

Chapter III.

Of Remedies For Low Wages.

§ 1. A Legal or Customary Minimum of Wages, with a Guarantee of Employment.

The simplest expedient which can be imagined for keeping the wages of labor up to the desirable point would be to fix them by law; and this is virtually the object aimed at in a variety of plans which have at different times been, or still are, current, for remodeling the relation between laborers and employers. No one, probably, ever suggested that wages should be absolutely fixed, since the interests of all concerned often require that they should be variable; but some have proposed to fix a minimum of wages, leaving the variations above that point to be adjusted by competition. Another plan, which has found many advocates among the leaders of the operatives, is that councils should be formed, which in England have been called local boards of trade, in France "conseils de prud'hommes," and other names; consisting of delegates from the work-people and from the employers, who, meeting in conference, should agree upon a rate of wages, and promulgate it from authority, to be binding generally on employers and workmen; the ground of decision being, not the state of the labor market, but natural equity; to provide that the workmen shall have *reasonable* wages, and the capitalist reasonable profits.

The one expedient most suggested by politicians and labor-reformers in the United States is an eight-hour law, mandatory upon all employers. It is to be remembered, however, that in very many industries piece-work exists, and if a diminution of hours is enforced, that will mean a serious reduction in the amount of wages which can be possibly earned in a day. Even if all industries were alike in the matter of arranging their work, this plan means higher wages for the same work, or the same wages for less work, and so an increased cost of labor. This would, then, take its effect on profits at once; and the effects would be probably seen in a withdrawal of capital from many industries, where, as now, the profits are very low. It must be recalled, however, that in the United States there has been, under the influence of natural causes, unaided by legislation, a very marked reduction in the hours of labor, accompanied by an increase of wages. For example, in 1840, Rhode Island operatives in the carding-room of the cotton-mills worked fourteen hours a day for \$3.28 a week, while in 1884 they work eleven hours and receive \$5.40 a week. This result is most probably due to the gain arising from the invention of labor-saving machinery.

Others again (but these are rather philanthropists interesting themselves for the laboring-classes, than the laboring people themselves) are shy of admitting the interference of authority in contracts for labor: they fear that if law intervened, it would intervene rashly and ignorantly; they are convinced that two parties, with opposite interests, attempting to adjust those interests by negotiation through their representatives on principles of equity, when no rule could be laid down to determine what was equitable, would merely exasperate their differences instead of healing them; but what it is useless to attempt by the legal sanction, these persons desire to compass by the moral. Every employer, they think, *ought to give sufficient* wages; and if he does it not willingly, should be compelled to it by general opinion; the test of sufficient wages being their own feelings, or what they suppose to be those of the public. This is, I think, a fair representation of a considerable body of existing opinion on the subject.

I desire to confine my remarks to the principle involved in all these suggestions, without taking into account practical difficulties, serious as these must at once be seen to be. I shall suppose that by one or other of these contrivances wages could be kept above the point to which they would be brought by competition. This is as much as to say, above the highest rate which can be afforded by the existing capital consistently with employing all the laborers. For it is a mistake to suppose that competition merely keeps down wages. It is equally the means by which they are kept up. When there are any laborers unemployed, these, unless maintained by charity, become competitors for hire, and wages fall; but when all who were out of work have found employment, wages will not, under the freest system of competition, fall lower. There are strange notions afloat concerning the nature of competition. Some people seem to imagine that its effect is something

indefinite; that the competition of sellers may lower prices, and the competition of laborers may lower wages, down to zero, or some unassignable minimum. Nothing can be more unfounded. Goods can only be lowered in price by competition to the point which calls forth buyers sufficient to take them off; and wages can only be lowered by competition until room is made to admit all the laborers to a share in the distribution of the wages-fund. If they fell below this point, a portion of capital would remain unemployed for want of laborers; a counter-competition would commence on the side of capitalists, and wages would rise.

The assumption in the last chapter in regard to competition and custom should be kept in mind in all this reasoning. As a matter of fact, there is not that mobility of labor which insures so free an operation of competition that equality of payment always exists. In reality there is no competition at all between the lower grades of laborers and the higher classes of skilled labor. Of course, the *tendency* is as explained by Mr. Mill, and as time goes on there is a distinctly greater mobility of labor visible. Vast numbers pass from Scandinavia and other countries of Europe to the United States, or from England to Australia, urged by the desire to go from a community of low to one of higher wages.

Since, therefore, the rate of wages which results from competition distributes the whole wages-fund among the whole laboring population, if law or opinion succeeds in fixing wages above this rate, some laborers are kept out of employment; and as it is not the intention of the philanthropists that these should starve, they must be provided for by a forced increase of the wages-fund--by a compulsory saving. It is nothing to fix a minimum of wages unless there be a provision that work, or wages at least, be found for all who apply for it. This, accordingly, is always part of the scheme, and is consistent with the ideas of more people than would approve of either a legal or a moral minimum of wages. Popular sentiment looks upon it as the duty of the rich, or of the state, to find employment for all the poor. If the moral influence of opinion does not induce the rich to spare from their consumption enough to set all the poor at work at "reasonable wages," it is supposed to be incumbent on the state to lay on taxes for the purpose, either by local rates or votes of public money. The proportion between labor and the wages-fund would thus be modified to the advantage of the laborers, not by restriction of population, but by an increase of capital.

§ 2. --Would Require as a Condition Legal Measures for Repression of Population.

If this claim on society could be limited to the existing generation; if nothing more were necessary than a compulsory accumulation, sufficient to provide permanent employment at ample wages for the existing numbers of the people; such a proposition would have no more strenuous supporter than myself. Society mainly consists of those who live by bodily labor; and if society, that is, if the laborers, lend their physical force to protect individuals in the enjoyment of superfluities, they are entitled to do so, and have always done so, with the reservation of a power to tax those superfluities for purposes of public utility; among which purposes the subsistence of the people is the foremost. Since no one is responsible for having been born, no pecuniary sacrifice is too great to be made by those who have more than enough, for the purpose of securing enough to all persons already in existence.

But it is another thing altogether when those who have produced and accumulated are called upon to abstain from consuming until they have given food and clothing, not only to all who now exist, but to all whom these or their descendants may think fit to call into existence. Such an obligation acknowledged and acted upon, would suspend all checks, both positive and preventive; there would be nothing to hinder population from starting forward at its rapidest rate; and as the natural increase of capital would, at the best, not be more rapid than before, taxation, to make up the growing deficiency, must advance with the same gigantic strides. But let them work ever so efficiently, the increasing population could not, as we have so often shown, increase the produce proportionally; the surplus, after all were fed, would bear a less and less proportion to the whole produce and to the population: and the increase of people going on in a constant ratio, while the increase of produce went on in a diminishing ratio, the surplus would in time be wholly absorbed; taxation for the support of the poor would engross the whole income of the country; the payers and the receivers would be melted down into one mass.

It would be possible for the state to guarantee employment at ample wages to all who are born. But if it does this, it is bound in self-protection, and for the sake of every purpose for which government exists, to provide that no person shall be born without its consent. To give profusely to the people, whether under the name of charity or of employment, without placing them under such influences that prudential motives shall act powerfully upon them, is to lavish the means of benefiting mankind without attaining the object. But remove the regulation of their wages from their own control; guarantee to them a certain payment, either by law or by the feeding of the community; and no amount of comfort that you can give them will make either them or their descendants look to their own self-restraint as the proper means for preserving them in that state.

The famous poor-laws of Elizabeth, enacted in 1601, were at first intended to relieve the destitute poor, sick, aged, and impotent, but in their administration a share was given to all who *begged* it. Employers, of course, found it cheaper to hire labor partly paid for by the parish, and the independent farm-laborer who would not go on the parish found his own wages lowered by this kind of competition. This continued a crying evil until it reached the proportions described by May: "As the cost of pauperism, thus encouraged, was increasing, the poorer rate-payers were themselves reduced to poverty. The soil was ill-cultivated by pauper labor, and its rental consumed by parish rates. In a period of fifty years, the poor-rates were quadrupled, and had reached, in 1833, the enormous amount of £8,600,000. In many parishes they were approaching the annual value of the land itself."(173) The old poor-laws were repealed, and there went into effect in 1834 the workhouse system, which, while not denying subsistence to all those born, required that the giving of aid should be made as disagreeable as possible, in order to stimulate among the poor a feeling of repugnance to all aid from the community. This is also the general idea of poor-relief in the United States.

The cultivation of the principle of self-help in each laborer is certainly the right object at which to aim. In the United States voluntary charitable organizations have associated together, in some cities, in order to scrutinize all cases of poverty through a number of visitors in each district, who advise and counsel the unfortunate, but never give money. This system has been very successful, and, by basing its operations on the principle of self-help, has given the best proof of its right to an increasing influence.

§ 3. Allowances in Aid of Wages and the Standard of Living.

Next to the attempts to regulate wages, and provide artificially that all who are willing to work shall receive an adequate price for their labor, we have to consider another class of popular remedies, which do not profess to interfere with freedom of contract; which leave wages to be fixed by the competition of the market, but, when they are considered insufficient, endeavor by some subsidiary resource to make up to the laborers for the insufficiency. Of this nature was the allowance system. The principle of this scheme being avowedly that of adapting the means of every family to its necessities, it was a natural consequence that more should be given to the married than to the single, and to those who had large families than to those who had not: in fact, an allowance was usually granted for every child. It is obvious that this is merely another mode of fixing a minimum of wages.

There is a rate of wages, either the lowest on which the people can, or the lowest on which they will consent, to live. We will suppose this to be seven shillings a week. Shocked at the wretchedness of this pittance, the parish authorities humanely make it up to ten. But the laborers are accustomed to seven, and though they would gladly have more, will live on that (as the fact proves) rather than restrain the instinct of multiplication. Their habits will not be altered for the better by giving them parish pay. Receiving three shillings from the parish, they will be as well off as before, though they should increase sufficiently to bring down wages to four shillings. They will accordingly people down to that point; or, perhaps, without waiting for an increase of numbers, there are unemployed laborers enough in the workhouse to produce the effect at once. It is well known that the allowance system did practically operate in the mode described, and that under its influence wages sank to a lower rate than had been known in England before.

The operation of a low standard upon the wages of those in the community who have a higher one, has been seen in the United States to a certain extent by the landing on our shores of Chinese laborers, who maintain a decidedly lower standard of living than either their American or Irish competitors. If they come in such numbers as to retain their lower standard by forming a group by themselves, and are thereby not assimilated into the body of laborers who have a higher standard of comfort, they can, to the extent of their ability to do work, drive other laborers out of employment. This, moreover, is exactly what was done by the Irish, who drove Americans out of the mills of New England, and who are now being driven out, probably, by the French Canadians, with a standard lower than the Irish. The Chinese come here now without their families, as may be seen by the accompanying diagram, in which the shaded side represents the males on the left, and the unshaded the females on the right, of the perpendicular line.

Decade. Males. Females. 1 6 4 2 106 12 3 351 37 4 283 15 5 139 3 6 32 1 7 10 0 8 1 0 9 0 0

The horizontal lines show the ages, the largest number being about thirty years of age. It will be noted how many come in the prime of life, and how few children and females there are.

It need hardly be said that the economic side of a question is here discussed, which requires for its solution many ethical and political considerations besides.

§ 4. Grounds for Expecting Improvement in Public Opinion on the Subject of Population.

By what means, then, is poverty to be contended against? How is the evil of low wages to be remedied? If the expedients usually recommended for the purpose are not adapted to it, can no others be thought of? Is the problem incapable of solution? Can political economy do nothing, but only object to everything, and demonstrate that nothing can be done? Those who think it hopeless that the laboring-classes should be induced to practice a sufficient degree of prudence in regard to the increase of their families, because they have hitherto stopped short of that point, show an inability to estimate the ordinary principles of human action. Nothing more would probably be necessary to secure that result, than an opinion generally diffused that it was desirable.

But let us try to imagine what would happen if the idea became general among the laboring-class that the competition of too great numbers was the principal cause of their poverty. We are often told that the most thorough perception of the dependence of wages on population will not influence the conduct of a laboring-man, because it is not the children he himself can have that will produce any effect in generally depressing the labor market. True, and it is also true that one soldier's running away will not lose the battle; accordingly, it is not that consideration which keeps each soldier in his rank: it is the disgrace which naturally and inevitably attends on conduct by any one individual which, if pursued by a majority, everybody can see would be fatal. Men are seldom found to brave the general opinion of their class, unless supported either by some principle higher than regard for opinion, or by some strong body of opinion elsewhere.

If the opinion were once generally established among the laboring-class that their welfare required a due regulation of the numbers of families, the respectable and well-conducted of the body would conform to the prescription, and only those would exempt themselves from it who were in the habit of making light of social obligations generally; and there would be then an evident justification for converting the moral obligation against bringing children into the world, who are a burden to the community, into a legal one; just as in many other cases of the progress of opinion, the law ends by enforcing against recalcitrant minorities obligations which, to be useful, must be general, and which, from a sense of their utility, a large majority have voluntarily consented to take upon themselves.

The dependence of wages on the number of the competitors for employment is so far from hard of comprehension, or unintelligible to the laboring-classes, that by great bodies of them it is already recognized and habitually acted on. It is familiar to all trades-unions: every successful combination to keep up wages

owes its success to contrivances for restricting the number of competitors; all skilled trades are anxious to keep down their own numbers, and many impose, or endeavor to impose, as a condition upon employers, that they shall not take more than a prescribed number of apprentices. There is, of course, a great difference between limiting their numbers by excluding other people, and doing the same thing by a restraint imposed on themselves; but the one as much as the other shows a clear perception of the relation between their numbers and their remuneration. The principle is understood in its application to any one employment, but not to the general mass of employment. For this there are several reasons: first, the operation of causes is more easily and distinctly seen in the more circumscribed field; secondly, skilled artisans are a more intelligent class than ordinary manual laborers; and the habit of concert, and of passing in review their general condition as a trade, keeps up a better understanding of their collective interests; thirdly and lastly, they are the most provident, because they are the best off, and have the most to preserve.

§ 5. Twofold means of Elevating the Habits of the Laboring-People; by Education, and by Foreign and Home Colonization.

For the purpose, therefore, of altering the habits of the laboring people, there is need of a twofold action, directed simultaneously upon their intelligence and their poverty. An effective national education of the children of the laboring-class is the first thing needful; and, coincidentally with this, a system of measures which shall (as the Revolution did in France) extinguish extreme poverty for one whole generation. Without entering into disputable points, it may be asserted without scruple that the aim of all intellectual training for the mass of the people should be to cultivate common sense; to qualify them for forming a sound practical judgment of the circumstances by which they are surrounded. [But] education is not compatible with extreme poverty. It is impossible effectually to teach an indigent population. Toward effecting this object there are two resources available, without wrong to any one, without any of the liabilities of mischief attendant on voluntary or legal charity, and not only without weakening, but on the contrary strengthening, every incentive to industry, and every motive to forethought.

The first is a great national measure of colonization. I mean, a grant of public money, sufficient to remove at once, and establish in the colonies, a considerable fraction of the youthful agricultural population. It has been shown by others that colonization on an adequate scale might be so conducted as to cost the country nothing, or nothing that would not be certainly repaid; and that the funds required, even by way of advance, would not be drawn from the capital employed in maintaining labor, but from that surplus which can not find employment at such profit as constitutes an adequate remuneration for the abstinence of the possessor, and which is therefore sent abroad for investment, or wasted at home in reckless speculations.

The second resource would be to devote all common land, hereafter brought into cultivation, to raising a class of small proprietors. What I would propose is, that common land should be divided into sections of five acres or thereabout, to be conferred in absolute property on individuals of the laboring-class who would reclaim and bring them into cultivation by their own labor.

This suggestion works to the same purpose as the proposal that our Government should retain its public lands and aid in the formation of a great number of small farmers, rather than, by huge grants, to foster large holdings in the Western States and Territories.(174)

The preference should be given to such laborers, and there are many of them, as had saved enough to maintain them until their first crop was got in, or whose character was such as to induce some responsible person to advance to them the requisite amount on their personal security. The tools, the manure, and in some cases the subsistence also, might be supplied by the parish, or by the state; interest for the advance, at the rate yielded by the public funds, being laid on as a perpetual quitrent, with power to the peasant to redeem it at any time for a moderate number of years' purchase. These little landed estates might, if it were thought necessary, be indivisible by law; though, if the plan worked in the manner designed, I should not apprehend any objectionable degree of subdivision. In case of intestacy, and in default of amicable arrangement among the

heirs, they might be bought by government at their value, and re-granted to some other laborer who could give security for the price. The desire to possess one of these small properties would probably become, as on the Continent, an inducement to prudence and economy pervading the whole laboring population; and that great desideratum among a people of hired laborers would be provided, an intermediate class between them and their employers; affording them the double advantage of an object for their hopes, and, as there would be good reason to anticipate, an example for their imitation.

It would, however, be of little avail that either or both of these measures of relief should be adopted, unless on such a scale as would enable the whole body of hired laborers remaining on the soil to obtain not merely employment, but a large addition to the present wages--such an addition as would enable them to live and bring up their children in a degree of comfort and independence to which they have hitherto been strangers.