

CHAPTER XIII.

THE REGULATOR OF WAGES.

Wages are good or bad, according to the point of view. What one person may think good wages, another in the same industry may consider bad. Good wages means a sufficient wage to "live comfortably." Bad wages, or low wages, is a sum given for one's employment that will not meet family expenses. To know, then, what is good or inadequate wages, one must enter the family of the worker and see how he lives. Immediately this is done, there will be seen an infinite scale of good and bad wages, which will fall into groups representing different degrees of intelligence and civilization.

The produce of labor constitutes the natural recompense or labor of wages. But this original state of things could not last beyond the first introduction of the appropriation of land, and the accumulation of stock. As soon as land becomes private property, the landlord demands a share of almost all the produce which labor can either raise or collect from it. His rent makes the first reduction from the produce of labor employed upon land. * * * Though in disputes with workmen, masters generally have the advantage, there is, however, a certain rate below which it seems impossible to reduce, for any considerable time, the ordinary wages of even the lowest species of labor. A man must live by work, and his wages must be sufficient to maintain him. They must even on most occasions be somewhat more, otherwise it would be impossible for him to bring up a family, and the race of workmen could not last beyond the first generation.—*Adam Smith in "Wealth of Nations."*

As society is divided into workers and drones, so the wage-working class is subdivided, each with its idea of

good and bad wages, but each based from the same general concepts. Give them a little more than they have been accustomed to, and no matter what others say, to them the wages will be good.

The peasant from Russian Poland getting a dollar a day in Detroit, for twelve hours' work, will thankfully sit down to his meal of chitterling and thank fortune that he is so well off, with meat several times a week, and all the beer he cares to drink. The German will turn up his nose at the conditions under which the Pole is content, though himself reared in a hovel, yet he is satisfied with his \$1.50 a day of eleven hours, and immediately starts to save up money to get the old folks or his sisters and brothers here to this land of good times and freedom. The British journeyman, accustomed to better environments than either Pole or German, will despise both, yet himself be content with a \$2 wage and ten hours. While the American, educated in our own public schools, can barely exist on \$2.50 a day of eight or nine hours, and will demand a price for his labor that will enable him to educate his family and supply them with the comforts civilization and the ingenuity of man have brought into existence.

The price of labor, like everything else, constantly tends to follow the line of the cost of producing the most expensive portion of any given commodity in the same market. The price of the Asiatic is lower than that of the European, and the price of the European lower than that of the American, because his cost is less. The price of the labor of women is lower than that of men in the same grade, for the simple reason that the cost of living, and consequently the cost of labor, is less.—George Gunton in *"Principles of Social Economics."*

Here are several rates of life: The cost of maintaining a family in the manner to which they are accustomed. Lower the wages of any of these classes below what it costs them to live in their way, and they

will stop work, and refuse to marry and propagate the species. While desiring more, they will work for this wage—in fact, are compelled, as a general thing, to work for it—for competition between laborers makes wages hover around this “life line.” Trades unions or other circumstances may for a time raise it above this point, but competition reduces it again. For the competition is not only between members of one class, but between those in the lower classes who are aspiring toward something better, and when opportunity offers the bolder spirits burst their environments and ascend to the higher level.

It is not the cost of food alone that regulates the rate of life. Clothes and shelter are important factors also. And then comes an innumerable number of minor essentials without which society would consider one a barbarian. They go to establish the customary manner of living, and with increasing intelligence become as necessary to the cultivated mind as the satisfying of his grosser appetite is to the Pole. As creature comforts increase it is natural that the wage-worker, being brought in daily contact with them, should aspire to some himself. Did he not, he were a brute, indeed.

Labor is the peculiar expression of the energy of a laborer's life. He works to live. The same general laws which universally regulate the price of commodities, regulate, of course, wages, the price of labor. The cost of production of labor is the cost required for the production of the laborer and for his maintenance as a laborer. When we speak of wages, we mean the minimum of wages. The wages of the whole working class, with all their fluctuations, are nicely adjusted to this minimum.—*Karl Marx in "Wage Labor and Capital."*

Consider a condition of competitive society such as is seen today in which “saving” should become general. The cost of living would be reduced, while the competition for work would continue, with the lower classes pressing upward. It would create a new rate

of life—a new cost of living—and competition would compel the workers to take as much less as was being saved. No one would consent to starve so long as offered a sufficient wage to keep up his labor strength and marry and raise a family. Man works for the satisfaction of his desires, and saving is no such necessity that to be without it, it is not possible to live.

Where society, as a whole, establishes a rate, then the individual member of that society who practices saving can “get ahead.” This is why the Pole, on his dollar a day, manages with the aid of his wife and children to pay for a home in the course of a few years, while the American, with his \$2.50 a day, still pays rent to a landlord. Not all the Poles in Detroit own homes. In fact, it is only a comparatively few who succeed in this laudable ambition. It takes all their wages even to keep up their rate of life.

There is a natural minimum of the cost of labor. The least cost is that which is sufficient to give the laborer all the necessaries of life. * * * Hence I suppose the natural cost of labor, or that cost which corresponds with the proper condition of man, would be that which allows of the rearing of such a number of children as naturally falls to the lot of the human race.—*Francis Wayland in “Elements of Political Economy.”*

There is a time in the lives of many young men when they can save. That is the period between their boyhood and manhood, when they receive journeymen’s wages, yet have no family responsibilities. The rate of life is based on the cost of supporting a family. They have no family to support. In many manufacturing towns, however, the rate of life is only kept up by the work of the father, supplemented by that of the children. And even the mother, in the periods between child-bearing, is often forced into the factory to aid in supporting the family. In Detroit may be found grandmothers working by the side of their grandchildren in the tobacco factories, with the father in the

car works and the mother taking in washing. And the dribbles of \$1 a week and even less from these babies in their first and second childhood give an apparent prosperity that is not real.

Wages cannot rule higher than the point at which an employer must stop work or lose money. Wages cannot rule lower than the cost of living of the laborer, with so much of a family as will keep up the supply of labor for the immediate future.—*R. R. Bowker in "Work and Wealth."*

Edward Atkinson, over in Massachusetts, has spent considerable time in publishing information on how to make a nutritious soup that will reduce the cost of keeping a family to a few cents a day. And he has invented a stove on which the soup can be cooking while the members of the household are in the mills, so that when they come home the stove will have prepared the meal at a much less cost than in the old way. Mr. Atkinson knows what he is about. He is financially interested in cotton mills. Reduce the cost of living, and a lower wage can be enforced, with an enlarged cotton goods market and more profits. But where will the profits of the cotton mill worker come in?

While a trade union may secure a general rise in wages, even though profits be at a minimum, after a lapse of time and in consequence of a shrinkage of capital, they will find that they have killed the goose that laid the golden egg. * * * Hired laborers are dependent on a wage fund (if one chooses to so call it), which is in the hands of the capitalist class. Their money income is derived from what the capitalists find it profitable to turn over to them.—*Prof. W. F. Taussig in "Wages and Capital."*

"Observer" asked, in the Sunday News-Tribune, if, as is stated, the universal application of economy results in a reduction of wages to the amount saved, "how is it that anyone beginning as a wage-worker ever becomes rich?" The answer is simple. People do not become

rich from savings. It is possible to acquire a modest competence by savings, so long as all do not save, as shown. But it is only when savings are put in a shape from which the owner draws rent, interest or profit, that the accumulations begin to acquire the proportion of riches.

Andrew Carnegie says: "The accumulation of millions is usually the result of enterprise and judgment, and some exceptional ability for organization. It does not come from savings in the ordinary sense of the word." This is certainly true as to the last sentence, however true it may be as to the first. There is a gap between what is paid as wages, and the market value of the products of the wealth producers. This gap is made by the demands of rent, interest and profits. The first is based on the monopolization of natural opportunities to labor, and arises from legislative enactments making land private property; the second is a perfectly legitimate charge where there is no monopoly of money—where banking is as free as any other business; and the third has no justification for its existence. If one means by "profit" the cost of superintendence, or rightful interest on investment, or the possession of such marvelous powers as to be able to so direct labor as to double or quadruple its effectiveness, then he has used the wrong word. Such things are not "profit," but legitimate charges. It is only when a price is put upon an article above its true exchange value that profit arises. In that case "profit" is something for nothing.

Where natural opportunities are monopolized, wages may be forced by the competition among laborers to the minimum at which laborers will consent to reproduce.—*Henry George in "Progress and Poverty."*

Of course, as "Observer" states, there is a difference between the capabilities of different men, but as a rule the capability that leads to riches does not lie in the direction of producing more wealth. Two men start

out on the road to sell a useful or useless article. Indeed, the article may be an absolute detriment to all who use it. One man has the "faculty" of selling goods, and makes a "salary" of \$2,500 a year, say, over and above all expenses. The other does not return to his employer the actual cost of the goods plus the cost of selling them.

In a few years the first salesman accumulates a sufficient savings to inspire some capitalist with faith in his "ability" to do business, and the factory is started. He grows rich, while the other salesman "finds his level," and works for wages for an employer. Now, so far as the production of wealth is concerned, there is no such difference between the two men as the possession of wealth by the one and the poverty of the other seems to indicate. And in most instances, it is this difference between men that is called "ability." Nature never made men so different that one, like a Rockefeller, has an income of \$100,000,000 a year, and another, mayhap a descendant of Kosciusko, gets a dollar a day. Such differences arise from legislation by the classes who profit by it.

The laborer must sell his labor for wages, now a little above, now a little below, what it costs him to live and bring up a family.—*Laurence Gronlund in "The Co-operative Commonwealth."*

Political economists, as a rule, are agreed on what regulates the rate of wages. It is not a question of dollars, but one of subsistence—by subsistence being meant all the expenses that go to make up the average cost of supporting an average family. People who are educated "above their station," as it is often put, are sometimes continually in debt, trying to make their income, based on a lower rate, pay for what the average person in their class does not greatly desire. The people who create the wealth of the world are entitled to the best there is. The wage-receiving class is striving for the time when, as Adam Smith says, the prod-

uce of labor, which constitutes the natural recompense or wages of labor, will all go to the laborer. This will cause a different division than is seen today; yet it will not decrease the wealth of the world, without which man would return to the savage state.

INVITING A SOCIAL CATAclySM.

He who today shuts his eyes to the human suffering that besets his pathway on every side, and who refuses to listen to the cries of distress and the appeals for relief, is simply inviting a social cataclysm. This suffering, which seems to be on the increase and which already has assumed alarming proportions especially in the larger cities of the world, cannot all be due to voluntary idleness of the sufferers. Some of it undoubtedly is due to this, but we must look further for causes when poverty becomes so general that strong men plead piteously for work to relieve the misery of themselves and families, that great brawny fellows ask to be sent to prison so they can have food and shelter, and men and women commit suicide to escape the gnawings of hunger and the bitter blasts of winter. It is encouraging, however, to see here and there one of the "better class" recognizing the importance of the solution of the problem of poverty, who dares brave the jeers and taunts of the uppertendom and devotes some of his talents to its study, and raises his voice in behalf of the burdened masses. There is no lack of remedies proposed for social suffering, but it is the part of the student, the scientist, the men and women of heart and brain, to carefully investigate and separate the true from the false. All of the remedies proposed cannot be true. There may be some truth in each, and it is the act of wisdom to extract that which is true and make use of it.—*Joseph A. Labadie.*

NOT AN ACCIDENTAL PRODUCT.

A skilled workman is not an accidental product, either morally or intellectually. * * * Thousands of years of discipline, by which the impulsive nature of the savage has been evolved into a comparatively self-controlling nature, capable of sacrificing present ease to future good, is presupposed.—*Herbert Spencer in "The Study of Sociology."*