

Chapter IV.

Of The Differences Of Wages In Different Employments.

§ 1. Differences of Wages Arising from Different Degrees of Attractiveness in Different Employments.

In treating of wages, we have hitherto confined ourselves to the causes which operate on them generally, and *en masse*; the laws which govern the remuneration of ordinary or average labor, without reference to the existence of different kinds of work which are habitually paid at different rates, depending in some degree on different laws. We will now take into consideration these differences, and examine in what manner they affect or are affected by the conclusions already established.

The differences, says [Adam Smith], arise partly "from certain circumstances in the employments themselves, which either really, or at least in the imaginations of men, make up for a small pecuniary gain in some, and counterbalance a great one in others." These circumstances he considers to be: "First, the agreeableness or disagreeableness of the employments themselves; secondly, the easiness and cheapness, or the difficulty and expense of learning them; thirdly, the constancy or inconstancy of employment in them; fourthly, the small or great trust which must be reposed in those who exercise them; and, fifthly, the probability or improbability of success in them."

(1.) "The wages of labor vary with the ease or hardship, the cleanliness or dirtiness, the honorableness or dishonorableness of the employment. A journeyman blacksmith, though an artificer, seldom earns so much in twelve hours as a collier, who is only a laborer, does in eight. His work is not quite so dirty, is less dangerous, and is carried on in daylight and above ground. Honor makes a great part of the reward of all honorable professions. In point of pecuniary gain, all things considered," their recompense is, in his opinion, below the average. "Disgrace has the contrary effect. The trade of a butcher is a brutal and an odious business; but it is in most places more profitable than the greater part of common trades. The most detestable of all employments, that of the public executioner, is, in proportion to the quantity of work done, better paid than any common trade whatever."

(2.) "Employment is much more constant," continues Adam Smith, "in some trades than in others. In the greater part of manufactures, a journeyman may be pretty sure of employment almost every day in the year that he is able to work. A mason or brick-layer, on the contrary, can work neither in hard frost nor in foul weather, and his employment at all other times depends upon the occasional calls of his customers. He is liable, in consequence, to be frequently without any. What he earns, therefore, while he is employed, must not only maintain him while he is idle, but make him some compensation for those anxious and desponding moments which the thought of so precarious a situation must sometimes occasion."

"When (1) the inconstancy of the employment is combined with (2) the hardship, disagreeableness, and dirtiness of the work, it sometimes raises the wages of the most common labor above those of the most skillful artificers. A collier working by the piece is supposed, at Newcastle, to earn commonly about double, and in many parts of Scotland about three times, the wages of common labor. His high wages arise altogether from the hardship, disagreeableness, and dirtiness of his work. His employment may, upon most occasions, be as constant as he pleases. The coal-heavers in London exercise a trade which in hardship, dirtiness, and disagreeableness almost equals that of colliers; and from the unavoidable irregularity in the arrivals of coal-ships, the employment of the greater part of them is necessarily very inconstant. If colliers, therefore, commonly earn double and triple the wages of common labor, it ought not to seem unreasonable that coal-heavers should sometimes earn four or five times those wages. In the inquiry made into their condition a few years ago, it was found that, at the rate at which they were then paid, they could earn about four times the wages of common labor in London."

These inequalities of remuneration, which are supposed to compensate for the disagreeable circumstances of particular employments, would, under certain conditions, be natural consequences of perfectly free competition: and as between employments of about the same grade, and filled by nearly the same description of people, they are, no doubt, for the most part, realized in practice.

But it is altogether a false view of the state of facts to present this as the relation which generally exists between agreeable and disagreeable employments. The really exhausting and the really repulsive labors, instead of being better paid than others, are almost invariably paid the worst of all, because performed by those who have no choice. If the laborers in the aggregate, instead of exceeding, fell short of the amount of employment, work which was generally disliked would not be undertaken, except for more than ordinary wages. But when the supply of labor so far exceeds the demand that to find employment at all is an uncertainty, and to be offered it on any terms a favor, the case is totally the reverse. Partly from this cause, and partly from the natural and artificial monopolies, which will be spoken of presently, the inequalities of wages are generally in an opposite direction to the equitable principle of compensation, erroneously represented by Adam Smith as the general law of the remuneration of labor.

(3.) One of the points best illustrated by Adam Smith is the influence exercised on the remuneration of an employment by the uncertainty of success in it. If the chances are great of total failure, the reward in case of success must be sufficient to make up, in the general estimation, for those adverse chances. Put your son apprentice to a shoemaker, there is little doubt of his learning to make a pair of shoes; but send him to study the law, it is at least twenty to one if ever he makes such proficiency as will enable him to live by the business. In a perfectly fair lottery, those who draw the prizes ought to gain all that is lost by those who draw the blanks. In a profession where twenty fail for one that succeeds, that one ought to gain all that should have been gained by the unsuccessful twenty. How extravagant soever the fees of counselors-at-law may sometimes appear, their real retribution is never equal to this.

§ 2. Differences arising from Natural Monopolies.

The preceding are cases in which inequality of remuneration is necessary to produce equality of attractiveness, and are examples of the equalizing effect of free competition. The following are cases of real inequality, and arise from a different principle.

(4.) "The wages of labor vary according to the small or great trust which must be reposed in the workmen. The wages of goldsmiths and jewelers are everywhere superior to those of many other workmen, not only of equal but of much superior ingenuity, on account of the precious materials with which they are intrusted." The superiority of reward is not here the consequence of competition, but of its absence: not a compensation for disadvantages inherent in the employment, but an extra advantage; a kind of monopoly price, the effect not of a legal, but of what has been termed a natural monopoly. If all laborers were trustworthy, it would not be necessary to give extra pay to working goldsmiths on account of the trust. The degree of integrity required being supposed to be uncommon, those who can make it appear that they possess it are able to take advantage of the peculiarity, and obtain higher pay in proportion to its rarity.

This same explanation of a natural monopoly applies exactly to the causes which give able executive managers, who watch over productive operations, the usually high rewards for labor under the name of "wages of superintendence." If successful managers of cotton or woolen mills were as plentiful, in proportion to the demand for them, as ordinary artisans, in proportion to the demand for them, then the former would get no higher rewards than the latter. Able executive and business managers secure high wages solely on the ground--as explained above--of monopoly; that is, because their numbers, owing to natural causes, are few relatively to the demand for them in every industry in the land.

(5.) Some employments require a much longer time to learn, and a much more expensive course of instruction, than others; and to this extent there is, as explained by Adam Smith, an inherent reason for their

being more highly remunerated. Wages, consequently, must yield, over and above the ordinary amount, an annuity sufficient to repay these sums, with the common rate of profit, within the number of years [the laborer] can expect to live and be in working condition.

But, independently of these or any other artificial monopolies, there is a natural monopoly in favor of skilled laborers against the unskilled, which makes the difference of reward exceed, sometimes in a manifold proportion, what is sufficient merely to equalize their advantages. But the fact that a course of instruction is required, of even a low degree of costliness, or that the laborer must be maintained for a considerable time from other sources, suffices everywhere to exclude the great body of the laboring people from the possibility of any such competition. Until lately, all employments which required even the humble education of reading and writing could be recruited only from a select class, the majority having had no opportunity of acquiring those attainments.

Here is found the germ of the idea, which has been elaborately worked out by Mr. Cairnes(175) in his theory of non-competing groups of laborers: "What we find, in effect, is not a whole population competing indiscriminately for all occupations, but a series of industrial layers superposed on one another, within each of which the various candidates for employment possess a real and effective power of selection, while those occupying the several strata are, for all purposes of effective competition, practically isolated from each other." (Mr. Mill certainly understood this fully, and stated it clearly again in Book III, Chap. II, § 2.)

The changes, however, now so rapidly taking place in usages and ideas, are undermining all these distinctions; the habits or disabilities which chained people to their hereditary condition are fast wearing away, and every class is exposed to increased and increasing competition from at least the class immediately below it. The general relaxation of conventional barriers, and the increased facilities of education which already are, and will be in a much greater degree, brought within the reach of all, tend to produce, among many excellent effects, one which is the reverse: they tend to bring down the wages of skilled labor.

§ 3. Effect on Wages of the Competition of Persons having other Means of Support.

A modifying circumstance still remains to be noticed, which interferes to some extent with the operation of the principles thus far brought to view. While it is true, as a general rule, that the earnings of skilled labor, and especially of any labor which requires school education, are at a monopoly rate, from the impossibility, to the mass of the people, of obtaining that education, it is also true that the policy of nations, or the bounty of individuals, formerly did much to counteract the effect of this limitation of competition, by offering eleemosynary instruction to a much larger class of persons than could have obtained the same advantages by paying their price.

[Adam Smith has pointed out that] "whenever the law has attempted to regulate the wages of workmen, it has always been rather to lower them than to raise them. But the law has upon many occasions attempted to raise the wages of curates, and, for the dignity of the Church, to oblige the rectors of parishes to give them more than the wretched maintenance which they themselves might be willing to accept of. And in both cases the law seems to have been equally ineffectual, and has never been either able to raise the wages of curates or to sink those of laborers to the degree that was intended, because it has never been able to hinder either the one from being willing to accept of less than the legal allowance, on account of the indigence of their situation and the multitude of their competitors, or the other from receiving more, on account of the contrary competition of those who expected to derive either profit or pleasure from employing them."

Although the highest pecuniary prizes of successful authorship are incomparably greater than at any former period, yet on any rational calculation of the chances, in the existing competition, scarcely any writer can hope to gain a living by books, and to do so by magazines and reviews becomes daily more difficult. It is only the more troublesome and disagreeable kinds of literary labor, and those which confer no personal celebrity, such as most of those connected with newspapers, or with the smaller periodicals, on which an educated person can

now rely for subsistence. Of these, the remuneration is, on the whole, decidedly high; because, though exposed to the competition of what used to be called "poor scholars" (persons who have received a learned education from some public or private charity), they are exempt from that of amateurs, those who have other means of support being seldom candidates for such employments.

When an occupation is carried on chiefly by persons who derive the main portion of their subsistence from other sources, its remuneration may be lower almost to any extent than the wages of equally severe labor in other employments. The principal example of the kind is domestic manufactures. When spinning and knitting were carried on in every cottage, by families deriving their principal support from agriculture, the price at which their produce was sold (which constituted the remuneration of their labor) was often so low that there would have been required great perfection of machinery to undersell it. The amount of the remuneration in such a case depends chiefly upon whether the quantity of the commodity produced by this description of labor suffices to supply the whole of the demand. If it does not, and there is consequently a necessity for some laborers who devote themselves entirely to the employment, the price of the article must be sufficient to pay those laborers at the ordinary rate, and to reward, therefore, very handsomely the domestic producers. But if the demand is so limited that the domestic manufacture can do more than satisfy it, the price is naturally kept down to the lowest rate at which peasant families think it worth while to continue the production. Thus far, as to the remuneration of the subsidiary employment; but the effect to the laborers of having this additional resource is almost certain to be (unless peculiar counteracting causes intervene) a proportional diminution of the wages of their main occupation.

For the same reason it is found that, *cæteris paribus*, those trades are generally the worst paid in which the wife and children of the artisan aid in the work. The income which the habits of the class demand, and down to which they are almost sure to multiply, is made up in those trades by the earnings of the whole family, while in others the same income must be obtained by the labor of the man alone. It is even probable that their collective earnings will amount to a smaller sum than those of the man alone in other trades, because the prudential restraint on marriage is unusually weak when the only consequence immediately felt is an improvement of circumstances, the joint earnings of the two going further in their domestic economy after marriage than before.

This statement seems to be borne out by the statistics of wages(176) both in England and the United States. In our cotton-mills, where women do certain kinds of work equally well with men, the wages of the men are lower than in outside employments into which women can not enter.

Blacksmiths, per week: \$16.74 Family of four: Drawers-in, cotton-mill--man, per week: \$5.50 Family of four: Drawers-in, cotton-mill--woman, per week: \$5.50 Family of four: Tenders, two boys: \$4.50 Total: \$15.50

In this case the family of four all together receive only about the same as the wages of the single blacksmith alone.

§ 4. Wages of Women, why Lower than those of Men.

Where men and women work at the same employment, if it be one for which they are equally fitted in point of physical power, they are not always unequally paid. Women in factories sometimes earn as much as men; and so they do in hand-loom weaving, which, being paid by the piece, brings their efficiency to a sure test. When the efficiency is equal, but the pay unequal, the only explanation that can be given is custom. But the principal question relates to the peculiar employments of women. The remuneration of these is always, I believe, greatly below that of employments of equal skill and equal disagreeableness carried on by men. In some of these cases the explanation is evidently that already given: as in the case of domestic servants, whose wages, speaking generally, are not determined by competition, but are greatly in excess of the market value of the labor, and in this excess, as in almost all things which are regulated by custom, the male sex obtains by far the largest share. In the occupations in which employers take full advantage of competition, the low wages of

women, as compared with the ordinary earnings of men, are a proof that the employments are overstocked: that although so much smaller a number of women than of men support themselves by wages, the occupations which law and usage make accessible to them are comparatively so few that the field of their employment is still more overcrowded.

Yet within the employments open to women, such as millinery and dress-making, certain women are able to charge excessively high prices for work, because, having obtained a reputation for especial skill and taste, they can exact in the high prices of their articles what is really their high wages. Within these employments women are unable to earn a living not so much by the lack of work, as by not bringing to their occupation that amount of skill and those business qualities (owing, of course, to their being brought up unaccustomed to business methods) which are requisite for the success of any one, either man or woman.

It must be observed that, as matters now stand, a sufficient degree of overcrowding may depress the wages of women to a much lower minimum than those of men. The wages, at least of single women, must be equal to their support, but need not be more than equal to it; the minimum, in their case, is the pittance absolutely requisite for the sustenance of one human being. Now the lowest point to which the most superabundant competition can permanently depress the wages of a man is always somewhat more than this. Where the wife of a laboring-man does not by general custom contribute to his earnings, the man's wages must be at least sufficient to support himself, a wife, and a number of children adequate to keep up the population, since, if it were less, the population would not be kept up.

§ 5. Differences of Wages Arising from Laws, Combinations, or Customs.

Thus far we have, throughout this discussion, proceeded on the supposition that competition is free, so far as regards human interference; being limited only by natural causes, or by the unintended effect of general social circumstances. But law or custom may interfere to limit competition. If apprentice laws, or the regulations of corporate bodies, make the access to a particular employment slow, costly, or difficult, the wages of that employment may be kept much above their natural proportion to the wages of common labor. In some trades, however, and to some extent, the combinations of workmen produce a similar effect. Those combinations always fail to uphold wages at an artificial rate unless they also limit the number of competitors. Putting aside the atrocities sometimes committed by workmen in the way of personal outrage or intimidation, which can not be too rigidly repressed, if the present state of the general habits of the people were to remain forever unimproved, these partial combinations, in so far as they do succeed in keeping up the wages of any trade by limiting its numbers, might be looked upon as simply intrenching round a particular spot against the inroads of over-population, and making the wages of the class depend upon their own rate of increase, instead of depending on that of a more reckless and improvident class than themselves.

To conclude this subject, I must repeat an observation already made, that there are kinds of labor of which the wages are fixed by custom, and not by competition. Such are the fees or charges of professional persons--of physicians, surgeons, barristers, and even attorneys.