WAGES : Supply and Demand
By Henry Ware Allen / published 30 March, 1941

To the editor of the New York Times:

The steadily increasing number of strikes in defense works may be in line with the suggestion of certain public men that where war profits are large, they should be divided with wage-earners. But this suggestion is not valid. There is no essential relation between profits and wages. The bonanza gold mine and the mine which is losing money pay the same scale of wages to their employes and the same wages are paid by oil-well drillers, whether a dry well or gusher is developed. likewise, any given business may register a net profit of $10,000 in a given year and a loss of a similar sum in the year following. Wages are not fixed by the employer nor are they properly fixed by the government or labor unions. They are fixed by the inexorable law of supply and demand, by the ratio which
exists between the number of available Jobs and the number of men desiring to work. It is only too true that wages should be much larger than they are now and, fortunately, there is a right way to secure increases without injustice to any one. This is done by putting into effect those forces which create more jobs than there are workers.