

THE REAL SUFFERER.

As the landlord by virtue of his monopoly of the land holds the applicant for it at his mercy, so the applicant once in possession holds the labourer at *his* mercy.

The competition was first for possession of the land, it is now for employment on the land. The competition is in the one case open and direct, in the other disguised and indirect.

Labourers do not usually underbid each other for employment as tenants overbid each other for possession, but it comes to much the same thing as if they did. The more numerous the labourers in proportion to the work to be done, the lower the wages, and *vice versa*.

If the landlords were to divide their land into as many pieces of equal value as there were applicants for it, and were to offer these pieces separately, there would be no competition to run rents up, and the landlord would have to take what he could get for it—a merely nominal rent.

To make money by his monopoly he must keep up its character as a monopoly; that is, he must offer his land in a single block, so to speak, and so compel competition.

And just as the landlord forces rents up by offering his whole land for one tenant's occupation, and so setting all to compete for the privilege of being that one, so the occupier in his turn forces wages down by employing as few labourers as he can, and so setting all to compete for the privilege of being among those few.

The secret of his power over the labourer is the same as that of his landlord over him. It is not in his capital as is generally supposed, but in his getting possession of more land than he can use by his own personal labour, and preventing other people from using it by their personal labour, except for his profit.

The landlord makes the occupier give him his money ; the occupier makes the labourer give him his work.

In so far as the occupier can keep his wage expenditure below the general level by doing the same work with fewer men, or paying them less wages, he can retain the saving to himself ; but in so far as he only succeeds in keeping down the general cost of labour, he is only keeping down the recognised cost of working the land, and so increasing the value of land, and so raising rent ; and the result of his efforts (as a rule) is only to keep down the general level, for all are playing the same game, and any saving effected by one is soon copied by all, and absorbed in a general reduced cost of production, increasing the value of land and raising rent.

The productiveness of any industry—that is, the amount it adds to the general wealth, or to the material comforts and enjoyments of the people—is measured by the difference in value between the thing produced, and the materials used up in producing it.

Thus, if a carpenter in a day makes a door worth £1, using up 8s. worth of timber and nails in the process, the result of his work has been to convert 8s. worth of rough timber into 20s. worth of finished product, exhibiting as the measure of its productiveness a net increase of 12s. How this increase is distributed and applied—whether, being an independent artisan, the maker can keep it all to himself, or whether, being a hired servant, he must be content with his day's pay, leaving the surplus to his employer ; whether he receives his share in advance or has to wait for it ; whether he consumes it or saves it up—all these make no difference to the fact that the increase was 12s.

From which we can see that the maintenance of the labourer forms no part of the real cost of production, but only of *his* share, as distinguished from the employer's share, of the profit.

If he is working on his own account, and not for an employer, everyone sees that all that he gets for his work is profit, and his maintenance the use (or one of the uses) to which he puts that profit, just as an employer's maintenance is the use (or one of the uses) to which he puts *his* profit.

Or if the labourer, working for an employer, chooses to fast till his employer has realised the product, and paid him *out of that product* the wages agreed upon, again everyone will see that they are not cost but profit; the labourer's share and the employer's share being the two parts into which the total profit is divided.

But if instead of working for himself, or waiting and fasting, he arranges to receive in advance from his employer the value (or part of it) of that profit which he would have made if he had been working for himself, or the value of the wages he would have received *out of the product* if he had waited and fasted, still what he receives remains essentially the same, the profit and not the cost of the work. It is only the time and the manner of his receiving it that is changed; still, as before, the proposition holds good that wages (of which maintenance forms a part) is something to be added to employer's profit, not set off against it, in the national account, and that to reduce wages is not to increase the general profits of industry, but only to apportion a smaller part of it to the labourer, who is worst off and most in need of it, and so leave a larger part for the employer, the landlord, or some other person who is generally better off and less in need of it.

An industry that does no more than provide bare maintenance for a single man from day to day is to that extent a productive industry, a gain and not a loss, though it provide neither rent to a landlord nor profit to an employer.

An industry that provides not only for a man but for a family, is more productive still, a greater gain still, notwithstanding that it represents increased consumption.

One that not only provides bare maintenance, but comforts and enjoyments as well, is a still greater good and gain to the country—a cause for rejoicing, not regret. And yet, if labourers' maintenance and wages are, as is generally thought, the cost and not the profit of industry, all these earnings should be lamented as expense, and the greater the productiveness of any such industry as we have supposed, the greater the loss to the country.

The proceeds of labour, generally speaking, are divided amongst three people, the labourer, the employer, and the landlord. No one reckons the landlord's or the employer's maintenance as part of the cost of production, and yet they persist in reckoning the labourer's as such. Relatively, to the employer, it may be, but absolutely, to the country, it is not. However, this is but a side issue, of small consequence to my main purpose, so we will pass on.

The employer always has to wait for his share till the product is realised, while the labourer generally, and the landlord sometimes, receives his in advance; and the employer sometimes makes a miscalculation and gives more to the landlord in rent, or to the labourer in wages, than a due regard to his own profit would warrant; or the enterprise may miscarry, and there may be no interest to divide, or to make good what he has advanced. But such miscalculations and failures do not affect the general proposition that, taking industry as a whole, wages, profits, and rent are the three different portions into which its proceeds are divided. And since, as we have seen, the competition for possession of the land keeps profits down to a minimum, either rent will be determined by wages, or wages by rent; that is to say, the larger the share of the proceeds the labourer gets, the less will there be left for the landlord, and *vice versa*; but as the landlord owns the land, he is master of the situation, and rent determines wages.

But to say that rent determines wages, is to say that rent

devours wages. The labourer gets so little because the landlord gets so much.

[NOTE.—I have adopted the division into rent, wages, and profits, instead of into rent, wages, and interest, because though less scientifically accurate, it is sufficiently accurate for my present purpose, and enables me to keep my subject within more manageable limits.]

Rent devours wages.

Suppose the labourer to ask for a rise and the farmer to refuse, on the ground that he cannot afford it.

But presently something happens. A railway is made or a mine opened in the neighbourhood, or some improved process enables a greater yield to be obtained at the same cost, and there is now an appreciable surplus. The labourer comes forward again and says, "You can afford it now."

"Unfortunately, no," replies his employer. "I might have done so, but my lease is nearly up, and these advantages you refer to having made the land more valuable, my landlord has notified that he means to raise the rent; and as there certainly is a greater surplus available for rent than there was, I must give it, for if I don't someone else will; and so, as far as I am concerned, the surplus you calculate upon has vanished."

In short, whenever there is an increase in the productiveness of industry creating an additional surplus, and the labourer stretches forth his hand for a share of it, the landlord pushes him aside, and takes it all himself; but as he keeps well out of sight in doing so, using the employer as his instrument, his action is not perceived. And as it is in the present so it has been in the past. Inventions and discoveries have within the last century doubled the productiveness of industry over and over again, but the labourer has no more benefited by them than the employer has. The increase has been enormous, but in the primary industries at any rate, the landlord has taken it all.

But some will say, "The labourer's exertion is a fixed quantity. The increased productiveness of his industry is in no degree due to himself, but to the improved appliances he works with, and, that being so, the person who supplies these appliances—that is, the employer—has a right to the increase."

There is enough *prima facie* appearance of reason in this to have made it worth discussing if the employer really got it, but he does not. He gets interest, no doubt, on the additional expense he has incurred in procuring the appliance, but he gets none of the increase of wealth due to the increased efficiency of labour when aided by the appliance, (once the appliance has come into general use); that where it does not go in reduced price to the consumer as we have seen goes to increase the value of land and raise rents, and while the employer does not gain, the labourer in most cases actually loses; for the usual result of labour-saving inventions, in the primary industries at any rate, is not that the employer retains the same hands to do more work, but that he discharges some of his men and does the old amount of work with fewer hands.

It is the landlord, who has neither invented, nor supplied nor put to use the appliances, who gets the benefit of them.

To see that it is rent that devours wages, look at it another way.

Suppose the labourers, demanding an increase and being refused, were to say, "Well, in six months we shall strike, so look out; meanwhile we shall prepare for the struggle." So they save money, subscribe funds, and organise; and at the time appointed present themselves, provisioned and prepared.

What would happen?

Would the farmers refuse, and so all industry cease, or would they consent to pay more than they could afford and go bankrupt?

Neither of these things would happen. The farmers would

simply turn to their landlords and say, "You see how it is. We cannot afford higher wages, and the labourers won't work without them. Accept a reduced rent, or we throw our farms on your hands."

What could the landlords do? Their rents are determined by competition, and here is competition suddenly come to a stop. They must make the best of the situation, and accept the reduction.

And so industry would go on as before, and the farmers make the same profit as before. All that would have happened is that labour would have gained a march upon monopoly, and the labourer have wrested from the landlord a part of the blackmail he was accustomed to pay.

For it is the labourer from whom it is wrung. It is by keeping down wages that the landlord thrives. The employer is merely the instrument, who, for a consideration cut down by competition to the lowest figure, undertakes all the trouble, the risk, and the odium of the squeezing.

The price of labour, like the price of everything else, is determined by supply and demand, and it is said that if employment is scarce it is because there is not profitable employment on the land for all. Ah! but profitable for whom? For the labourers, for the country, or for one or two privileged people?

Here is a farm, selected from the assessment roll of this district as a fair sample of a so-called agricultural farm, consisting of 640 acres and rented at £150. It keeps, I believe, at the outside, two men at work the year round; any other applicants for employment being dismissed with the formula, "No work for you."

Two men to a whole square mile! And this on a farm within 15 miles of the port of Hobart, and containing hardly an acre unfit for cultivation.

All the produce that comes off this farm has to be raised

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by the labour of these two men, and must realise over and above their wages and keep and all collateral working expenses, a surplus of rent, £150; rates and taxes, £20; employer's profit (say), £100; total £270; being a profit of £135 from each man. No man, in short, is allowed the opportunity to earn a living on this square mile of cultivable land unless he produces, over and above the supply of his own modest wants, a net annual surplus of £135 to hand over to somebody else.

If employment is restricted, it is land monopoly that restricts it.

It is not that there is not abundance of land to use, abundance of use to put it to, and abundance of profit to be made from it, but that the tendency of monopoly is to keep hungry mouths off rather than to take willing hands on. It is naturally concerned only to get as big a share as possible to itself, and is not concerned whether other people have a chance to get a share or not.

The occupier will not engage more men than he can help.

But suppose his hand is forced.

Suppose the Trades Unions were to change their tactics (as they may do any day), and instead of trying to restrict the field of employment, were to undertake to extend it. Suppose a Trades Union of farm labourers were to say to the farmer, "You have been accustomed to employ two men only on this farm. Well, not a man shall take service with you unless you undertake to engage four, and at the same wages."

Does anybody doubt that the two extra men could produce more than they consume and use up, and so be productively employed? And if the net surplus to hand over to the landlord were less, why, he would have to take less.

The earnings of the two extra men, reckoning their wages and keep only, would be £100 a year, and if that left a surplus of £20 less for the landlord, there would still be £80 to the good. For, as I have elsewhere pointed out, the labourer's



maintenance (much more his whole earnings), so long as he replaces what he receives, is not cost of production but profit; —the labourer's share of it. If an industry does nothing more than maintain one man continuously, it is to that extent productive.

But the landlord's position is too strong for him to stand in much fear of such combinations as these, and the whole tendency of affairs is to increase his power.

The landlords as a class get more, without the least exertion, outlay, or risk, out of the labour of the community than they could if the whole working community were their slaves.

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#### PROLETARIANISM V. SLAVERY.

Suppose I own a sugar estate and 100 slaves, all the land about being held in the same way by people of the same class as myself.

It is a profitable business, but there are many expenses and annoyances attached to it.

I must keep up my supply of slaves either by breeding or buying them.

I must pay an overseer to keep them continually to their work with the lash. I must keep them in a state of brutish ignorance (to the detriment of their efficiency), for fear they should learn their rights and their power, and become dangerous.

I must tend them in sickness, and when past work.

And the slaves have all the vices and defects that slavery engenders; they have no self-respect or moral sense; they lie they steal, they are lazy, shirking work whenever they dare;