SINGLE TAX AND LABOR UNIONS

It will be useful in a work like this to speak briefly of the views held by Single Taxers concerning labor unions. Henry George himself was a member of a printers' union, but Single Taxers are under no delusion regarding the purely temporary nature of all gains in wages brought about by combinations among workingmen. Slowly but surely the irresistable pressure of the man out of work and bidding for employment—that unnatural auction active at all times and accentuated in dull times, that characterizes the labor market—must determine the rate of wages in the final adjustment.

That unions are able to arrest the tendency of wages to a minimum in isolated occupations, or again in highly skilled trades, may be conceded, but that they are effectual in unskilled occupations, or that they have any appreciable effect upon the general rate of wages, will hardly be contended by the more intelligent trades unionists. It is one of the curious anomalies of the situation that if labor could effect a general or universal increase of the rate of wages, it would be in the final result no increase at all, since it would be swallowed up in increased rents and increased cost of commodities, but chiefly in increased rents.

This would not be the case were the capitalist or employer of labor in receipt of the unpaid wages of labor. In that event combinations of workers might be able to enforce conditions by which they would retain their full wages, and there would be no corresponding increase in the cost of commodities such as now results from wages raised artificially by combination. But here again because land is the one element that reflects in increased rents all the gains that come from improvements in conditions, the advantage to labor at most would be doubtful.

But it is not the employing class that receive the unpaid wages of labor. If that were so the only wealthy class would be the employing class, small business men would grow rich, merchants, store-keepers, all men with capital to employ labor, would flourish everywhere. Yet everyone knows that such is not the case. It should be tremendously significant to those who wish to get at the real cause of low wages, that, whatever the legerdemain be by which wealth is diverted from the channels of labor to those who do little or no labor, the result is independent of the action of the employers of labor, whether individual or concerted. Generally speaking, these men appear to be at the mercy of a force they did not create and cannot control, over ninety-five per cent. of them going to the wall in the fierce economic struggle of which they are equal victims with the workers.[1]

The truth therefore appears to be this: Unless a rate of wages forced up by combination adds to the wealth of the community, such increase must cause a rise in the price of commodities and must be paid by the general consumer, and that if it were possible to effect a general increase of wages without an increase in the price of commodities, the rent of land under the unrestrained private control of natural opportunities that prevails, would absorb all or a greater part of the gain.

To this there are some exceptions, these exceptions being the monopolies where prices are now so high that to raise them would be to reduce the consumption and lower profits. But the number of such monopolies so situated is few. It might be thought that the coal monopoly is one, but it will be recalled that the increase of wages secured some years ago in the coal industry was followed by an increase in the price of coal per ton, which increase has continued every year and has swallowed up many times the increase in wages.

Another instance among the very few in which increase of wages forced by combination is not visited upon the community in higher prices, is where higher wages result in greater efficiency. Labor unionists are fond of pointing out that union labor is the more efficient. But that this is one of the results of labor unionism may well be doubted. Indeed, the imposed restrictions as to hours, apprenticeships, etc., may be fairly regarded

[1]This is the testimony of Dunn and Bradstreet.

as counterbalancing the tendency to any increased efficiency brought about by labor unions. That the membership of labor unions comprise types of greater efficiency arises from the fact that men of higher intelligence feel more strongly the impulse to cooperate with their fellows for mutual benefit. Such efficiency exists therefore independently of the higher wages secured by combination, though it is an economic law of profound significance that high wages do conduce to greater efficiency. This, however, is true as applying to wages that are high in a natural and unrestricted market, and not to wages forced up artificially by combination. In the latter case, as we have indicated, other and different factors enter which profoundly affect the result.

The criticisms leveled at trade unionism by those unfamiliar with the underlying laws of distribution are mostly of a wholly untenable character. The failure to recognize the helpless position of the worker who has only his labor to sell in a market where opportunities are restricted by the holding of land out of use has led to the suggestion of remedies wholly fantastic and to the abuse of labor unions wholly irrational. Labor unionists, on their part failing to recognize the relations of labor to land, strike at an imaginary enemy, the capitalist, the employer, himself at the mercy of those who control the natural opportunities, for if labor starves without land, capital wastes, and both must make equally necessitous bargains. Both must yield all above a bare subsistence. And thus we see what an intelligent knowledge of the forces at work would have enabled us to predict—interest and wages stationary or falling and land values rising.

For a final dissipation of the popular confusions and false notions that cling around the question of wages, a reference[1] should be had to the law of wages, as stated by Henry George and his demonstration of the fallacy that wages are drawn from capital or are dependent upon the amount of capital set aside for their payment.—EDITOR.

[1]See *Progress and Poverty*. See also Appendix for "Definitions;" "Wages;" "Wage Fund Theory."