



### "Capital can move; labor can't."

IT IS OFTEN CLAIMED that "capital" has an advantage in bargaining with "labor" because capital can move easily from one place to another while labor must stay put.

In truth, however, the reverse of that tired old cliché is more in harmony with reality. For the issue is *not* capital in the form of dollar bills but capital in the form of factories and machines. And factories are not quite as mobile as factory workers.

It is true that there have been cases of factory machinery being dismantled and moved from one state to another. But this is so rare that the event is headline news — and the union leaders immediately demand a law to prevent the machinery (and the owners) from "escaping."

Meanwhile, millions of workers shift around happily every year. That story is partially told in the following two statements from the book, *Economic Forces in the U.S.A.* (Department of Labor, Bureau of Labor Statistics, sixth edition, 1960): "Between March 1957 and March 1958 about 33 million people, a fifth of the whole population, moved from one house or apartment to another. Over 5½

million of them (3 per cent of the population) moved out of one state into another." (page 16) Thus, it is obvious that *moving as such* presents no particular problem. But what about changing jobs?

"It has been estimated that with an average of about 68 million persons in the labor force (economically active) in 1954, roughly 100 million shifts, either into or out of the labor force, or between farm and nonfarm jobs, took place. If an additional 70 million job changes occurred within farm and nonfarm employment, then a total of 170 million moves were made in that year—a ratio of over 200 per cent of the average labor force." (page 31)

And still it is claimed that "labor" is at a disadvantage in bargaining for wages with "capital" because capital can move while labor can't!

During the past 30 years, I have lived for longer than one year in each of six different states and two foreign countries. And I have changed jobs at least ten times. During the last three decades, how many times have *you* changed jobs or moved from one place to an-

other? We Americans are a moving people.

Even in those cases where it would be a considerable hardship for a worker to quit his job and move to another state to search for a new job, he still isn't at any disadvantage in bargaining with his employer for higher wages. For to whatever extent a threat to move can cause wages to rise, that service is done anyway by the workers who can move and are quite willing to do so. They are the ones who make sure that the highest possible wages are paid to all, including even those who would rather take a cut in pay than to move.

As long as the market remains free, this situation necessarily must continue for all industries and all workers. For it is only in a controlled economy that men are forbidden to move and to shop around for better jobs. And thus it is only in a controlled economy that workers are at a disadvantage in bargaining with their employers.

On this issue of mobility, clearly, it is labor (not capital) that still has the advantage here in the United States. ♦

DEAN RUSSELL