

ALWAYS THE THIRD HIDDEN FACTOR

By Teresa McCarthy

Illustrating how rent is completely ignored in the economic thinking of the multitude is the proposition made by the Ford employees to the company. If the company will agree to pay the employees a guaranteed wage of \$1500 a year, the employees will bind themselves to buy one car each from the company.

In the first place, the company cannot guarantee wages; if there is no production there cannot be wages. True, the guarantee to buy cars is in itself an assurance of production; but it is doubtful whether 21,400 cars would be considered sufficient production to operate the Ford plant.

But, in dividing the production of the plant between the workers and the plant, only wages and interest are considered. The union has completely forgotten, if they ever knew, that a good portion of this production would go to the landlords. Furthermore, as soon as such a contract were signed by the company and the union, the increased earnings of the workers would be reflected in the rent of the land they live on, and the rent of the land from which all the things they use come

from. There would be no net increase in the earning power of the workers, and perhaps the only way for them to live up to their end of the bargain—to buy cars—would be by depriving themselves of necessities.

Besides, how utterly unnecessary it is to make such contracts. If the workers want cars and are able to buy them no agreement is necessary. Every worker consumes what he produces, to the extent that that production goes to him in the form of wages. To increase his consumption—of cars, too—is to increase his wages. Contracts will not increase his wages. Freedom to produce will. And what will free production? Ask anyone who has taken the School course.