

Don't Burn Down the House

by HOWARD W. L'HOMMEDIEU

"Collective bargaining"—a process of balancing the pressures, economic and physical, which each of two sides can exert upon the other or upon the public—is the popular hope for the solution to economic problems. It automatically assumes that a trade union will demand a raise in money wages each year, without having produced any more, which means that they will rob other producers, in their capacity as consumers, having to pay higher prices. It is equally automatic that employers, if they "bargain in good faith," will grant at least half of what is asked, and that employees, if they also "bargain in good faith," will accept such an offer.

Reaching an agreement by a balance of unethical pressures resembles an ancient method of solving a legal dispute by having a mounted knight as one's champion, joust with another mounted knight, the dismounted knight automatically proving his client to be in the wrong. Throwing thousands of people out of work and costing other thousands, not involved, millions of dollars by a prolonged strike, is something like the story of the Chinese who accidentally discovered the tastiness of roast pig when his house burned down, and continued to burn down a house when he wanted roast pig. Not to minimize the decided benefits resulting from trade unionism, it nevertheless deprives many persons of their civil liberties and natural right to work.

If many get much more than they earn, many others will get much less than they earn; also, if one of the means of getting unearned income is to hold land out of use for speculative and monopoly purposes—a practice that will prevail throughout the world

so long as the incentive remains—many will not be allowed to produce at all, many will not be educated enough to produce what they otherwise could, and the pressure of the unemployed will hold the basic wage below the subsistence level.

The cost of irrigating farms by the Grand Coulee Dam was estimated at \$700 an acre, while 28 million acres of fertile land was being held out of use—enough to support a million farm families. A large percentage of urban land is similarly held for speculation (or used only slightly, as "taxpayers"), preventing people from engaging, in the usual proportions, in innumerable businesses, and forcing many to live in cramped, dark, noisy, often dangerous, overpriced cell blocks or flats.

Although the facts are ignored in our school histories, Louis XVI strongly supported Turgot, a leading Physiocrat, during his 21 months as Comptroller General, forcing the registration of all his reform edicts, such as lower taxes, elimination of sinecures, balanced budget and freer trade—in spite of strong opposition, until the pressure of the nobility and clergy against the taxation of land value forced Turgot's dismissal. Louis' brother-in-law, Joseph II of Austria-Hungary, was a zealous reformer for the ten years he ruled, but he was likewise successfully resisted in his efforts at land reform. The same was true of Charles III, of Spain, during his 21 year reign, successive ministers instituting many reforms, but finally being forced, by the landholders' opposition, to giving up the main project, of the single tax. It would seem to be an anomaly for leaders of the United States to show less zeal for fundamental reform than a Bourbon or a Habsburg.