

EDITORIAL

THE MINIMUM WAGE.

By DANIEL DE LEON

ABOUT the middle of last summer the *Daily People* had an article entitled “The Minimum Wage,”¹ which speedily called a partially adverse criticism from an esteemed correspondent in Dayton, O. The points at variance were of sufficient importance for consideration in these columns. Considering, however, that the article which provoked the criticism should accompany the criticism itself, and also the critique of the criticism; considering, moreover, that the simultaneous publication of all this would have consumed more space than {than?} the campaign allowed, we hasten to take up the matter, now that the campaign is closed.

The People article was this:

“Roosevelt Republicans; Taft Republicans; Democrats; as a matter of course, Socialist Party spouters also,—all are shouting for the ‘minimum wage.’ And now comes Prof. Ryan, and accentuates the folly, if not crime, with an address delivered ‘in the name of God’ at the Conference of Catholic Leaders at Fordham University.

“The theory underlying the demand for a ‘minimum wage’ is that if a certain amount is fixed, below which no employer shall hire an employe, then comfort will be secured to the workingman, and peace between capital and labor affirmed.

“The theory proceeds from false economic premises. Were the minimum wage theorickers posted upon the law of value, and its consequence upon prices, and the consequence of prices upon concentration, they would not make of themselves the fools they do with their ‘minimum wage’ twaddle, or justify the suspicion of their being sociologic felons.

“The law of value establishes that the amount of labor-power crystallized in a commodity and necessary for its reproduction determines the amount of the other commodities with which it is exchangeable—the commodity gold being the medium of such exchange.

“As a consequence of the law of value, the market price, or, price, for short, while it may coincide with value, if supply and demand are equal, is

¹ [*Daily People*, August 18, 1912.]

determined by supply and demand—falling with a rise of supply unaccompanied with a proportional rise of demand, and rising with demand, unaccompanied with a proportional rise of supply.

“As a consequence of the laws of value and price, whatever manufacturer, or combination of manufacturers, can produce with less amount of labor-power the goods produced by others, thereby depreciates the price of these others, and thereby bankrupts their producers.

“A factor in production, a factor that partakes of the qualities of raw material, is labor-power. The capitalist must and does purchase the commodity labor-power in the labor-market. While the capitalist may like to employ chicanery in the purchase of this commodity, and purchase below the price designated by the value, he is not always able to do so. Supposing a capitalist to purchase labor-power for the price designated by its value, it follows that the lower the value of labor-power all the lower will be the value of the goods that labor-power produces. A lowering of the value of the goods by improved methods that save on the amount of labor-power consumed, has, accordingly, a depressing effect upon the value of labor-power.

“The price of labor-power is the wage. The minimum wage cannot choose but be predicated upon a condition of production existing at the time that the minimum wage was fixed. Improved methods of production continuously tend to increase the supply of labor-power above the demand in the labor-market. Thus improved methods of production steadily change the conditions of production under which the minimum wage was at any time fixed.

“What to do?

“Leave the minimum wage stand, and enforce it? The consequence would be to defeat its own purpose.

“The purpose of the minimum wage is to act as a brake on the workers’ standard of living. Improved methods of production lower the value of goods. The capitalists, whose capital does not allow them to operate with the most improved methods available, cannot sell as cheap as the capitalist who operates with improved methods, and they are bankrupted. The bankruptcy of these smaller capitalists lets ‘free’ the labor they employed. That labor is dumped into the labor-market, and swells the army of the unemployed—an army whose wage is away below the minimum, being zero.

“The boomerang nature of the ‘minimum wage’ theory arises from its being an attempt to save capitalism from its own consequences—an absurdity.

“From capitalist premises none but capitalist conclusions can be legitimately drawn.

“Capitalism pushes towards improved methods of production whereby to yield increased abundance with decreasing effort. The improved methods depress the value of labor-power. The minimum wage is intended as a dam—a desirable thing—to stem the flood of the consequences of an overflowing labor-market that results from improved methods; but the very nature of the flood that the dam is intended to stem operates, in turn, as a

dam to keep the overstocked labor-market from thinning down. The lesser capitalists are barred by the minimum wage dam from purchasing labor-power at the cheaper rate that they can afford. The final consequence is that the dammed flood is bound to burst the artificial barrier of the minimum wage.

“A ‘minimum wage’ that is not daily adjustable, like the price of bullion, is self-destructive.

“A ‘minimum wage’ that is daily adjustable, like the price of gold would not be self-destructive, but is an impossibility—no mercantile contract would be possible under it.

“A ‘minimum wage,’ supposing the economic folly thereof to be extractable therefrom, would check the course of civilization, seeing that it would render improved methods nugatory. No law that bucks the unwritten law which decrees improved methods can stand.

“Finally, the only remaining chance of the ‘minimum wage’ would be for the social organism, which enacts the minimum wage, itself to furnish employment as fast as the supply in {the} labor-market would tend to depress wages below the established minimum. Such a process would gradually bring the bulk of the proletariat in the direct employment of the Government of the Political or Class State—the goal consciously aimed at by the Roosevelt party, and unconsciously led to by the so-called Socialist party—a goal known as State Socialism, under which the proletariat would be re-reduced to the status of feudal serfs, with all the ignominy to the serfs that feudal serfdom implied.

“Well maybe {may?} the Taft, Roosevelt and Wilson parties, together with the Professors Ryan, run the ‘minimum wage’ up the foremast of their sundry crafts. Well may the so-called Socialist party assume the identical motto. The criminal ignorance of the later {latter?}, the criminal purpose of the former, both flow from one headspring—the bourgeois class blindness; and both flow into one general ocean—proletarian subjugation.

“The emancipation of the Working Class, thereby the redemption of society, knows no motto with the word ‘Wage’ in it, except it be in the combination:

“‘Down, never more to rise, with the Wage System!’”

Our Dayton correspondent wrote there-ament:

“A few remarks apropos the editorial ‘The Minimum Wage’ in the *Weekly* of Aug. 24 may not be out of place and I hope will lead to further elaboration and clarification of the points made therein.

“The editorial objects to the Minimum Wage proposition as twaddle. The argument is based on the scientific fact that Labor under capitalism is a commodity; that the wage, being the price of the commodity Labor Power, is subject to the Laws of Value and Price; that, according to that Law, Price is the resultant of two factors—Value and the Play of Supply and Demand.

To decree the Price of a commodity by Law, leaving the above named two factors unperturbed is to try to do the impossible. The same holds good with any attempt to decree by law the Price of Labor Power—and that's what a Minimum Wage Law amounts to.

“So far so good.

“The Union attacks the same problem but tries to achieve the desirable goal by affecting both factors: Supply and Demand of Labor through the shorter workday, its discipline, its picketing during strikes, etc., and Value, through its efforts towards raising the Standard of Living of the working-class.

“It should, however, be admitted that a Minimum Wage Law would be immensely helpful to the Union in its legitimate function, both as a brake against a downward tendency, as well as a force to push wages upwards.

“The Minimum Wage Law, the same as all other Labor Laws is unforceable in the absence of an enlightened working class movement, due to the all-powerful natural tendencies of capitalism towards the violation of such laws. Hence we are justified in criticising all attempts to see in such laws the all sufficient means of doing away with the particular evil complained of, but we are not justified in objecting to them as being against Progress.

“‘But,’ says *The People*, ‘a minimum wage . . . would check the course of civilization, seeing that it would render improved methods nugatory. No law that bucks the unwritten law which demands improved methods can stand.’

“We are considering the Minimum Wage Law as a means of raising the Price of Labor Power. Historically speaking every such attempt on the part of the working class to make its commodity Labor Power more costly to the employing class was usually met by an increased tendency toward installation of labor-saving machinery and other improvements.

“There is nothing in the editorial to substantiate by reasoning or facts the charge made that the ‘Minimum Wage Law would render improved methods nugatory.’ At least I couldn't find it. Will the Editor of *The People* kindly explain the matter more fully?—L. KATZ, Dayton, Ohio.”

If the objective of our critic is, what we take it to be, to prove that the minimum wage, together with similar attempts on the part of the Unions to improve the condition of their members, has generally, if not always, been met by the capitalist counter-coup of introducing improved machinery;—if, as a consequence, the objective of our critic is to show how efforts at industrial improvement, so far from blocking, do, as a matter of fact spur on improved methods; if that, and only that, is his objective, our critic is unquestionably right;—but then his point does not meet the issue that we raised.

The issue raised in the editorial “The Minimum Wage” transpires throughout the article: the unenforcibility, by law, of any minimum wage law AS A MEANS OF IMPROVING THE CONDITION OF THE WORKERS. While the basis of the article had needs to be economic—and our critic agrees with the economic premises—the aim of the article was sociologic, inasmuch as, whichever way one may turn the issue, its practical effect is to cause the law to abut in worse conditions for the workers. The object transpires from numerous passages, for instance, “a lowering of the values of goods by improved methods that save on the amount of labor-power consumed, has, accordingly, a depressing effect upon the value of labor-power;” and this other that the scheme of the minimum wage is “an attempt to save capitalism from its own consequences,” and that this is one of the schemes advanced “in the name of God.”

If we at all grasp our critic’s point, he fully admits that the “minimum wage” does not improve Labor’s condition, seeing that attempts “on the part of the working class to make its commodity labor-power more costly to the employing class is usually met by an increased tendency toward installation of labor-saving machinery,” etc.

The legal “minimum wage” idea sprung up first in the head of unenlightened proletarians. By its means they imagine they can permanently relieve their condition with the aid of capitalist law. The error is seized upon by capitalist elements who ply upon the workers’ ignorance with plausible nostrums frequently advanced “in the name of God,” that is, the God of Capital.

To the extent that a minimum wage law is enforced it redounds ultimately to the advantage of the capitalist, with worse conditions for the workers. To the extent that anything, even remotely bearing the semblance of a “minimum wage law,” does not tend ultimately to reduce the social status of the proletariat, the thing requires no law; to call the thing a “law” is a snare. Its execution must be left in the hands of the Union, backed and shielded by its political expression,—and then the thing is, just what our article indicated it would have to be, to wit, a sliding scale rising progressively upward as the Union may order, unhampered by any binding contract.

In other words, the “minimum wage” has no place in a political party of Labor. Such a party can only blaze the Revolution, full fledged, by preaching it, and teach-

ing how to organize it. The “minimum wage” has its place only in the Union’s daily struggle—and then the “minimum” means “all that you can get”—it is a “maximum,” and not a “minimum.”

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