

## THE REMEDY FOR LOW WAGES

By P. J. O'Regan

(BARRISTER)

(From Report of recent Addresses delivered in Wellington, New Zealand)

Fifty years have elapsed since Henry George wrote *Progress and Poverty*. His argument has remained unanswered and it is irrefutable. On all sides the facts he pointed out are staring us in the face. In the midst of the greatest plenty actual famine is to be found. Labour, the producer of all wealth, is treated as a mere commodity; strong men who have nothing but their labour are helpless. Naturally they are discontented, but discontent is of no avail, unless we realize, first, that there is no reason in natural law why anybody willing to work should not have abundance of the good things of life; and, secondly, that the one reason why labour is helpless and stripped of its own is that land, the source of all wealth and the material whence our very bodies come, is the private property of a few who are thus enabled to lord it over their fellow-men.

The most discouraging feature in the present situation is the note of hopelessness struck by public men, even by labour leaders. Everybody appears to assume that poverty and unemployment are more or less inevitable. Even leaders of labour, when they interview Ministers and Mayors, ask for nothing better than relief works. Never once do such people point to the real cause of the mischief. Relief works are no remedy; their effect is merely to enhance the power of the landlord to demand higher prices for land.

The progress of society, instead of promoting a greater diffusion of wealth, really leads to the development of two classes—a landed and a landless class—the one gorged with superfluous wealth which it does not earn, and the other stripped of everything it produces save the minimum of a bare existence. But the masses of the people who are the victims of the situation are also its masters. They have the franchise. They have in their hands a remedy that can be readily applied.

### TRADES UNIONS AND STRIKES

The great Adam Smith wrote that "in that original state of things which precedes the accumulation of stock" (capital) the reward of labour consisted in the whole of its produce. As has been well said by Henry George, however, Smith did not show why it was that as society left "that original state of things" behind it the wages of labour were reduced. The explanation is that increasing population, by enhancing the value of land, enables the landlord to appropriate an increasing share of the earnings of labour. This cannot be arrested by labour unions, because the level of wages in all occupations cannot be raised very much higher than the level of wages in the ranks of what is commonly called unskilled labour. Despite differences in skill, wages in all occupations tend to a common level, and before they can be raised in the skilled occupations they must be raised in the unskilled. The level of the ocean cannot be raised by raising that of the bays, and no one can imagine the ocean level rising without the bays and estuaries rising to the same level.

Under the existing order of things, if wages were raised above the general level in any occupation, that occupation would attract a great number of workers, and competition would soon bring wages down. We see this well illustrated by the case of the school teachers. As the result of years of agitation, teachers have obtained good salaries, but the inevitable result is that we frequently hear of unemployed teachers. Exactly the

same result would follow if wages were raised in any other single occupation. Labour organizations are powerless to meet the unemployed difficulty. The formation of a union presupposes that there is work for its members, but if work is not available to the members, of what use is organization? It is a maxim of unionism that unity is strength, and the bundle of sticks is a familiar illustration, but there are some things which even unity cannot accomplish. An Act of Parliament is the expression of a nation's will, but the littoral of history is strewn with the wreckage of legislative attempts to fix wages.

### THE RIGHT USE OF TAXING POWER

Once it is realized that the cause of low wages is the misappropriation of the rent of land by private persons the remedy becomes clear, and the futility of strikes and arbitration awards equally apparent. A strike, if it does not actually play into the hands of the enemies of labour, will do nothing to reach the fundamental evil. Therefore, although, speaking broadly, the men who strike are always right, they can never reach their real objective.

On the other hand, nothing is so historically regular and constitutional as taxation. Taxation is certainly the most important function of government. The taxing power is now being used by enemies of labour, first, by allowing the community value of land to be the special preserve of a few; and, secondly, by compelling the masses, deprived of their right to land, to bear the greater share of the community's fiscal burdens.

The situation can be met promptly, effectively, and permanently by the simple process of concentrating taxation on the unimproved value of land, at the same time remitting taxes on the produce of labour. What is required is not additional taxation, but a readjustment of taxation. The immediate effect would be the cheapening of land by reason of the fact that idle land would be brought simultaneously into the market. Capital now used to blockade land would then be applied to the work of production; labour, by reason of the vast opportunities thrown open, would be able to employ itself and wages would rise automatically.

### THE VOICE OF HISTORY

Certain customs and institutions are universal characteristics of human society, and the fact that they existed everywhere from the dawn of history is the surest proof of their justice. As St. Augustine said away back in the fifth century, "*Securus judicat orbis terrarum*," in other words, the judgment of mankind is correct.

No fact of history is so completely authenticated as the common ownership of land. Despite deep and abiding differences, the human race is essentially united in all things essential, and that men have everywhere treated land as the inheritance of all is the fullest verification of the justice and urgency of the modern movement to restore men to the rights of which they have been robbed, for private ownership of land has everywhere arisen through violence or fraud.

Our own history shows that our Celtic and Teutonic ancestors ever regarded the land as the property of all the people. The Celtic chief, like the Maori chief, was the steward of his tribal lands, and every member of the tribe had an equal right to the soil. In Saxon England every family had its town lot and its cultivable lot, while beyond lay the village common. The feudal system came with the Norman Conquest, but even then the Crown was regarded as the custodian for all the people, and the landlords held their lands conditional on the discharge of certain onerous public duties. The feudal system had left the Church lands intact, and

until these were plundered by Henry VIII and Elizabeth and parcelled out to their pandars and favourites, there were no poor laws in England. Even until the reign of Charles II the land had borne the entire cost of war, but the landlords cast off their obligations in 1645, and so had begun England's National Debt. Moreover, the feudal system had left intact most of the common lands, but these were appropriated by the landlords by successive Enclosure Acts. Two such Acts were passed in the reign of Anne, eighteen in the reign of George I, 226 in the reign of George II, while in the reign of George III no less than 318,000 acres of common lands were so stolen from the people.

The wrong done in depriving the people of their natural right in the soil is not ended with the death of the original perpetrators of that great national crime. It is a continuing wrong, crying to high Heaven, if not for vengeance, certainly for redress, and by the lawful exercise of our rights as citizens, the taxing power can be utilized as a means of repairing the wrong by winning back for men the right which has been theirs from the birth of human society.

## THE EXAMPLE OF AUSTRALIA

By S. V. Larkin

In sending his subscription to *Land & Liberty*, Mr S. V. Larkin (Sydney) writes:—

In this month's *Standard* we are reprinting Snowden's Manchester speech (as reported in the *Manchester Guardian Weekly* of 24th October). The whole of that speech was dismissed in one line in the cable columns here. I wish it were possible to get more of such statements through the cables. Free Trade, apparently, is poorly served by the Press in the Old Country.

One of the most amazing things of recent times is the persistent agitation of your protectionists for tariff duties. Surely the evidence of conditions in protectionist countries ought to be sufficient to damn their propaganda. Take Australia as an example. Aren't we a great advertisement for the benefits of protection? For years we have been living riotously on borrowings and the fool masses have thought this "prosperity" was the result of protection! The stoppage of borrowing has exposed the whole thing.

To give you some idea of the ridiculous lengths to which Australia has gone, I would cite the case of our Federal Income Tax, which is a glaring example of complexity, absurdity and back-breaking exaction. It is estimated to raise £13,000,000. I do not think there is the slightest doubt but that it will fall far short of that figure. But even supposing it reaches expectations, it will only be sufficient to pay old age and invalid pensions, maternity allowances and incidental expenses! Naturally, Customs Revenue will be very low, on account of the prohibitive tariff, the fool Sales Tax is not measuring anything like up to expectations, and other forms of revenue are also falling off. How then is the Commonwealth to balance its budget and stand up to its obligations?

Protectionist finance is demonstrably unsound and ludicrously absurd. But for a country like Australia, which has been such a heavy borrower, it is the apotheosis of crazy finance. For years we have been borrowing abroad on a heavy scale—probably £30 to £40 millions per annum. The Customs tariff has levied a toll on those borrowings (it is estimated) of approximately 20 per cent. Probably £6 to £8 millions per annum of our borrowings have thus been intercepted

at the Customs House and have been figuring in our financial statements as "revenue"!

This absolutely spurious revenue has given a fictitious buoyancy to federal finances for many years past and has provided the opportunity to the political fraternity to splash largess about in the shape of doles, subsidies, bonuses, pensions, and so on. While we have thus been splashing loan money about as if it were legitimate national income, and have been boosting land values everywhere, we have at the same time, and for the same reason, been over-capitalizing all public works and private industry. Customs taxes are added to the landed cost of plant, building materials, etc., and appear as capital values in the books of industry. The bubble was blown to such a size that its collapse was inevitable. Thus with over-capitalization in everything, combined with the stoppage of further borrowing and the serious decline in the prices of our staples, we have "got it in the neck" with a vengeance. Can you imagine a more vicious kind of finance?

John Bright, as you will remember, was fond of quoting an old rustic, back in the Hungry 'Forties, who said: "I be purtected, but I be starving." That is the position here. Unemployed industrialists here, in unprecedented numbers, are practically starving, but no one can say they are not protected.

As Woodrow Wilson so well put it: "Protection is one of the greatest pieces of bluff and humbug that has ever been known in the history of political deception."

The consummate impertinence of our Australian politicians trying to get the Mother Country to tax foodstuffs for her masses, in order to assist a mendicant dominion which has made such a muddle of its own fiscal affairs, makes one almost ashamed of the name Australian. It makes one glad, however, that you have a man of the calibre of Philip Snowden to withstand such insufferable humbug and protectionist propaganda.

## "PROGRESS AND POVERTY"

### Errata

The following corrections should be noted in the text of the 52nd Anniversary Edition of *Progress and Poverty*:

Page 79: In some copies the "9" of "79" is missing.

Page 121, second last line: Delete the comma after the word "Edinburgh."

Page 132, line 33: The word "towards" should read "toward."

Page 138, line 22: After the word "Granted," the letter "f" has been dropped and "or" should read "for."

Page 150, seventh line from foot: The word "these" should read "the."

Page 176, last line: In some copies, the word "of" before the word "cultivation" has been dropped.

Page 199, second line: Insert a comma after the words "at length."

We are indebted to four separate correspondents for calling attention to these errors. In appreciation of this service we have sent to each a presentation copy of the book in its dark green limp rexine binding with gilt top and gold lettering. Our desire is to achieve a "letter perfect" text and to anyone who discovers further printer's errors, a similar compliment will be gladly paid. Of the 10,000 copies of the new edition more than 2,000 copies have already gone out on their mission to the bookshops and to direct purchasers. There is every indication that a further edition will be called for during this year.