Another Business Cycle

AFTER THE BLACK DEATH, in 1349, maximum rates of wages were fixed by the justices of England. The scarcity of workers—it is estimated that the plague had taken one quarter of London's population—forced wages to a level that was alarming to the landlords. A "ceiling" was built by law.

The law didn't work. The authorities who put it through were the first violators. For the unworked lands produced no rents, and to make them productive help had to be hired away from other landlords and at higher rates.

Eventually, like all legislation based on power rather than natural law, the statute fell into disuse. The common lands, to which the workers could apply themselves when working conditions became unsatisfactory, were by chicanery and force confiscated by the land barons.

The drift of workers to the factories during the Industrial Revolution further depressed the level of wages, and the Napoleonic wars (characteristically) made the Elizabethan "ceiling" wages seem a workers' dream. Indeed, the weavers and other workers tried to use the ancient standards for the raising of wages by State aid. So the laws were repealed in 1813.

And in 1941 maximum wage laws are being seriously discussed by "economists of note," as well as by the august members of the Congress of the United States of America.