

Freeman Views the News

WPA Strike

Whenever expediency determines the pathological treatment of a social ill, it is a certainty that the patient will fare badly. Other expedients will then be applied, if fundamental causes are not known or heeded, and the ultimate result is a still sicker society. The WPA is an illustration, brought to focus by the strike for a continuance of the "prevailing wage" principle.

The WPA was born of poverty, out of economic error. It was conceived as a means of starting the wheels of production at a time when production had practically ceased. The economic error which it embodies is that capital employs labor—a second cousin to the exploded wages-fund theory. A corollary error is the identification of capital with money, public or private, whether used for the production of wealth or not.

Because it was based on an economic error it failed to solve an economic problem. It did not stimulate private production. In fact, the taxes by which it is supported, as do all taxes, tend to discourage production. More important, the diffusion of public money tends to maintain and stimulate fictitious land values, and since all production must start with the use of land, this speculative tendency has the effect of holding down production.

The failure of the WPA to stimulate private production, and the consequent continuing problem of unemployment, soon forced on our politicians the realization that the WPA is not a productive enterprise, that it is merely a kind of dole dispensary. It is sheer cost. The "wages" being doled out to the unfortunates on the pay roll are not wages at all, since wages come only from production. These unemployed employables are merely supported, through taxation, by those fortunate enough to find jobs, and the burden is becoming unbearable.

So, the politicians decided to reduce the burden by legislatively ad-

mitting that the monthly "wages" are doles. They decided to cut the hourly "wage" rate by requiring the WPA workers to work more hours for the same stipend. The union leaders, whose economic illiteracy is as profound as that of their political counterparts, realized that this step would have the tendency to break down their propped-up wage scales. For these WPA workers, who had supplemented their meager stipends by taking occasional outside jobs, would now offer their services on the market at less than these wage scales. Not that these wage scales can be maintained to any appreciable extent against the army of

the unemployed; but the increase of this army by WPA workers would further undermine the fiction.

We are not concerned with the political consequences of the strike, nor even with the probability that this kind of action must develop into a situation where the unions will become subject to the state.

But we are concerned with the lack of economic knowledge among the union leaders, in whose hands the fate of million rests. These leaders have a responsibility which demands at least a knowledge of what wages really are. If these leaders are culpable of anything it is sheer ignorance.

