Wisdom From Economic Illiterates

PROFESSOR JAMES MELVIN LEE, head of the New York University College of Journalism, replied to the query: "Why have the newspapers of the United States so signally failed to expose the iniquity of the Fordney-McCumber tariff bill?" by saying "The truth is that the great majority of American editors are economic illiterates."

This is the only explanation we can find for the amazing nonsense written on what is termed "the labor problem" by the editors of the average newspaper. The numerous strikes and lockouts, involving several millions of workers, have called for editorial comment, and there have been an abundance of commonplace platitudes about the rights of capital and the duty of labor to continue production. In practically no paper has there appeared any recognition of the fact that behind strikes and labor disputes there is a problem of social maladjustment that calls urgently for a solution.

There is general complaint on the part of the daily press of the alleged ignorance of labor leaders regarding the economic laws governing the production and distribution of wealth. This may be true, yet there is no evidence that the owners of capital, the heads of great railway, industrial, and commercial enterprises, are any wiser. And if true, how shall labor be educated? Plainly not by ignorant editors. A fair sample of the jargon that passes for thought on important questions is found in a recent editorial published in the Chicago *Journal of Commerce*, entitled "The Laws of Wages" in which the assertion is made that: "Henry George..... believed the only way to raise wages is to relieve the laborer from paying rent, but this theory is exploded by the fact that wages are always lower where there is abundant land, and highest where rents are highest, as in New York City." It would be hard to put in so brief a space a greater number of errors. Henry George, of course, did not hold the views attributed to him. He taught that the way to raise wages was to free to labor all unused natural opportunities, by taking economic rent for public purposes. Nor is it true that real wages, the share of labor in the value of its product, are always lower where there is abundant land. The facts are just the reverse of the editorial assertion. Real wages are always highest where labor has free access to land, land meaning all the natural resources of a country. Money wages may be higher in great centres of population, but when the higher cost of living is taken into consideration it is found that the workman receives a relatively smaller percentage of the value of his product.

There is unquestionably a need for a popular campaign of education to spread a knowledge of sound economics among the American people. Such a movement should begin with the 21,000 newspaper editors, who are purveying a mixture of ignorance and folly to their hapless readers.