CHAPTER V.

THE NATION'S INCOME.—RECENT HISTORY OF WAGES.

In the United States, despite the absence of income-tax returns, we find perhaps the most complete and satisfactory statistics in the world respecting the aggregate of the national income. Unfortunately the last census is not so satisfactory in this regard as its predecessor, because the statistics of manufactures were collected in a much less scientific spirit. But even upon this point we have so much contributory evidence from the reports of the State and National Labor Bureaus that serious errors are easily avoided.

Wealth of Statistical Data.

The most important industry to be considered is agriculture, and here the census estimates may be accepted without change. The total value of the product for 1889 is estimated at $2,460,000,000. A consideration of the various items, as returned by the Department of Agriculture, will show that the net product of the farming industries is not far from this sum.

Agriculture.

The table for farm products will run substantially as follows: —

Estimate Department of Agriculture for 1889 —	
Wheat	$ 342,000,000
Corn	597,000,000
Oats	172,000,000
Cotton. (Product of 1888.)	292,000,000
Hay. " " "	408,000,000
Potatoes " " "	81,000,000
Tobacco " " "	44,000,000
Minor Produce. (Product of 1888.) . About	125,000,000
Estimate at three-fourths export price —	
Butter and Cheese	180,000,000
Based on Senate Report 986 for 1892, page xlii. —	
Meat products. (Including exports.)	600,000,000
Milk. (Farm value at 60 per cent retail price.)	120,000,000
Fruit and Vegetables. (Farm value at 60 per cent retail price.)	150,000,000
Poultry and Eggs. (Farm value at 60 per cent retail price.)	90,000,000
	$3,201,000,000
Deduct value of corn, oats, and hay fed to stock (three-fourths crop)	881,000,000
	$2,320,000,000
Add increase in farm stock (average for decade [1])	84,000,000
Aggregate	$2,404,000,000

When to this aggregate is added the value of the lumber sold from the farming-districts,[2] the sum total is in the neighborhood of $2,460,000,000. To

[1] The Department of Agriculture's report for 1889 estimates that the value of farm animals during the census year did not increase at all, but instead fell $88,000,000. During the decade, however, the average yearly increase was $84,000,000.

[2] The Census returns 100,000 lumbermen, woodchoppers, etc.

this, must be added the rental value of the houses occupied by the farmers. This sum is a little less than $150,000,000.[1] The real income, therefore, from the capital and labor engaged in farming is thus, in round numbers, $2,600,000,000.

Manufactures.

Respecting the net product of the manufacturing industry, the Massachusetts reports furnish the safest guide. The report of the Bureau of Labor Statistics for 1890 gives the returns of over ten thousand establishments respecting net profits, and the returns of over twenty thousand establishments respecting average wages. The average yearly earnings returned for employees of both sexes and all ages were nearly $360.[2] This sum — equivalent to nearly $700 a family — will doubtless seem extremely high to those familiar only with European wages, or with the wages customary in our own farming districts. Yet the Massachusetts returns are among the lowest, as well as the most complete, published in this country. In the Southern States, indeed, wages are much lower; but these States import nearly all their manufactures

[1] In the typical State of Ohio, the aggregate value of all buildings on farms is about 14 per cent of the aggregate value of the farms. (See State Board of Equalization Reports, 1880 and 1890.) On this basis the total value of farmhouses in the country is less than $1,500,000,000.

[2] Average yearly earnings, 251,656 employees of private firms, $362.23
Average yearly earnings, 162,310 employees of corporations, 333.22

from the North, where wages are generally upon the Massachusetts level.[1]

The profits of manufacturers, according to the same Massachusetts report, including interest, rent, taxes, and earnings from superintendence, were approximately two-thirds of the wages of the employees.[2]

Respecting the wages and profits from the railroads, we may safely accept the proportions given

[1] Wages in Massachusetts in the year of the State census (1885) were about 5 per cent lower than in the year of the national census. For this reason, in the estimate that follows, no deduction is made for persons wholly out of employment. Unfortunately, the Massachusetts report covering the year 1890 gives wages on the basis of continuous employment during the running of the factories.

	PER CENT SELLING PRICE.		PER CENT SELLING PRICE.
[2] Stock used	58.91	Freight	1.27
Salaries	1.73	New Equipment	.24
Wages	22.34	Repairs	.81
Rent	.73	Other expenses	.13
Taxes	.56	Excess of selling price over cost of production,	12.95
Insurance	.33		100

Statistics of Massachusetts Bureau of Labor, 1890, p. 319.

The above proportions are reasonable, and reflect great credit upon the Massachusetts manufacturers making the returns. The Connecticut Labor Bureau the succeeding year investigated the same subject, reaching similar results. For 791 establishments the final summary stood: —

Wages	$39,562,000	Rent, interest and taxes,	$3,177,000
		Superintendence	5,800,000
		Net profits	13,716,000
			$22,693,000

Connecticut Bureau of Labor Statistics, 1891, p. 23.

by the census of 1880. In that year the net earnings—interest and dividends—were $245,000,000, and wages and salaries were $221,000,000.[1] The Interstate Commerce Commission Report for 1890 shows that net earnings had risen to $331,000,000. Wages and salaries, therefore, had aggregated approximately $300,000,000, and the aggregate net income from the industry was about $630,000,000. Respecting wages and profits from mines, we have similar guidance from the previous census.[2]

Railroads and Mines.

For wages and profits in stores we are compelled to rely, in the main, upon the returns for the factories. Weekly wages are indeed lower, especially in the poorer quarters of the cities and in the rural districts; but the employment is steadier, and the annual wages about the same. Profits also are similar; the two industries are similarly located, require similar amounts of capital, and similar talent. The average income in the one does not differ materially from the average income in the other. The remaining industries employ next to no capital. Respecting earnings in the professions, we are guided by the official returns for teachers and ministers; while respecting domestic servants, every one's common observation may

The Remaining Industries.

[1] Tenth Census, vol. iv., pp. 12, 13.
[2] Tenth Census Compendium, p. 1239.

be trusted, provided he remembers that wages in the North are much higher than in the South, and that wages among well-to-do families in the cities are very exceptionally high. Respecting unclassified laborers, official statistics are not wanting; but here, again, there is little danger of serious disagreement, provided it is borne in mind that the daily and weekly wages to which we are accustomed are not received during fifty-two weeks of the year.

The Unemployed.

Nearly all the confusion respecting the earnings of laborers has come from the supposition of steady employment. During the last few years, however, the well-to-do public has begun to appreciate that at all times a great many working-people are out of work. The Massachusetts Labor Report of 1887 showed that in 1885, when the State census was taken, the average loss from this source was one and one-sixth months, or five weeks, for all the employees in the State. This loss was, perhaps, exceptionally high, for 1885 was not a prosperous year. But even in the years that are most prosperous, when the number altogether out of employment is much less, the total loss of time on the part of the wage-earners is much greater. There are, every year, for workmen never off the pay-rolls, holidays and days the factory stops for repairs, and days that work is slack in certain

departments, and days of sickness, and days lost through dissipation, and finally, in certain important trades, there are days, and even whole seasons, in which work is practically suspended. It is a prosperous year indeed when the average wage-receiver aggregates forty-four full weeks' employment.

The Illinois Labor Report for 1886 published returns upon this point from representatives of eighty thousand wage-earners. The final summary was as follows: —

40,281 Trades Unionists;	Aver., 35.5 Weeks, or 68	% full time.
7,036 Coal Miners;	Aver., 23.4 Weeks, or 45	% full time.
5,567 Railroad Men;	Aver., 46.1 Weeks, or 88	% full time.
32,445 Knights of Labor;	Aver., 41.5 Weeks, or 80	% full time.
85,329 Workmen;	Aver., 37.1 Weeks, or 71.3	% full time.

"If," says the Commissioner, "it be considered necessary to make some allowance for any supposed disposition to exaggerate the case on the part of those who have stated it, or for error in judgment on the part of those stating it, the conclusion might be somewhat modified and still show the average working time to be 75 per cent."

This, of course, is labor's statement of the case. In the Massachusetts report for 1879 the employers return that 263,000 persons engaged in mechanical industries averaged 266.6 days' work, or approximately 44 weeks. The Massachusetts

Manufacturers' Report for 1891 shows that the factories ran an average of 49½ weeks, and that the average number employed was one-tenth less than the greatest number employed. Among unskilled workmen the amount of time lost, according to all reports, is much greater. This is largely due to the moral inefficiency of this class of workmen. According to Baxter's classic estimates for England, the great body of working-people are employed from 41 to 44 full weeks a year, the more skilled factory hands reaching the higher figure. From this it is clear that the one dollar a day so frequently paid in agricultural districts in the North means not to exceed $260 a year, and the eight dollars a week so commonly paid in factories means not to exceed $360.[1]

Upon the bases outlined above, the table for the net product of all industries in 1890 stands as given on pages 104–105.

[1] The assumption of continuous employment so generally found in our labor reports was justly condemned in one of the first of these published. In the Massachusetts Report of 1873, the Commissioner, General Oliver, said: "The usual method of computing wages is by taking the so-called average wages, and multiplying by the number of days in which the factory is in actual operation. By this process the total amount paid for wages for the census year in the occupations enumerated would have been $151,186,764.36, or $33,724,830.30 over that actually paid. Under this process," he continued, "the average wages of men would have been $689 a year, instead of $536; that of women, $307, instead of $237; that of youths, $188, instead of $154."

When the difference between day's wages and year's wages is borne in mind, it will be found that all the carefully collected evidence on the subject of wages in this country is in agreement with the Massachusetts returns used as the basis for the most important of the preceding estimates. This proposition even holds true of the Aldrich report from the Senate Finance Committee in 1893,[1] though that report was prepared by men who wished to show the highest possible level of wages. In nearly all the industries covered the average wage reported, multiplied by the number of days the ordinary employee is at work, is but little higher than in the estimate in the table. That this report should have become the basis for exaggerated notions respecting the progress of the working-classes was in no sense due to the returns made by the employers. The employers seem to have thrown open their books without reservation, and the data furnished cover the wages actually paid in nearly one hundred establishments for more than thirty years.

The Aldrich Report.

That the data thus furnished should have led to conclusions respecting the course of wages which are out of harmony with scientific research

[1] Wholesale Prices, Wages, and Transportation, Report by Mr. Aldrich from the Senate Committee on Finance. March 3, 1893. (Senate Report No. 1394, Finance Committee, Second Session, Fifty-second Congress.)

National Income, 1890.

INDUSTRY.	NUMBER ENGAGED.	METHOD OF RECKONING INCOME.	WAGES.	PROFITS.	TOTAL INCOME.
Agriculture	8,497,000	Includes $140,000,000 House Rent[1]	. . . .	. . . .	$2,600,000,000
Mines	350,000	Wages at $370 (Official Estimate for Coal Miners); Profits, etc., 60 Per Cent of Wages, as in 1880[2]	$ 130,000,000	$ 80,000,000	210,000,000
Manufactures and Mechanical Trades.	5,001,000 (4,650,000 Wage Earners)	Wages, $360; Profits, etc., two-thirds, as in Massachusetts.[3]	1,674,000,000	1,116,000,000	2,790,000,000
Railroads	462,000	Net Profits Official, Wages, etc., same per cent as in 1880 .	300,000,000	331,000,000	630,000,000
Others in Trade or Transportation.	2,863,000	Net Product the same per Head, as in Manufactures .	. . . .	. . . .	1,570,000,000
Teachers	342,000	Wages at $250 (Official Estimate 1889 $230 for Public Schools)[4]	. . . .	. . . .	86,000,000
Ministers	88,000	Salaries at $900; Official Estimate for Methodist Church North, $843 + $53 fees[5] . .	. . . .	. . . .	80,000,000
Physicians and Lawyers.	195,000	Earnings one-third more than Ministers, or $1,200[6] . . .	. . . .	. . . .	234,000,000

Other Professions . .	320,000	Earnings at $800	. . . .	. . . .	260,000,000
Servants and Laborers.	3,357,000	Wages at $200	. . . .	. . . .	670,000,000
All Others	1,172,000	Earnings at $400	. . . .	. . . .	470,000,000
Urban Real Estate (Excluding Stores and Factories).		6 and two-thirds Per Cent on Estimated Value[7]	. . . .	. . . .	1,200,000,000
	22,735,000				$10,800,000,000

[1] In agriculture the cost of seed, fertilizers, etc., and the expenses for stock and implements, are offset by fuel and betterments.

[2] It is true that miners' wages are not net. (The Iowa Labor Report for 1890–1891 estimates the cost of powder, smithing, and oil at about one-fifth of nominal wages.) Nevertheless, the average wages of coal-miners are exceptionally low.

[3] In the building trades, wages are much higher than in manufactures, but profits are much less. The net product per hand is about the same.

[4] Teachers' wages are often for a very few months' employment.

[5] Ministers' salaries in the Congregational Church average $1,047. Nevertheless, in the great denominations, especially those strong in the South and among the negroes, salaries are very much lower.

[6] Physicians' incomes are estimated somewhat higher than this by Dr. George F. Shrady (*Forum*, 1894), who makes $1,200 the average outside the cities. It seems probable, however, that Dr. Shrady had in mind only the East and North.

[7] From the value of non-agricultural real estate ($26,000,000,000) must be subtracted about $2,650,000,000 for factories and shops, as much more for stores, and a third sum of nearly equal magnitude for untaxed property, — chiefly public. The total income from house and office rents, as estimated in the text, is one-seventh of the total income of the non-agricultural population.

abroad and common observation at home is due chiefly to two things: —

(1.) The industries covered were the urban industries; and the establishments reporting were naturally among the oldest and largest, which, as a rule, pay the highest rate of wages. The course of wages in growing establishments in growing cities does not accurately reflect the course of wages in the country at large. During the period from 1860 to 1891, for which the committee succeeded in reporting a rise of nearly 70 per cent in wages in the urban industries covered, it will be shown later that the rise of wages in agriculture did not exceed 15 per cent.[1]

(2.) The statisticians employed to summarize the returns were to a hurtful extent in sympathy with the political aim of the investigation. This criticism in no degree applies to Mr. Joseph D. Weeks, whose work is in the highest degree con-

[1] Even in the "urban" industries there is a marked difference between wages in the cities and wages in the country villages. Wages in the latter have approximated closely to farm wages. An illustration of the difference between city and village wages in manufactories may be found in the Ohio Labor Bureau Report for 1889, where the returns are by counties. The following returns are typical: —

RURAL COUNTIES.	AVERAGE WAGES.	URBAN COUNTIES.	AVERAGE WAGES.
Allen	$310	Cuyahoga . .	$430
Ashland . .	313	Clark	440

Even in cities the difference in wages in the same industry is very marked. Foremen in large establishments doing the best grade of work often receive nearly as large incomes as

scientious and intelligent. But Mr. Weeks's conclusions are not embodied in the committee's comprehensive summary for "all" occupations. It is this summary that has spread so much misinformation throughout the country. Some of the more serious errors in the report are apparent upon a casual examination. When any one at all familiar with the course of wages in recent years takes up the report, he is astonished to see that the wages of clerks in stores have risen out of all proportion to wages in other industries. In the metal works, as he would expect, currency wages are reported to have fallen since 1873; so, too, in the cotton factories; but in stores, where the invasion of women and girls is believed to have depressed wages to an unusual extent, he finds it reported that an advance of nearly 40 per cent has taken place. If, to understand the anomaly, he takes the trouble to consult the origi-

the managers of small establishments doing more ordinary work. This point is commonly forgotten by those who present contrasts between wages to-day and wages a generation or more ago. The best paid employees in the great establishments of to-day do as high a grade of work as the managers of the small establishments in which the bulk of the mechanical work of the country was formerly performed. As to the frequent contrast in wages between different establishments in the same industry, the following table from the recent report of the English Board of Trade (1893 C. 6889, p. xiii.) furnishes an unusually comprehensive illustration: —

PRINTING AND ENGRAVING TRADES.	AVERAGE WAGES (52 WEEKS).
A. Large Works	£52 11*s.*
B. Small Works	43 8*s.*
C. Newspaper Works	77 3*s.*

nal data, he discovers that for the metal works and cotton factories the returns covered many establishments and many hundred employees, while for stores the returns covered but one dry-goods store and one grocery, employing together less than thirty clerks. Yet the committee, in its table of "simple averages for all industries," made the uninvestigated industry count as much as either of the thoroughly investigated ones. And the committee did not stop here. Despite this assumed rise of nearly 40 per cent in the wages of clerks, the table of "simple averages" still showed that currency wages had fallen 4 per cent since 1873. Thereupon the committee proceeded to make a table of "weighted averages," assuming that the incredible advance of 40 per cent in wages had been received by all the clerks in the country, and that, since these outnumbered the employees in metal works and cotton mills put together, therefore the returns for less than thirty clerks ought to outweigh those for more than fifteen hundred metal workers and more than three thousand cotton operatives. By this means currency wages in 1891 were made to rise 1 per cent above the level in 1873.

To cut short the criticism, in order to get at the facts reported, it is necessary to throw away the work done by the committee's experts, and return to the original reports made by the em-

ployers, ascertaining from them the aggregate and average wages paid at the dates of greatest public interest. The employers' returns are as shown on pages 110 and 111.

Wages in Urban Establishments.

The wages given in the table are currency wages. In the year 1873, however, currency was worth 11 per cent less than gold. The comparative wages in gold were therefore as follows: —

DATE.	DAILY WAGES IN GOLD.
January, 1860	$1.18
January, 1873	1.81
January, 1891	1.69

In other words, wages in gold in the urban establishments reporting advanced 53½ per cent during the thirteen years between 1860 and 1873; but during the succeeding eighteen years, despite the continued advance in the productiveness of labor, they lost enough to reduce the net gain to 43 per cent.

If the course of wages in these industries be examined more narrowly, it will be found that during the war, when the government was creating an almost insatiable demand for money at high rates of interest, and the capital borrowed was being destroyed in military operations, the wages of labor rapidly fell. Measured even in currency, wages rose only about one-quarter, and measured in gold they fell about one-third. After

Actual Wages in Urban Industries.

(*From Senate Report* 1394, *Finance Committee*, 1893.)

PARTS II., III., IV.

INDUSTRIES.	Establishments Reporting.	JANUARY 1860.		JANUARY 1873.		JANUARY 1891.		1860.	1873.	1891.
		Number Employed.	Aggregate Daily Wages.	Number Employed.	Aggregate Daily Wages.	Number Employed.	Aggregate Daily Wages.	Average Wages.	Average Wages.	Average Wages.
Agricultural Implements	1	9	$ 12.47	34	$ 65.48	39	$ 67.17	$1.38	$1.91	$1.72
Ale, Beer, and Porter	1	40	47.86	53	106.69	63	152.26	1.20	2.01	2.42
Books and Newspapers	4	75	78.70	117	254.26	105	183.31	1.04	2.17	1.55
Building Trades	21	202	316.81	347	993.24	308	813.87	1.56	2.86	2.64
Carriages and Wagons	1	14	17.00	24	54.50	40	97.75	1.21	2.27	2.44
City Public Works	4	2,011	2,467.24	1,227	2,675.26	570	1,029.85	1.23	2.18	1.81
Cotton Goods	4	686	535.14	842	1,256.28	1,478	1,829.88	.78	1.49	1.24
Dry Goods	1	10	9.50	10	14.09	14	29.47	.95	1.41	2.10
Ginghams	1	538	433.95	710	1,135.71	1,409	1,846.53	.81	1.60	1.31
Groceries	1	3	3.26	5	8.23	6	12.86	1.09	1.65	2.14
Illuminating Gas	4	457	538.63	396	1,085.07	467	929.47	1.18	2.74	1.99
Leather	2	46	58.22	76	147.39	81	131.84	1.26	1.94	1.63
Lumber	2	35	24.12	38	53.24	22	29.13	.69	1.40	1.32
Metals and Metallic Goods,	19	768	1,103.04	1,098	2,555.30	1,671	3,357.25	1.44	2.33	2.01
Paper	1	41	36.23	31	41.55	26	35.46	.88	1.34	1.36
Railroads	1	263	430.80	232	642.40	431	1,099.83	1.64	2.77	2.55

Sidewalks	1	31	56.00	14	51.00	11	39.00	1.80	3.64	3.55
Spice	1	6	6.75	14	22.52	14	22.70	1.12	1.61	1.62
Stone	6	227	218.27	573	1,002.31	526	770.31	.96	1.75	1.46
White Lead	1	15	17.21	4	7.00	12	16.80	1.15	1.75	1.40
Woollens	3	180	154.89	308	395.10	472	651.11	.86	1.28	1.38
Totals	80	5,651	$6,566.09	6,153	$12,566.62	7,765	$13,125.85			
Average Daily Wages . .	. .	. .	. . . .	. .	. . . .	. .	. . . .	$1.18	$2.04	$1.69

the war was over, wages advanced rapidly until 1873. From that time until 1879 rapidly falling prices and bankruptcies in the commercial world were accompanied by rapidly falling wages and compulsory idleness in the labor world. With the resumption of specie payments and silver coinage, prices became comparatively stable, and the wages of labor increased pretty steadily until 1893. In the middle of that year, however, the closing of the Indian mints to silver soon led to a corresponding contraction of the currency here. Since that time the value of money has again rapidly risen, and prices and wages have again rapidly fallen. According to the latest volumes of the Connecticut Labor Report, and the Massachusetts "Statistics of Manufactures," the nominal rate of wages in 1894 had declined about 7 per cent below the level of 1892,

while the yearly incomes of laborers had been still further reduced by the lack of employment. The Connecticut report covers nearly half the manufacturing labor in that State. Directly from the books of the employing establishments were taken the numbers of employees, hours of labor, and wages for 1892, and for the period between June, 1893, and August, 1894, in which the fall of prices was most rapid and the stoppage of production greatest. It was found that a little over half of the establishments had reduced wages, and that the usual cut had been 10 per cent. The heavy losses of the wage-earners, however, came, not from reduced pay during employment, but from reduced employment. The average number on the pay-rolls had been cut down 15 per cent, and many of those nominally retained received work irregularly. All of these reductions reflected themselves in the total wage payments. These had decreased 25 per cent. If these firms were typical of the State at large, the great mass of families in Connecticut had had their incomes reduced one fourth. The Massachusetts reports are for the calendar years, and the changes are registered in the following tabular statement: —

	1892.	1893.	1894.
Total value of product	100	92	83
Average wages when employed . . .	100	96	93
Total wages for year	100	92	84

In other words, manufacturing laborers have borne a heavy share of the losses inflicted on all producers by the fall in prices.

So far, however, we have only considered the course of wages in the urban industries covered by the Senate report. The same report devotes several pages to the wages in mines; and here we have an industry strongly affected by agricultural conditions. The returns for mines were fortunately prepared by Mr. Joseph D. Weeks, and are singularly impartial. For the years selected for comparison, they run as follows:—

Wages in Mining.

	1860.	1873.	1891.
Anthracite coal (Pa.) . . .	$1.08	$2.51	$1.91
Iron ore (New Jersey) . . .	1.06	1.94	1.31
Iron ore (Cornwall, Pa.) . .	.85	1.85	1.83
Iron ore (New York) . . .	1.25	2.30	1.65
Iron ore (Oxford, N.J.) . .	1.00	2.12	1.20
Rough average in currency .	$1.05	$2.14	$1.58
Rough average in gold . .	1.05	1.90	1.58

So few returns would indeed furnish an unsafe basis for generalization, were it not for the vast amount of labor Mr. Weeks has devoted to the question of miners' wages. The returns give average wages in what he believed to be typical mines. Since 1891, as is widely known, miners' wages have again suffered reductions, comparable only with those that have taken place in the earnings of farmers. The Michigan Labor Report of

1894 published wage returns for two of the principal iron mines, following the same lines as were pursued by Mr. Weeks. In both of these mines the reduction in wages since 1890 had been more than 20 per cent.[1] The fall in the wages of coal-miners has indeed been less, but only because the recent partial recovery in the price of coal has been accompanied by a proportionate recovery in the rate of wages.[2] Among all miners the fall in wages has uniformly kept step with the fall in prices.

[1] For one of these mines the returns went back to the period before the war; for the other, only to the year 1884. In brief, the tables run as follows: —

	FIRST MINE.		SECOND MINE,
	SURFACE MEN.	MINERS.	CONTRACT MEN.
1860	$1.25	$1.35	
1862	.90	1.10	
1870	1.75	2.25	
1873	2.00	2.75	
1875	1.35	1.50	
1880	1.55	1.75	
1885	1.55	1.90	$2.22
1890	1.50	1.75	2.58
1893	1.00	1.50	1.54

[2] The general course of wages among coal miners is indicated by the following table of rates paid by the largest mining companies in the Pittsburg district: —

PRICES FOR MINING IN THE PITTSBURG DISTRICT.

1880	January 1	92	cents	per	ton.
1885	" "	79	"	"	"
1890	" "	79	"	"	"
1893	" "	79	"	"	"
1894	" "	53	"	"	"
1895	" "	69	"	"	"
1896	" "	64	"	"	"
1896	March "	70	"	"	"

There remains to be considered the great industry of agriculture, in which nearly half of our people are engaged. For this we have no returns giving the wages paid by the same employers from year to year, but we have reliable official statistics gathered by the same methods in different years for nearly a half-century. Though exact comparisons cannot be made upon the basis of these returns, yet the general course of wages in agriculture can be described with more confidence for a longer period than the general course of wages in any other industry. Fortunately one of the years for which returns were gathered from all over the nation was 1860.[1] Another was 1890,[2] when wages and prices were almost at their highest recent level. A comparison of the two reports shows that even in 1890 farm wages were but little higher than in 1860. Indeed, on the surface of the returns, there had been in the meantime an actual fall in wages. The census of 1860 reported the average wages of a farmhand with board to be $14.75 a month; while the Department of Agriculture report for 1890 gave them as $12.45. The cause of this apparent fall, however, was the emancipation of the negroes, who had not figured in the return

Wages in Agriculture.

[1] Census, 1860, Mortality and Miscellaneous Statistics, p. 512.
[2] Report of the Department of Agriculture, 1890.

for 1860.[1] In most of the Northern States the advance in wages had been in the neighborhood of 15 per cent. Unfortunately we have no national returns for farm wages for the years in which the prices of agricultural products and the general level of wages throughout the country were at their highest. Nevertheless, upon this point the Massachusetts Labor Report for 1872 publishes returns for that State gathered in the same way, and furnishing a fairly safe basis for comparison. Using these returns, and the Massachusetts statistics in the national reports mentioned, the course of agricultural wages has been as follows: —

	1860.	1872.	1890.
Farm laborer with board . .	$15.34	$27.52	$18.50
Farm laborer, without board,	26.22 [2]	44.82	30.00

Reducing the wages for 1872 to a gold basis ($24.46 and $39.84), it is seen that the advance in wages in agriculture during the period of rising prices was about 50 per cent, and the fall in wages during the years of falling prices was over 20 per cent. Just what the fall in farm wages since 1890 has been cannot be shown by official statistics. These, however, make clear

[1] In California alone, among the free States, had wages materially declined. Here they had fallen from $33.28 a month to $22.40.

[2] In the census of 1860 the price of board to a day laborer in Massachusetts was estimated at $2.51 a week.

that the total earnings of American farmers have again fallen over 20 per cent.[1] This reduction has applied to all farm owners and farm tenants, who are each more important bodies of laborers than the hired hands they employ. In short, we find historically in every branch of industry, that the money wage of laborers has uniformly depended upon the money value of the product of their labor. There is no falser doctrine than that wages can be artificially raised by the lowering of prices. By so much as falling prices increase the possessions of creditors, by so much they diminish the returns of those engaged in production. In many cases the employers are bankrupted, and all the laborers turned adrift; in many more production is diminished, and most of the laborers are but partially employed. Even where neither of these things happens, the labor market is filled with men seeking work, and disorganized labor is unable to resist unreasonable demands for lower wages and harder conditions. Cairnes was not far wrong when he looked upon the unprecedented rise in wages as the happiest result of the increase of the currency that followed the gold discoveries of 1848.[2] Certainly

[1] The value of the great cereal crops (wheat, corn, and oats) in 1890 was $1,310,000,000; in 1895 it had fallen to $970,000,000. See "Report No. 133," New Series, Department of Agriculture.

[2] Cairnes's "Essays in Political Economy," p. 152. Leroy-Beaulieu estimates the increase of wages in England between the

the fall of wages, next to the impoverishment of debtors, is the saddest result of the contraction of the currency that has followed the legislation against silver in 1873 and 1893.

middle of the century and 1875 as high as from 60 to 70 per cent. Between 1875 and 1887 he admits a decline of from 10 to 20 or 25 per cent. "Répartition des Richesses," p. 442.