

HOW WAGES ROSE

The Nome Illustration

Raymond Robin's story of an actual experience in Nome, Alaska, becomes most impressive as an exemplification of the power of "land capitalism" over human labourers and the effectiveness of free land in producing economic freedom.

As Mr Robin's story runs—in substance only and not in its interesting details—there had been a time in Nome when the lowest wages were eight and nine dollars a day, not at gold mining only but in all employments. But as mining opportunities came to be monopolised and population grew, wages fell until they were down to the minimum of subsistence, which for that place and the time was three dollars a day. The "jobless man" had come. And then were seen in little at Nome all the phenomena of wealth and arrogance in the midst of poverty and dependence with which we are so familiar in the bigger world. The wages system in its direful sense was in full swing.

But on one memorable day a disemployed miner who could get no work either at mining or at anything else, for the labour market was glutted, despondently threw his pick into the tideswept sand at the seashore; and as he listlessly pulled it out he saw upon it the signs of gold. The seashore was not far from Nome, and below tide water it was free ground. He worked that day on this rich beach, and of his earnings, which were something like \$20, he got all. There was no surplus product. His labour was not fleeced.

The next day the word had gone around, and other claims on this seashore were staked. But, unlike the land back of tide water, this land could not, under the law, be monopolised; every claimant had to use it himself or let someone else use it. And there was plenty of it. As word of the wonderful discovery spread, the glut of the labour market ended and wages at Nome rose to \$12 and \$15 a day, which was about what a man could make washing the sands at the shore.

Now mark this: Only disemployed miners were obliged to go to the beach in order to get that till then unheard of rate of wages. Miners in other mines stayed where they were and had their wages raised. Clerks in stores and waiters in restaurants stayed where they were and had their wages raised. The free and profitable employment at the nearby seashore absorbed "the surplus labour" as we call it, and employers, owners of machinery, were obliged to pay at least as much as could be washed from the sand, or lose their help. The economic condition had been reversed. Instead of ten men and only nine jobs, as before, there were only nine men and ten jobs. The earth at that point had ceased to be a "closed" shop and become an "open" shop, and the "jobless man" had consequently disappeared. The power of what in Nome corresponded to the "factory lord" in our larger society, was gone.

—From *The Open Shop and The Closed Shop*

by LOUIS F. POST.

Sidney Gilchrist Thomas, famous as the inventor of the improved Bessemer process of steel production, worked as a young man as a police court clerk. At a meeting of the Iron and Steel Institute in 1878 he announced his discovery. His life, written by his sister, Lilian Gilchrist Thompson, and published by Faber and Faber, was reviewed by Richard Coventry in the *New Statesman and Nation*, 22nd June, 1940. There it is stated that "experience in the police court made him (Gilchrist Thomas) an ardent supporter of Henry George and temperance reform." He died (aged only 35) in 1885, so that his interest in Henry George, of which we have no other record, must have been evoked in the earliest days of the movement. The reviewer states "that Miss Gilchrist Thompson's own life has been spent in the service of her brother, who died so many years ago, leaving her £300 a year for life and the control of a vast fortune to be spent in 'doing good.'"

LETTER TO A FREE TRADER

Mr James H. McGuigan, writing from Ireland in answer to an invitation to a Conference in London, desired to put the following four points to his correspondent, who issued the invitation, that they might be conveyed to the meeting.

"I think your answers to the four questions of the common man are not likely to arouse sufficient support for Free Trade to revert to the policy that preceded that of the National Government. Here are my replies:—

"1. In spite of the increased production of wealth that followed the repeal of the Protective Tariffs, there was much poverty and housing conditions were bad for the workers, while unearned incomes (from the private appropriation of land values) were increasing in all urban areas, especially in the big cities, and an ever increasing share of the products of labour was flowing to the owners of land in the great centres of trade. Many were decrying individualism and competition and demanding state regulation of everything and everybody. There were very few brave enough to defend *Laissez Faire*. Such measure of Free Trade as we had was not effecting an equitable distribution of the increasing wealth.

"2. Income Tax operates as a fine on the use of land, the employment of labour, and the production of goods, while it encourages the land speculator neither to use the land himself nor to let anyone else use it.

"3. Those now employed in protected industries can hardly be expected to support Free Trade while the prospect of its adoption means for them competing for jobs with huge numbers of other unemployed men. And while Protection has not solved the problem of unemployment anywhere, the need for a solution was as urgent under our 'Free Trade' as in the countries under Protection.

"4. The hopeless outlook you have on unemployment weakens any appeal you make for Free Trade so called. It would be difficult to convince the workers in Barrow, in Birkenhead, on the Tyne and on the Clyde that the building of warships caused unemployment. War and preparations for war are generally looked upon as providing work. Free exchange is not enough. It makes poor appeal to so many who have nothing to exchange. But freedom to exchange coupled with equal liberty to produce goods would appeal to all who love liberty and are capable of clear thinking.

"I enclose a small pamphlet, *The Real Meaning of Free Trade*, being an extract from an address on Free Trade by Henry George, which may induce you to read his book *Protection or Free Trade*."

The *Meat Trades Journal* recently gave as "this week's quotation":—

So long as all the increased wealth which modern progress brings goes but to build up great fortunes, to increase luxury, and make sharper the contrast between the House of Have and the House of Want, progress is not real and cannot be permanent.—Henry George, *Progress and Poverty*.

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The old practice of man holding man as property is exploded among civilised nations; and the analogous barbarism of man holding the surface of the globe as property cannot long survive. The idea of this being a barbarism is now fairly formed, admitted and established among some of the best minds of the time; and the result is, in all such cases, ultimately secure.—HARRIET MARTINEAU.

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