

## CHAPTER XXI.

## WAGES OF DIFFERENT CLASSES OF LABORERS.

219. HAVING discussed the principles which govern the general share of labor in the product, and in one trade relatively to another, we now continue this discussion by trying to find how the total share of labor is divided among the various classes of laborers. If, for example, the general level of wages is high in the United States, we want to know why some laborers have higher or lower wages on this general level than others. We shall thus carry the question from the point of its application to laborers as a whole to that of classes of individual laborers. Referring to our figure (in section 210), it is our purpose to decide **how the sum** represented by A D, or wages, is **divided among the various classes of laborers**. So far as the individual laborer is concerned in bettering his position, this is to him really the important question in the distribution of the product; for we shall soon see why, out of this sum, A D, one laborer receives a higher share than another.

220. The members of the industrial world resolve themselves into groups, or different layers, one above another, with more or less defined limits. Mr. Mill spoke of the grades of labor in England as divided into about four\*

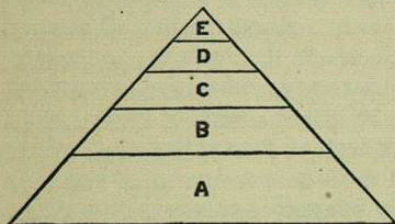
\* "The divisions between the various grades of English society are not so clearly marked in this generation as they were in the last. Each of Mill's four grades is subdivided into a number of lesser grades, ris-

classes, with a line of demarkation so strongly drawn as to be almost equivalent to a hereditary distinction of caste—the liberal professions, the more highly skilled artisans and tradesmen, the lower classes of skilled laborers, and, lastly, unskilled laborers. In the United States the lines of demarkation are far less distinct, and, from the common unskilled day-laborer who works with pick and shovel to the most highly successful "captain of industry," the **various industrial groups shade into one another imperceptibly**. Yet there is a marked separation into the unskilled laborer; the little skilled and slightly educated (these two classes are largely composed of foreigners); the skilled mechanic, the overseer and accountant; the chemists, engineers, and members of the liberal professions; and the successful managers, or *entrepreneurs*. As we look into a great factory of the present day, we shall find men engaged in carting and lifting, which requires no skill or training; others stand by feeding machines in a purely mechanical manner, without the least knowledge of the machine; others perform marvelous feats of dexterity; others are pointed out as most skillful molders, or glass-blowers, or furnace-men; or there is the superintendent of the carding-room, or the weaving-room, or the bleaching and dyeing; others in a laboratory are testing metals, experimenting scientifically on materials, oils, and machinery, working out better processes for the industry; and, finally, at the head of all, the cause of its existence, the director of the whole establishment, a financier as well as a practical manager, watching all details, and yet keeping an eye on the broad extent of his market, buying materials and selling his product to the best advantage, the most skillful laborer, and the worker most necessary of all to the permanence of the establishment.

221. There is a great difference, however, as to the ing one above the other like the steps of a long staircase that is arranged in four flights, with a short landing at the end of each of them."  
—Marshall, *ibid.*, p. 108.



numbers in each group or layer. The supply of unskilled laborers is, as every one knows, vastly greater than highly skilled artisans (such as good machinists), while the number of successful business managers is, relatively to the number of other classes of laborers, very small. There is a false idea current which prompts us to separate the manager of a business from the men he employs, and not to call him a laborer, which he unquestionably is, as if labor were not honorable. As well say that pleasure-yachts should not be classed as sailing-vessels, because their sails are used for different purposes than carrying merchandise. Taking a general view of all the different classes of laborers, the most striking fact to be noticed, then, is the **large numbers in those groups lowest down in the scale relatively to those higher up.** This can be best represented by the accompanying figure, in which the un-



skilled laborers, A, form the largest layer at the bottom of the industrial world. The class who have attained some slight education, can probably write and use figures, and have some acquired skill, will be less in number, like B. In C will be found the skilled artisans; in D the engineers, chemists, superintendents, and professional men; while E will then be composed of a small number of competent industrial managers. This shows how our classes of laborers are divided, forming as it were an industrial ladder from the lowest place to the highest, up which any man can go who has ability, character, industry, and ambition.

222. The whole sum, A D (in the figure of section 210), which goes to wages, is divided among the different classes of laborers, from A to E. In any great factory you will

see all kinds of labor employed, from the lowest to the highest. What is the principle of distribution between these various kinds of labor? Simply, **the supply of any one kind of labor relatively to the demand for it.** Let us consider first the **supply of unskilled labor,** and then the demand for it.

To this class of laborers are especially applicable the principles enunciated in the Law of Population in Chapter VI. The tendency of numbers to increase faster than subsistence has its strongest bearing on the least intelligent, most improvident, and most unprogressive portion of the community. They do not seem to be able to look forward with such distinctness as to value a future gain sufficiently to repress a present gratification. Because they are ignorant, they thoughtlessly add to the size of their families without heeding the question as to where employment is to come from. It is generally found that in the lowest group extreme poverty and wretchedness destroy all motives to better their condition, and thus these persons are the very ones to increase in numbers faster than classes far above them in character and intelligence. It would be far better for the human race were the best stock to increase faster than the poorest. The class of common unskilled laborers are governed more by feelings, customs, and traditions than by judgment and reason. They get stolidly accustomed to a certain kind of existence, and rarely care for anything better. A most promising sign would be dissatisfaction with their condition (accompanied with some understanding as to the means of bettering it). When, for any reason, wages rise, and this kind of laborer gets the means of living more comfortably, the result generally is an increase of numbers, so that the greater number can live at nearly the old level, instead of the former number rising to a really higher level. Increased wages will almost invariably result in increasing the supply of unskilled labor. If, on the other hand, wages fall,



numbers are lessened by the sad effects of want, of disease, and often of crime; or at least the growth of numbers is checked. Anything which affects the opinions and habits of this class, and raises the standard of living,\* causes their children to become healthier, better educated, and more efficient workmen in the next generation. Although the standard of living varies in different countries, and at different times in the same country or place, yet **the tendency is for population to accommodate its numbers to this standard.** Where the standard is very low, there is little provident control over an increase of numbers. Brought up in a single room, with unwholesome air, poor food, and accustomed to dirt, evil, and vice, it will require a considerable wrench for many to think that similar things are not good enough for them when they grow up. There is, therefore, very little check upon the supply of unskilled labor because of any real consideration as to the actual or probable demand for it.

223. When we come to consider the **demand for unskilled labor**, it will be found that it is not such as to give high wages to the large supply of laborers of this class. Some unskilled labor is needed, in varying proportions, of course, in almost every kind of enterprise. The railway needs the laborer with his barrow and shovel, or as brakeman; the builder requires the hodman; the factory, the carter, the porter, or watchman; and a multitude of small offices in society demand the labor of un-

\* "Experience shows that, in the existing state of society, the pressure of population on subsistence, which is the principal cause of low wages, though a great is not an increasing evil; on the contrary, the progress of all that is called civilization has a tendency to diminish it, partly by the more rapid increase of the means of employing and maintaining labor, partly by the increased facilities opened to labor for transporting itself to new countries and unoccupied fields of employment, and partly by a general improvement in the intelligence and prudence of the population."—J. S. Mill, "Chapters on Socialism," "Fortnightly Review," 1879.

skilled workmen. But the advance of inventions, knowledge, and skill make it impossible that production in general should go on without at the same time the aid of higher groups of labor. The unskilled labor forms but a part of the labor needed. In producing articles which satisfy people's wants (and find a "market"), the greater the general means of production in actual employment, or the greater the amount of capital ready to furnish materials and aid to labor, the greater the chances are that more unskilled labor will be wanted. Even skilled labor will require the co-operation of some unskilled labor; the plasterer needs his tender, the bricklayer his hodman. But **the supply of unskilled labor relatively to the demand for it is out of all proportion to the supply of skilled labor relatively to the demand for it.** Consequently, disagreeable work, provided it requires no skill, is not paid a high price. As Mr. Mill says: \* "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." If anything should occur in society to increase the demand for unskilled labor relatively to skilled, it would give the former a larger share of the product than before as wages. But it would probably not be permanent; for mere birth, mere existence, creates an unskilled laborer, while training and capacity stand as barriers to protect the skilled laborers from the competition of those below them; and this barrier keeps out an

\* "Principles of Political Economy," Book II, chap. xiv, § 1.



unfortunately large number from the class of skilled laborers.

224. Not merely the expense required in getting educational advantages and mechanical training, or the loss of time involved in trying for better qualifications, but the moral energy necessary to overcome mental difficulties, the determination, character, industry, ability, and ambition implied in making the attempt to rise from one class to another, give those who succeed in doing so a position in the **nature of a monopoly**. They are fewer in number than those below them, because the qualities required for rising are not possessed by every one. The advantage of being in a privileged class, for natural and intrinsic reasons, is that they are **shut off from the competition** of the larger number who are not skilled; and, as their numbers are smaller in proportion to the demands made upon them by productive operations, they receive higher wages than their more numerous brethren below them. The only true **remedy**, therefore, for **low wages** of unskilled labor, if not simply a restriction of numbers relatively to the demand, is a persistent and intelligent effort to raise their condition by means of Christian teaching, which gives the true value of self-sacrifice and the proper estimate of the future over the present (which affects the accumulation of capital and the size of families); the better training of those classes by industrial schools; and, in fact, by everything which makes for character and greater productive capacity. The improvement of the lowest of the laboring classes is simply the question of improving mankind. It is not a thing to be accomplished in a day or a year, and it needs all the forces of Christian civilization. It will not be accomplished at once by any nostrums, or by an appeal to the State. Legislation is not a remedy for low wages; for the question which really concerns the workingman resolves itself into a division between **different** classes of laborers; and those most in demand, and

who at the same time are relatively fewest in number, will get the largest share, whatever legislators may enact.

225. We must by this time understand that there are classes of laborers, separated by distinct lines of division, within which there is free competition, but between which there is little or no competition. A teamster for a flour-mill may easily transfer himself as a teamster to a rolling-mill; but he can not compete with a wheelwright who arranges the machinery of a flour-mill. A laborer may move about in different industries (with some exceptions) on his own level, but he does not compete freely with those above him in his own industry. There is not, in fact, free competition of labor with labor; and so we find a number of **non-competing groups**, or classes. Geographical distance, different language, customs, religion, and political ideas also tend to prevent those on the same level from competing freely with one another. So that, whenever (as mentioned in section 216) the products of one industry, or those in one place, are in greater demand than those of other industries or places, it may readily happen that wages may be higher in the former than in the latter; and, so long as these higher wages are not lowered by competition with other laborers (on the same level, or because of being on different levels), wages will continue to be higher in the former than in the latter. **Wages in non-competing groups may consequently be on different scales, even where the sacrifice and exertion of the laborer is the same**; that is, wages may thus be disproportionate to sacrifice. But, so fast as the spread of knowledge and greater enterprise give the laboring class more mobility, the less will this hold true. Like capital, labor is every day becoming more cosmopolitan.

226. When we come to consider **skilled laborers**, we see at once that there are several influences which act to limit the supply of them, influences, too, which work with



greater force the higher up we go in the various groups. (1) First, we find that to secure the training of such a one, an **outlay of capital** is essential, even though he may hope for higher wages in the future as a consequence of this expenditure. This requires a sacrifice of present enjoyments for the purpose of gaining an indefinite future gain, which has no substantial influence on the commonplace mind. It tends to keep many a sluggish temperament confined to the condition of life in which he was born. A man educated at considerable expense for a calling which requires skill and dexterity, however, should expect that his wages would be at least increased by a sum equal to the interest on the capital expended. But it will be found that it will be something more than this, because the mere existence of a barrier to be overcome keeps out many who could cross it, and so creates a partial monopoly for those who are on the fortunate side.\* Wages of the higher industrial orders will exceed the wages of those below them by more than the mere interest on the quantity of capital necessary to acquire the desired instruction. (2) For in many cases the parent, or laborer himself, may fully appreciate the advantages of

\* "A poor and ignorant parent is not likely to think of obtaining for his son a lot in life very different from his own. A man brought up with narrow surroundings is apt to acquiesce in them. His own start in life was a poor one, and it seems to him quite reasonable that he should make what he can out of the labor of his son; his wages almost imply that the world expects him to do it, and his neighbors do it; so he allows a small present gain to himself to outweigh a great future advantage for his son. The poor are moved as much as any other parents by the sight of the sufferings of their children, but they are careless about the distant future, both of their children and of themselves, for they have not a vivid imagination—they are ruled by custom, and not by the deliberate use of their reason. The lower we go in the social scale the less do parents seem to see the benefits that they may confer on their sons by investing trouble and money in their education, and the smaller is their power of making such sacrifices."—*Marshall, "Economics of Industry,"* pp. 106 and 107.

thus using his capital, but may find it very **difficult to borrow** or save a very large sum. This difficulty, to be sure, is not so great in States where children have access to free public schools of a high grade, with the occasional addition of good, free scientific and industrial training. Again (3), the number of persons who can profit by education and training, **who are fitted** mentally, morally, and physically for higher occupations is not equal to the number of those who make the attempt. Honesty, for example, is not universal, and an employé of known and proved honesty in a bank, or diamond-store, receives high wages simply because his qualities are so rare as to command a monopoly price. So with an expert accountant, an expert assorter of wool, a successful dentist, or a shrewd and skillful lawyer. Not every man in these occupations can stand at the top, and some should not be in them at all. On the other hand (4), some occupations, like those of the blacksmith, set a **premium on large and strong men**, and are avoided by those who are physically weak.

227. The **demand for skilled labor** depends more or less upon the nature of a country's industries, and upon the state of the arts. (1) In manufactures, the **knowledge of the arts**, the control over physical laws, as shown by more or less improved machinery, and the processes of treating materials, largely determines the number of skilled laborers in a particular kind of employment. For instance, at a given time, with a given knowledge of the arts, the demand for skilled labor in the manufacture of cotton is a definite thing; but if a revolution comes, by reason of some discovery in the processes of weaving or dyeing, it may change the demand for skilled labor in that industry relatively to the demand for unskilled labor. (2) If there are industries, like glass-blowing, in which trained laborers are largely employed, and then if there comes an increasing demand from other industries for the products

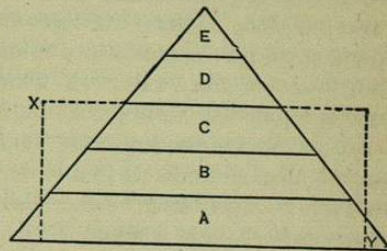


of the glass-blowers, that will have the effect of increasing the wages of these skilled laborers. If this were general, all skilled laborers would be the gainers. But, as a matter of fact, skilled and unskilled laborers are most commonly at work in the same industry; and the real cause of higher wages for the skilled is due to their possession of a natural monopoly in qualities which the many lack. There can be scarcely any enterprise undertaken which does not create a demand for skilled labor; so that (3) the general increase of capital, its increased investment in railways, factories, houses, etc., will necessarily increase the demand for skilled labor. As civilization progresses, also (4), the desires of society multiply. People begin to set a high value on things of a less material character—pictures, musical instruments, etc., are wanted. Hence, as a country grows in wealth and has a wider range of ideas, it is likely that there will be a greater demand, other things being equal, for those articles for whose creation skilled labor is essential.

228. Thus we see that an increase in the demand for skilled labor, by reason of a change in our knowledge of the arts, or the increasing investments of capital, or the widening desire for articles requiring skilled labor, will alter the rate of wages in its favor. Moreover, the supply of such labor does not readily, or even in a long time, increase because of the existence of any new demand; for the barriers which protect the skilled laborer from the competition of those below him practically limits the numbers of his class. It is this restriction upon numbers, owing largely to natural causes, that has the chief influence in raising the wages of skilled above those of unskilled labor.\* Were the lower strata in the labor-

\* "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

ing class to become as skilled as those above them, then skilled labor would command relatively less wages than it does now. If class A became as skillful as class B, there would be free competition between all members of both classes, and the wages of all would be alike. So, also, if the supposition were extended to the farthest extreme (a quite impossible supposition), and if it were true that all laborers in A, B, C, D, E were equally skilled, then those in E could expect no higher wages than those in A, for there would be no different classes. The triangle in our figure, with its layers growing smaller toward the top, would disappear, and all would be thrown together in a common field like X Y, where each is on equal terms with every



one else. There would be no non-competing groups but only such as are created by distance, language, customs, institutions, etc., founded on differences in skill; but differences do exist, and probably always will exist, in natural and acquired aptitudes. We all know that distinct classes of skilled labor exist; and while this is the case their wages will be higher, because, while they are as necessary to production as unskilled laborers, skilled laborers do not increase in numbers in the same proportion.

advantages. But the fact that a course of instruction is required, or 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."—J. S. Mill, "Principles of Political Economy," Book II, chap. xiv, § 2.



229. On the other hand, for the very reason that skilled labor requires some previous expenditure of time, money, patience, and industry, any unforeseen **withdrawal of demand** for it, as in particular industries, may be quite serious. If the acquired skill is such that it can not be easily transferred to other occupations, the forced change to some other employment involves the loss of all special training. For example, if the demand for glass were to fall off suddenly, skilled glass-blowers would be quite unable to make use of their skill in swinging and blowing the pipe were they forced to seek some other occupation, such as shoe-making. They, therefore, have a large self-interest in the continuation of the industry; and in such employments it ought to be easy for the manager and employés to see that their interests are closely bound together.

The introduction of machinery, however, has lessened this general difficulty. The ability to feed and manage one kind of machine is such that it is easily possible to learn how to manage another kind. A few years ago the operative in a shoe-factory was of necessity something of a shoemaker; now, owing to the use of marvelously well-adapted machinery, he need know nothing whatever beyond the easily acquired knack of managing and working his particular machine. It would not be difficult now for a man to pass from the shoe to the cotton or woollen industry, or, indeed, to many others.

230. There are, however, some considerations affecting the wages of laborers in different employments, which have not yet been touched upon. If one trade, requiring labor of the same skill as another, offers inducements in the way of **adventure, healthy or attractive climate, clean instead of dirty work, personal honor or social position, constant employment, or certainty of success**, wages will be less in that trade than in another in which the conditions are the reverse. A soldier's or a sailor's life is dangerous, and often implies hardship and

great exposure; but, owing to the attractions of a life of **adventure**, their ranks are kept filled, and their wages are low. Yet the wages of sailors may vary according to the **climate**. Marshall\* says: "If equal wages were offered in ships going to the Mediterranean and the North Sea, the former would be full and the latter empty; so higher wages are offered to the latter ships to counterbalance the disadvantage of the ungenial climate to which they sail." The **dirty** and dangerous work of a collier, in the depths of a mine, receives much higher wages than that of common labor above ground. As Adam Smith said: "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." People, too, expect some recompense for work which involves **disagreeable service, or loss of social position**. The same author says: "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." Literary work, on the other hand, because (if well done) it brings reputation and honor, is much more poorly paid than the same grade of work in other professions.† "**Employment is much more constant**," says Adam Smith, "in some trades than in others. In the greater part of manufactures, a journeyman may be pretty sure of employ-

\* "Economics of Industry," p. 103.

† "Again, the wages of domestic servants, including their board and lodging, are much higher than are those of women who do work of equal difficulty in factories or in their own homes. For the servant must always submit to some loss of freedom, and, if she happens to fall under the control of an ill-mannered mistress, to some loss of dignity."  
— Marshall, *ibid.*, p. 109.



ment almost every day in the year that he is able to work. A mason or a bricklayer, 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 depressing moments which the thought of so precarious a situation must sometimes occasion." "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."\*

231. In regard to women's wages, it will be found, in the main, that they are low for the same reason that the wages of unskilled labor are low. "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 a much smaller number of women than of men support themselves by wages, the oc-

\* J. S. Mill, "Principles of Political Economy," Book II, chap. xiv, § 1.

cupations which law and usage make accessible to them are comparatively so few that the field of their employment is still more overcrowded."\* Shop-girls receive very low wages, because of the very great numbers who are glad to get such employment. Other professions, however, are slowly opening to women. In music, literature, and art, as nurses and physicians, they have already gained success. A fair field for the exercise of suitable artistic talent might be found in architecture. As copyists, clerks, book-keepers, telegraph operators, and type-writers, they find their competitors more or less numerous.

Yet it is also unfortunately true that custom exercises more or less influence on woman's wages. In teaching, where women have been equally efficient with men, the former are often paid lower wages. Where this is not due to the fact that there are many competitors for the place among women, it is due to the custom which has generally fixed a lower rate of remuneration for women than for men in performing the same kind of work.

232. Exercises.—1. From the product of an iron-mill, in what form does a stockholder, who owns a share of the mill, get his part of the return?

2. Can either employer or employed arbitrarily decide what the total product of an industry shall be? Can, then, either fix the total sum out of which wages are to be paid? Can legislation do it?

3. All men are said to be born free and equal. Does this political statement apply to industrial equality? Can the socialists justly claim equal wages for every man, regardless of his industrial capacity?

4. What consequences would follow if the policy of limiting the number of apprentices were carried out in all forms of industry requiring skill?

5. Why pay a glass-blower for five-hours' work more than a porter in the same establishment for a whole day?

\* *Ibid.*, Book II, chap. xiv, § 5.



6. Why do men working in a powder-mill expect higher wages than they would ask in a flouring-mill?
7. On what grounds may an eminent surgeon charge a fee of a thousand dollars for an operation which occupies but two hours?
8. Why does a railway brakeman receive lower wages than a locomotive engineer?
9. If prices of all commodities rise because of a fall in the value of the money in use, have laborers any reason for demanding higher wages? Should they not have the same Real Wages as before?
10. When skilled labor is paid high wages, and unskilled labor low wages, in the same factory, is there not a "conflict" between different classes of labor? If the capital invested receives only interest, is there any "conflict" between labor and capital? Why does the unskilled laborer not receive as high wages as the owner and manager of the mill (irrespective of his interest on capital)?
11. Mention five kinds of laborers, and consider whether they belong to the same competing groups.
12. On what grounds can it be said that honesty has a market value?
13. Why is more skilled labor employed in the United States than in Africa or South America?
14. What is the principle governing the distribution among the different classes of laborers of that part of the product which goes to wages?
15. Does unskilled labor suffer as much as skilled by forced changes to new employments?
16. When business is depressed, and the total product of an industry possesses less value, is it right that high dividends to stockholders should be maintained by reducing wages?
17. When prices of goods decline, and the value of the total product declines, is there any reason for a reduction of wages?

18. Why should a baker get less wages than a butcher?
19. If a woman thinks her wages should be raised, and threatens to resign her position, can she help herself so long as other women stand ready to take her place at the old rate of wages? Is it the same when men are ready to take the place of strikers?