mr. Moreland may be able to give us more light on the subject. If I understand Single Taxers correctly, they expect by a system of taxation to free the land. If it were possible so to do, would it not destroy its commercial value? What are you going to tax if you destroy the commercial value of land? Single taxers may be great controversialists, as Mr. Moreland says, but I do not see that he has successfully demonstrated that any of the fundamental principles laid down by Mr. Wainwright (November issue of the Journal) in his article on wages are wrong. It is an easy matter for one to deny a proposition, but in order to convince people one must do more; it must be proven by logical and conclusive argument.

"As for the Socialists," says Mr. Moreland, "they have a remedy of their own, which, though a little dubious regarding the method of administering it to the patient, they firmly believe to be a sovereign cure for all the ills of the body politic." If he means that we have no cut-and-dried schemes to offer, I will agree with him. Socialism is the outgrowth of our industrial development; it can not be made to order. There is nothing artificial about it, and for one to define the exact manner in which it will expand and extend, is guess work, at the most. There is prevalent an idea that, to win approval for socialism, it is necessary to meet the clamor for details and particulars by drawing roseate pictures of the cooperative commonwealth, and the methods to be employed in administering the varying features of its industrial life. As such pictures can, under the circumstances, be schemes only, the contention then is that a truth is best inculcated by telling pretty stories about it. Such an idea is, of course, a mistaken one. In educational systems knowledge is best taught by direct and truthful statements of the sciences, not by indulging in fairy tales about them, and Socialism being a science, this rule can not be brushed aside in its case with any better profit. The sciences know only truth and fact. Schemes and air castles find in them no recognition or place.

Details can only be given definitely of artificial systems of society, such as the Single Tax. Natural systems fashion their own details with the elements at their command. To give details is equivalent to buncoing humanity with false pretenses; conjuring up dreams instead of illustrating facts.

In one sentence our Single Tax friend says: "The great beauty of this reform is its

simplicity and the ease with which it may be accomplished. No violent revolutionary methods are demanded." In another paragraph he says: "It would now be in operation in many communities in this country if it were not for constitutions that stand in the way." Seeing that no revolutionary method is necessary, how do Single Taxers propose to overcome these constitutional checks that stand in the way? All great reform or revolutionary movements that have ever been of any consequence, have always brought forth great opposition, and, in order to be successful, their advocates must be prepared to meet all obstacles that come in their way. The writer, in this case, admits that there would be competition for the privilege of using land, but also says, "with land public property, as it would be under the Single Tax, competition would be co-operation." He might as well say night would be day. There would still be privately owned tools of production, and people would produce for profit, and, therefore, for sale. That would necessitate competition between the different users of land. Where would the toolless class come in? They would have to dig in the soil with their fingers. It must be admitted that there is a toolless class, and that the men who own the tools are not philanthropists; and, seeing that the modern tools of production are so very complicated that no individual could in a life time produce them by his own efforts, how would they get them? Or, would Single Taxers destroy them and go back to primitive society and start civilization all over again, with land as common property?

Referring again to Mr. Moreland's article, we find him saying: "During slavery days the slave owners appropriated to themselves the wealth produced by their slaves. These slave owners were all, to a greater or lesser extent, capitalists. No one else could buy and own slaves. But it was the institution of slavery, not any power inherent in capital, which enabled those southern capitalists to rob their slaves." Does he imagine that slavery has been abolished? The form has been changed somewhat that is all. It is less than three years ago that 300 of the best miners in Spring Valley, Ill., offered to go into voluntary chattel slavery if they could get the same conditions that the chattel previously had in the south — namely, food, clothing, and shelter for themselves and families; and that is but one of many similar cases. No, slavery has not been abolished! If it had, it would be impossible for capital to rob labor. It is through the private ownership of capital that labor is enslaved and robbed, and it was through the private ownership of the chattel that he was robbed by the southern capitalist. The southern slave owner appropriated to himself the products of his slave's labor, and returned to him enough to keep him in condition to

work and reproduce himself. The modern capitalist appropriates to himself the products of labor and returns enough in the form of wages to the laborer to sustain life, and reproduce himself. But the chattel was always sure of enough for his physical necessities, because it was to the interest of the slave holder to see that he was well taken care of; just as it is to the interest of a man who owns a horse to take good care of him, so that he will be in condition to work. It is otherwise with the wage slave; if his health gives way through excessive toil, if he breaks down or dies, the capitalist loses nothing, because there are plenty of his kind in the market ready to sell themselves or their labor power at any price. I will admit they have the freedom to leave their master. But they have not the freedom to leave their class of masters. The only difference there is between the chattel and the wage slave is, the chattel was put upon the auction block and sold to the highest bidder, while the wage slave puts himself upon the market and sells himself to the highest bidder.

Says Mr. Moreland: "No point in political economy is better settled than that the return to labor at the margin of cultivation — the no rent line — is the factor that determines the rate of wages, and raising the margin of cultivation must inevitably raise wages, and the ownership of all the capital and all the machinery in the world could not prevent it, or even extend the slightest influence upon it." This shows a total ignorance of what wages are. Wages represent a certain fraction of the wealth labor produces. The margin of cultivated land is an immaterial factor in determining the fraction that the workman may receive for the production of commodities under our capitalistic system. This argument might serve its purpose if we were still living as agriculturists, but we are not. Under our present system, labor has been reduced to a commodity. Labor being a commodity its price, like every other commodity, is governed by the law of supply and demand, and its cost of maintenance. By the cost of maintenance is meant the amount that is necessary to keep a man in condition so he will be able to work the next day and reproduce his species. But, our friend continues, "Instead of capitalists being able to dictate the wages of labor, or being in any way responsible for prevailing conditions, they, equally with wage earners, are victims of the present iniquitous system. Do not the papers teem with accounts of the failures of business men of every class, merchants, manufacturers, owners of shops and mills and factories of costly and perfect machinery? What are they but capitalists?" They are usually would-be capitalists who belong to the middle class, whose machinery, shops, and factories are not up to date. When a capitalist, or set of capitalists, fail in business, it only means that there is some one else in the market,

with whom they are in competition that has better facilities for production, therefore they can sell cheaper and force the other fellows out of it.

As for the merchants, the department stores are driving them out. We do not need 40 or 50 small stores in a town or along a street when one department store can do the business just as well, they can sell cheaper, and the sooner the department house drives that army of parasites out of business the better. They do not increase the value of an article; they simply pile goods upon their shelves, and add an artificial price that puts the goods that are produced by labor so much further out of its reach.

As for the capitalists, being victims equally with wage labor, they are both the product of this system. But capitalists are oppressors and exploiters of labor. If you do not believe it, turn your eyes toward New Bedford and see what is going on there at the present time. Soup kitchens have been the mainstay of the strikers, feeding over 2,000 people daily. Four hundred families comprising 2,000 men, women, and children, are being slowly starved to death. Are there any capitalists starving down there? No; the large dividends they have fleeced the poor wage slaves out of will keep them in idleness and luxury for a long time to come. Is that enough, or will I point to Hazleton, Homestead, Coeur d'Alene, and the great railroad strike at Chicago with Debs behind the bars for six months?

Mr. Moreland continues, "Havemeyer's operations are made possible by the tariff for the protection of American industry. There would be no tariff under the Single Tax." England is a free-trade country; does he mean to say there are no Havemeyers or his counterparts there? I do not know what Rockefeller thinks of the Single Tax; I do not believe he is very much afraid of it. It is evident that Tom Johnson, the manufacturer and monopolizer of public franchises, is not much afraid it will interfere in his line of legalized robbery.

We will agree with Single Taxers that there are millions of men out of employment ready to work for any pittance they can get, and that there is any amount of idle capital in the market that can be had by one that can give good security. They ask, why do these capitalists not set these men to work and rob them? They have already been robbed. The reason they do not reinvest their capital is because the channels for reinvestment are closed. We are not suffering because there has not been enough of the good things that are needed produced. Shoemakers go barefoot

because there are too many shoes; tailors go naked because there are too many clothes. The illustration applies with equal force to all industries. This is because of the profit system. Do we not see capitalists all over the world seeking the markets of the world? It is a law of the capitalistic system that the surplus stolen from the wage-workers must be reinvested, or the system will go to pieces of its own weight. The reason those millions of men are out of work is because machinery is doing the work that they formerly did, and this state of affairs will continue to grow worse as fast as the different industries develop, concentrate, and put in more perfect machinery.

The talk about abolishing the trust or monopoly is nonsense. It can not be abolished without abolishing civilization, and going back to primitive society. The trust or monopoly is essentially a tool of production. The difference between the trust and the old style of the privately owned tool, is a difference, not of kind but of degree. Why deny to a combination of men the same right that you grant an individual? If it is right for one man to employ 50 or 100 men, and by exchanging their products, rob them of a part of their production, why should a combination of men be denied the right to employ 6,000 or 10,000? A principle is right or it is wrong; there can be no limit to the application of a right one.

Socialists say it is wrong for both to enjoy that privilege, because it enables them to live at the expense of other men's toil. Mr. Wainwright correctly stated: "Those who control capital are not only able to, but do appropriate to themselves the greater share of what labor produces." "This I deny," says Mr. Moreland; "I deny that capitalists as capitalists have the power to appropriate any part of the earnings of labor. When a capitalist does so, it is because he is a capitalist plus something more." This is quite an important denial; let us analyze it closely, and see what more he need be than a capitalist.

Whence does the capitalist derive his income? The gains of the merchant's and usurer's capital consisted originally of the portions which they withheld from the property of those who needed their services, either to satisfy a craving for luxuries, or for aid in distress. It is otherwise with industrial capital. The capitalist class performs no kind of productive work. This is done by the wage-workers. But the wageworker does not produce for himself; he can not. Two of the factors which together, are today indispensable for production — land and capital — are the private property of a comparatively small number of people. The proletariat, the

person who has none of these, must either starve or sell the only thing left to him, his labor power, to the person who will buy it. That person is the capitalist. When the capitalist buys the labor power of a proletarian, and thereby turns the latter into a wageworker, he does so only because the wage-worker will produce more than he is paid. If he produced only as much as he is paid, and worse, if he produced less, the capitalist would have no use for him, would not buy his labor power, would not have him for a wage-worker. The proletarian, the wage-worker employed by the capitalist, is the wealth producer. Out of the wealth brought into existence by the wage-worker himself, the capitalist takes a part, not more than one-quarter, if as much, and returns that to the wage-worker as payment for his labor power. The rest of the wealth produced by the wageworker, the remaining three-quarters, if not more, is surplus — that is to say, the amount of wealth produced over and above what was necessary to enable him to restore the forces he expended in production. That surplus the capitalist keeps to himself; he calls it profit; it constitutes his income. Industrial capital, accordingly, derives its profits by exploiting the propertyless wage-workers.

As the small industrialist and small farmer are disappearing, and their influence upon modern society is felt ever less, so also, are disappearing the old forms of merchants' and usurers' capital. Already, there are nations without artisans and small farmers. England is an instance in point. But none can conceive of a single modern state without large production.

Whoever desires to understand the problem of today must proceed to reason from a knowledge of the industrial form that capital has assumed. They must realize that its gain flows from the wealth produced by labor, that its gain is that part of such wealth which capital appropriates to itself, and finally, that this gain is ever on the increase according as the burden of the toiler is augmented, labor-saving machinery introduced, and labor power cheapened. No system of taxation can change this natural development. It is a mistake to theorize that the evils of our social system are the result of unjust taxation.

Socialists, knowing that the causes that produce poverty in a world of plenty, are due to a system that allows one individual to live at the expense of another, by compelling him to sell his labor for a wage, demand that these relationships be

changed. But this change implies a revolution, and we plainly state that all natural resources and productive forces must become the property of society.