

## CHAPTER VII

### THE WAGE SYSTEM, THE STEP FROM LEGAL INTO ECONOMIC SLAVERY

**I**T has appeared at several points in the preceding pages that the man who owns no natural resources of any kind and has no means with which he can buy them, but who depends for his livelihood upon a daily wage, is economically dependent upon others for his very life. Serious results follow from this dependence. Let us brush away the artificialities imposed by man upon nature's provisions for her creatures and see what the original intent of the Creator was. Or if we do not choose to look for a purpose, let us see how nature provided, whether there was any purpose anywhere or not.

This earth was here before man was. It was governed by the same natural laws as now, and composed of the same material,

which was mainly in the same form as now. Man appeared. It matters not how. We are now simply concerned with the fact that he is here. No one deserves any credit for being here, nor is any one to be blamed for being here. All have come through operation of the same natural laws. No class legislation can confer special privileges on being born. No legislation of any potentate or council of potentates can change one iota the natural relations of any child to the domain of nature into which it is born. These natural relations of all human beings to nature's domain are absolutely identical. The fact of birth carries with it the right to live. Not the right to a living, but the right to an opportunity to earn a living without the consent of some other man. I do not mean the legal privilege to live merely, but the highest moral right. All need food, raiment, and shelter. Nature provides these, either already in usable form such as nuts, fruits, roots, and herbs for food and caves for shelter, or she provides the materials out of which man can make these things for himself. The material for every shelter from the storm, for every

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article of clothing, for every particle of food, for every material thing of whatsoever sort that ever contributed or shall ever contribute to the comfort and happiness of any human being, has been provided by nature. No man ever brought an ounce of wealth-material into the world with him, or made an ounce of it after he got here. Men are merely one of the animal races that roam over the earth, and they used to roam like the rest of them. In many ways all animals are alike. It matters little whether the animal is the biped called man, a bird of prey in the skies, a tiger in the forest, or a shark in the sea, his common rule of action has been, *Get all you can*. The polite name for this rule of ethics common among brutes, when applied to man is "individualism." This get-all-you-can rule of life has meant the supremacy of selfishness and brute force. We have inherited and perpetuated certain social institutions which this supremacy of brute force has established. One of these institutions is a vicious system of land tenure, one result of which is the concentration of ownership and of consequent control of all wealth-material

in the hands of a comparatively small part of the race. This is not the place to trace the history of land tenure. Suffice it to say that it had its origin in brute force and by brute force has always been maintained.

Wealth is produced, as has already been pointed out, by the application of labor to materials provided by nature. The legitimate function of capital is to facilitate the application of labor to material, to assist labor by enabling it by the aid of machinery and tools to accomplish larger results in shorter time. It has been elsewhere explained how capital arrogates to itself another function, one that is not in the least essential to the productive processes, but one that is possible where private ownership of land prevails. This non-essential function is the control of the wealth-material and through this of the labor operating upon it.

When one understands the bearing of this second but non-essential function of capital, he understands the legal relation of labor to wealth and to its production. It is evident without argument that the millions of non-owning wage-earners are

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economically in the power of those who own and control the material, as truly as were the colored slaves legally in the power of their owners before their emancipation. There is absolutely nothing in this world for them to do except to operate upon material, changing its form and place. If the material is withheld from them by the owners of it, they and their families may beg or starve. Their privilege of earning their bread even by the sweat of their brows has been denied them. All talk about free labor is prattle, if it is meant that a laborer is free to earn bread without asking the privilege of doing so from some other man. His freedom is limited to the privilege of asking. He is absolutely free to keep on asking for a job forever, but never free to get it. The plain name for this situation is slavery. It is legalized slavery. These economic conditions are the result of law. They are the logical outcome of our irrational laws of ownership, especially of land ownership. Non-owning wage-earners have no legal right to live except in the almshouses. If they beg, the laws jail them. If they starve, the taxpayers bury them. In the

potter's fields of the world are the victims of our cruel industrial organization to be counted by the ten thousand. If the reader doubts it, let him go to the records, find their names, look up their history, and judge the facts.

If the conditions already indicated are true, if those who own and control the wealth-material of the world are the masters of the situation, while the non-owners in order to live must operate upon material owned by others, but only when the owners allow them to do so, if this condition of affairs is the legal condition, upheld by the governments of the world and enforced as it is by their armies, what is likely to be the principle of division of the products of industry between these parties? Will it be, as some seem to think and have taught, some divine law established by loving powers somewhere back in the eternities? A law, an eternal principle, imposed upon men by a God, an immutable law which man can not change but must submit to? That is the black fatalism of the night of antiquity. It has no place in daylight. Nay! The principle of division will be established by

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the parties between whom the division is to be made, and will be just as advantageous to each party as each party can make it for itself. It is a bargain. But when all the advantages of ownership of material belong to one party and starvation faces the other party, what is likely to be the principle of division? And how will it be put into operation?

At some point in the history of the race we would expect there would result the reduction of non-owners to the condition of slaves to owners, and exactly this has been the case the world over, at least in all that part of the world which now calls itself "civilized." But when slavery came to be too abhorrent to growing intelligence it was abolished. This, however, left the ownership of wealth-material where it was, and at the same time it destroyed all feeling of responsibility on the part of the masters to provide for those who had been their slaves. Although the slave was no longer a legally recognized chattel, yet as a non-owner he was still economically subject to the owner,—not to his owner, but to the owner of land, of natural resources. He

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must now bargain with his employer as to his compensation for services. So the wage system comes into being, which is the first step towards freedom. But it is only the step from legal into economic slavery.

What will necessarily be the result of such an arrangement for division of the products of labor as embraces the wage system, and as can be put into practical operation only by means of it? It will give to the party who has the advantages on his side just as large a share of the product as he can possibly secure for himself through the leverage of these advantages, which means just as small a share to those who suffer the disadvantages as it is possible to give them and still secure their services. "The iron law of wages" finds its place. This is human nature, on its brute side. It is that beautiful "individualism," the kind which is said to have done so much in civilizing (?) the race. It would have been exactly the same if the parties had been reversed, if the unfortunate non-owners had been the fortunate owners. So we are not blaming individuals or classes of individuals but we are condemning certain



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legalized, society-sanctioned, misery-producing institutions. We are also condemning certain characteristics of the race, characteristics that ought to have been educated out of it long before our day, and a better spirit educated into it. This would have been accomplished for Christendom at least, if the Christian Church had fulfilled its mission, and had not been side-tracked by vicious metaphysical speculation, which made of the pulpit an arena for gladiatorial dogmaticians instead of a platform from which should be thundered forth the plain straight teachings of Christ, that *all men are brothers*, that there *is* a golden rule of conduct for *men*, a thousand times nobler than the much lauded individualism, which is the rule among brutes. The very essence of Christianity is service, other-fellow-ism. It condemns in toto, absolutely, and eternally the individualism of modern life.

My first stricture upon the wage system which resulted from this economic dependence of non-owners, is that it deceives the wage-earner. It does this in the first place because "money wages" and "real wages" are not the same thing. What a man gets

for his day's work in money is his nominal wage. What this money will buy for him is his real wage. If while he is receiving the same money wage general prices of commodities go down, his real wage increases because he can buy more for the same money. If on the other hand while he is receiving the same money wage prices go up, his real wage goes down because he cannot buy as much. But men are apt to think their wages increase or decrease as the amount of money they receive increases or decreases. Again, being paid in money the wage-earner is blinded to the division of the product. He has seemed to get the fruit of his labor because he is paid the wage he has consented to accept, whereas if the means and manner of making this division had been such as to allow employees to see the entire product of their labor in co-operation with capital, especially since the establishment of the factory system introducing machinery, and to see what part of the product comes to them and what part goes to others, they would have precipitated the labor problem long before our day. The means of division ought to be absolutely free from everything

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that may mislead or deceive, it should be exactly what it appears to be. This is not true of the wage system.

A second result of the economic dependence we have pointed out is the fact that this wage system in practice apparently annuls the wage-earner's right in the product of his own labor. Let us illustrate. Go back to primitive conditions before individual ownership in land was recognized, when no man thinks of claiming as his anything that nature has supplied in the form of land, or forest, or sea. He must eat in order to live, so from the common stock of fish in the waters, of game in the forest, and of fruits on the trees, each helps himself, and the fellow that gets them first appropriates them to his own use without complaint from others, at least so long as there is plenty for all in easy reach. Living under these conditions and known under the name of Axman, I go into the forest and with my rude tools I make from a tree a canoe. With it I go out from the shore and fish in unfrequented parts with better success than those who fish along the shore. Some day a big stout fellow who sees the advantages

of the canoe comes along and says, "I'll take that." I say, "No you don't. That's mine. I made it." The other fellow says, "I don't care who made it. I'm going to have it." And he makes ready to take possession of it. He is stronger than I, so I appeal to my fellows in the community. They, every one of them, man, woman, and child, when they learn the circumstances, stand by me and say to the other fellow—"Get away from that canoe. That belongs to Axman. He made it." The other fellow for his own safety gets out of the way. All my fellows recognize my right of ownership, and that it rests in the fact that my hands made the canoe. This is in a state of nature, where we can see what the producer's right is, upon what it is based.

Let us change the case a little. Suppose that individual ownership in land has come to be recognized. Tribes have ceased their wanderings and have become settled communities. Each tribe gains possession of a small section of territory, and they find that for some reason or other it is for their advantage to leave or assign certain portions of the common territory to individuals,

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or perhaps to certain families, so there comes to be private occupancy. This after a time is recognized as private ownership, occupancy-ownership. Some man now owns a piece of ground on which trees grow from which canoes can be made to advantage. I have no land. Division of labor is having its beginnings and I can make canoes. The man who owns the trees wants a canoe, and so do I. I say to him "If you will let me have one of your trees I will make a canoe and we will both use it." He replies, "All right. I'll furnish the tree and you make the canoe and we will own it together, half and half." So I go into his woods, make the canoe, and take it down to the river. We both use it. It is *our* boat, not *mine*, not *his*. There is partnership ownership. Some day a big lazy fellow comes along and says, "I'm going to have that canoe" and undertakes to get possession of it. I say, "No you don't. That belongs to me and another fellow. I made it out of his tree." Notwithstanding my protest, he tries to get possession of it. My partner hastens to the scene of action and says, "Get away from that canoe. That's ours. Axman made it

out of one of my trees." Through a little muscular effort we persuade the fellow to let the canoe alone. Our fellows in the community stand by and approve our action. They recognize my right because I made it. They recognize my partner's right because they have yielded to him their common ownership of this particular piece of ground on which the tree grew, and from their point of view the tree was his. This is not all. An interesting feature of this case is, that even the man who owned the material out of which the canoe was made recognizes that the man who made it has a right of ownership in it as truly as he himself has. My right of ownership, in the eyes of the community is here again based upon the fact that my labor made the canoe. My partner's right rests upon the fact of ownership of the material out of which it was made. His right bears the appearance of a legal right based on community assent, while mine is the producer's right, an undoubted moral right, based upon labor performed in producing.

Let us change the case again. Suppose money has been introduced to facilitate

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business transactions. The man who owns the tree wants a canoe. I do not. But I am a canoe builder. He says, "If you will make me a canoe out of one of my trees, I will give you a dollar a day for making it." I agree to do it. I go to the forest, make the canoe, bring it down to the river. It takes me five days. He tries it, is satisfied with it, and pays me five dollars. A third fellow comes along and undertakes to get possession of the new canoe. I protest and tell him that it belongs to Mr. Forestowner. I say, "I know that canoe. I made it for him, and he gave me five dollars for making it." This makes no impression upon the would-be owner, so I inform the real owner. He appears and claims his property. He says, "That boat is mine. I paid Axman for making it." I agree with the owner, and so do all the members of the community who happen to be present. All recognize his right of ownership because he owned the material and paid me for my labor.

Wherein does this case differ from the first and second? In the first case I was recognized as the sole owner of the canoe made by my own hands out of a tree

which nature made grow and which nobody owned. In the second case I was recognized as part owner of the canoe made by my hands out of a tree that belonged by community consent to another man. In the third case I am not recognized as an owner in any sense. I have apparently lost my right in the thing I made. It has apparently been annulled by some means or other. It must have been by that element in the third case assumed that was not found in the first or the second. This new element is the wage paid to the laborer. This is usually said to be paid for labor, but in reality it pays for something else. The man who works for wages sells not only his labor, but he sells also the recognition of his producer's right of ownership in the thing he produces, or helps to produce.

It is evident that the existing relation of the wage-earner to the wealth he helps to produce, the relation that is recognized by the world of to-day, is such as gives him no recognized right of any kind in the product of his own labor. The right which in the illustration of the boat was vested in the producer and which was



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recognized by the entire community, seems to have disappeared from the vision of the world. In these days the right to the products of labor is purely a legal right, and is vested in the owner or the manager of the business where the laborer is employed from whom he receives his wage, and the community so recognizes the situation. There is nothing in the situation, however, that necessarily destroys the producer's right in his product. This right is simply smothered under the artificialities of that heterogeneous mass of fortuitous conditions called "industrial organization," which divides products of toil between idlers and toilers.

Which ought to prevail, that which is meant by legal right vested in the owner, or that which is meant by producer's right vested in the worker? The word legal has been so long associated in the minds of the people with what they have been taught is the morally right, that the two have become generally identified, as if the right is the legal and the legal must be the right, —a confusion of ideas which has resulted in misery that only a God can atone for. The legal is merely what some ruling power

permits. It makes no difference what this ruling power is, whether barbarian or civilized, its will is the legal for all its subjects. The right on the other hand is that which results in the largest possible balance on the side of human happiness. Only when one has a clear conception of what the legal is, and of what determines it, and of what the right is, and of what determines it, is he in a position to judge which ought to prevail, the legal right of owners or the producer's right of workers. Which will contribute to the happiness of the masses in greatest degree?

It is perfectly evident that the best which can be done for the race in the adjustment of this matter has not yet been done, that some modification ought to be made which will give to the worker control over the product of his own labor. Owners and managers have learned in recent years that the workers must be reckoned with. Through organization these classes have secured recognition, but they have not secured all their rights. For this end we fear they are on the wrong track. They never will secure

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their rights in full so long as they recognize the wage system as the means of determining their share of social income. For fifty years they have been striking for higher wages, all the time recognizing the wage system as the proper and legitimate agency for determining their portion. Whereas the wage system is only their first step towards economic freedom. The next step appears to be a voice in control, some form of co-operation. As has been repeatedly pointed out, the power to dictate the terms of division lies with the man who owns the material and the tools. So long as this power remains completely in the hands of those who are outside of the wage-earning classes, many of whom are antagonistic to these classes rather than in sympathy with them, so long the wage system can not be relied upon to determine the wage-earner's fair share of the products of industry. So long as control is left where it is, the labor problem will be with us. The solution of this problem will be such a readjustment of the relation of the laborer to the product of his labor as will allow him to earn a living

for himself without first being compelled to contribute to the living of capitalists and landlords, which he is now compelled to do. This problem will be solved speedily, easily, completely, and permanently, when all laboring people unite at the ballot-box.