

## Labor's Position

By DEL. HENRY GEORGE III

Man was so constructed by his Maker that he has universally sought the greatest possible gain for his labor. This desire for the "most for our efforts" is not peculiar to American organized labor of the moment. It is a quality that segregates and elevates man from all other creatures, and gives him his individuality. It has been this driving urge that precipitated the trickle of humanity from out of the Garden, the Gobi Desert, that spread out across the valleys of the Tigris and Euphrates, the Nile and Congo, the Tiber, the Rhine and the Danube, our own Mississippi and the mighty Amazon. Man has ever sought for greener pastures where his flocks might multiply. On this continent we sought the land of "milk and honey" and labor still searches for the most fertile land, free alike from tyrants and vandals.

☆☆☆  
In every case the elemental forces in the production of wealth, whether personal or national, have been land and labor. Whether in the days of Abraham or at this very moment, it has been the expenditure of human effort on land that has resulted in wealth. Capital; that part of wealth that labor has converted into the further production of yet more wealth, has always followed and assisted labor, never preceded it. Yet, today, in our dissociation from the natural facts of life, we have come to assume that "Capital is the creator," and that the natural law of wages may be divorced from the law of interest, and that we may by fiat bend the laws of space and time and nature to our national economic convenience.

We would gaze with horror upon the enactments of a Congress which would for national momentary expedience repudiate the law of gravity, or the principles of Torricelli or Pascal.

Yet we here today in America complacently await a new energy that is to be given to the soil, a new power to the arm of labor through governmental wage control measures.

History has repeatedly given us tragic lessons of how industrious people in good productive countries have almost depopulated themselves, not by soil famines, or wars, or pestilences, but by economic tampering with natural laws. Are we going to follow the decline of all previous civilizations, just when our intellectual powers promise so much for humanity?

Organized labor, which at the moment holds the stage in its demands for a greater proportion of the produced wealth, is guided by the "most for our efforts" impulse, which is in each of us. It is right that it should be, but the force of this basic urge must be in conformity not necessarily with national statutes (they will follow) but first of all with natural law. When labor leaders start to apply their tremendous collective power for the observance by governments of the immutable laws of wages, they will not need to quibble as to whether they get 18½ cents increase per hour or not; they will get their full share save that which must be taken in taxation and is consumed by government, but they will not be robbed by certain forms of monopoly which exercise powers analogous to taxation.

☆☆☆

In all politico-economic thinking and writing we are told that the three factors in the production of wealth are land, labor and capital, and that the whole product of wealth is distributed into three corresponding parts. Terms must therefore be used which clearly express each of these parts to the exclusion of the others. Rent, as defined clearly, expresses the first of these parts—that which goes to the owner of land. Wages, as defined expresses the second, that part which constitutes the return to labor. But for the third term, that which should express the return to capital—there is even today a great confusion, among the wellmeaning labor leaders as among the body politic, and we are prone to think of the return to capital as profits. It is here that

Marxism creeps into what otherwise would be free American effort, when they speak about decomposing profits into wages of superintendency, compensation for risk, and interest, the net return for the use of capital.

Thus they proceed to treat of the distribution of wealth between the rent of land, the wages of labor, and the PROFITS OF CAPITAL. Today our labor disputes are over the same misconception that existed years ago in the mind of John Stuart Mill when he wrote his "Principles of Political Economy." Today we are told to support measures which would physically implement the fallacy of Mill, that profits are made up of three elements, wages of superintendency, compensation for risk, and interest, or the return for the use of capital. The law of the distribution of wealth is obviously a law of proportion and each part must be related to the others. Superintendency or management is certainly human effort or labor, and not a part of the return to capital, which has been created by labor.

☆☆☆

Let us seek the true laws of the distribution of the produce of wealth, the produce of labor into wages, the return to land as rent and the return to capital not as profits, which is meaningless, but as interest. The proof that they to exist will be in their correlation, that they meet and relate, and mutually bound each other.

Organized labor can never perform its mission of returning to labor its fair share of the product of its toil until it understands the natural laws which govern the distribution of wealth, and these bitter strikes and struggles can in no way put off the day of civil breakdown unless the people implement laws which will guarantee equal justice for all.