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Stationary Wage-Rates

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Source: *The Economic Journal*, Vol. 11, No. 42 (Jun., 1901), pp. 151-156

Published by: Wiley on behalf of the Royal Economic Society

Stable URL: <http://www.jstor.org/stable/2957145>

Accessed: 26-06-2016 13:53 UTC

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The Economic Journal

THE ECONOMIC JOURNAL

JUNE, 1901

STATIONARY WAGE-RATES.

IN investigating the problem of changes in average wages, the student has to guard against comparing statements for different years obtained from separate sources and not substantiated by other evidence. For this reason, lists obtained from one source only, giving wages for a series of Consecutive Years, are of more use than any other statements, and, with few exceptions, these lists are only to be derived from Trade Union sources. They are, consequently, statements of the national or local standard rate. In examining such lists, the first thing to attract the attention, in some industries, is the constant variation in the local rates; and, in other industries, the most striking feature is the stationariness of wages. The evidences of this latter phenomenon and the conditions which conduce to it form an interesting economic study.

The four most usual causes of changes in wages are, (a) trade depression or a fall of prices; (b) trade expansion or a rise of prices; (c) new or increased organisation of workers; and (d) industrial legislation. The last cause acts gradually as a rule. Examination of the returns of trade unions relating to unemployment show that since 1860, trade depressions have taken place in 1862-3; 1867-9; 1877-80; 1884-7; 1892-5; and expansions, or at least favourable conditions, have prevailed in most of the other years. Roughly speaking, the conditions which generally lead to an increase of wages and those which lead to a reduction, recur in each decade, and therefore wages should change, on an

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average, twice in ten years. The following table shows the frequency of wage changes in various industries, as far as can be ascertained.

Industry.	Wage-changes.	Total Years.	Average Years per Change.
Printing.....	94	1365	14·52
Building	884	4284	4·84
Engineering.....	602	2270	3·78
Cotton	39	114	2·92
Shipwrights	153	405	2·64
Sailors and Firemen .. .	443	1005	2·27
Coal	232	125	0·54
Iron and Steel.....	65	27	0·41

If the statistics on which this table is based are representative of the industries mentioned, the average period for which each wage-rate remains unchanged varies from 14·52 years in the printing trades (compositors 15·7 years and lithographers 12·7 years) to ·41 years in the iron and steel trades, and the average for the whole field of industry, if these may be taken as representative of the whole, is about four years. This is approximately the period which we should expect from the known usual length of the trade cycle of depression and expansion.

Except for sailors and firemen the wage-statistics relied on for this estimate are from trade union returns to the Labour Department or from changes in piece lists or sliding scales. The sailors' and firemen's statistics are given in the "Progress of Merchant Shipping." All are for recent years, chiefly dating from the early "seventies," and therefore cover similar periods in each case. By "total years" is meant the combined totals of years for which the rates are given, for similar wage-earners, in the same localities; and each rate is therefore strictly comparable with its predecessor.

In spite of the apparent frequency of wage changes, in all except the printing trades, many cases may be found where the rate has remained stationary for a number of years. If the average period for which a wage-rate remains unchanged is four years, cases of stationariness for upwards of ten years would be sufficiently noticeable to attract attention. Yet, there are hundreds such recorded, and the following table gives fifty-five instances of stationariness for twenty years or more.

TABLE SHOWING CASES OF STATIONARY RATES OF WAGES FOR TWENTY YEARS OR OVER.

Place and Trade, or Trade Union.	Wages.	Inclusive Period.	Years.
Warrington Ironfounders...	34/- per week	1865—85	21
Southampton „ ...	Piece rates	1860—86	26
Maidstone „ ...	33/- per week	1865—85	21
Nottingham „ ...	34/- „ „	1874—96	23
Dartford „ ...	38/- „ „	„	23
Birmingham „ ...	36/- „ „	„	23
London „ ...	38/- „ „	1874—95	22
Wolverhampton Engineers	30/- per week	1875—96	22
Bristol „	32/- „ „	1860—96	37
Gloucester „	26/- „ „	1880—99	20
Huddersfield „	30/- „ „	1880—1900	21
Maidstone „	28/- „ „	„	21
Manchester „	35/- „ „	„	21
Middlesborough „	30/- „ „	1880—99	20
Rugby „	26/- „ „	„	20
Reading „	26/- „ „	„	20
Cardiff Patternmakers	36/- „ „	1875—1900	26
Wolverhampton „	32/- „ „	1875—96	22
London Shipwrights	7/- per day	1868—93	26
„ (Provident) „	6/- „ „	1824—66	43
„ Sailmakers	5/- „ „	1836—65	30
Spanish Morocco Leather Finishers	Piece list	1850—99	50
Birmingham Horse Nail Makers	3½d. per lb.	1810—40	31
London Zineworkers	36/- to 39/- per week	1865—90	26
Maryport Boilermakers	30/- per week	1865—85	21
Norwich Masons	6½d. per hour	1875—97	23
Cork Carpenters and Joiners	5/6 per day	1876—96	21
Barrow-in-Furness Brick-layers	8½d. per hour	1875—98	24
South of Scotland Trades :			
Bootclosers	20/- per week	1810—38	29
Masons	17/- „ „	1810—80	21
Painters	17/- „ „	1810—85	26
Plasterers	21/- „ „	1810—80	21
Slaters	20/- „ „	1810—85	26
Coopers	16/- „ „	„	26
Fleshers	15/- „ „	„	26
Calenderers	15/- „ „	„	26
Sawyers	21/- „ „	„	26
Printing Trades :			
Manchester Composi- tors, 'stab. {	30/- „ „	1822—70	49
Liverp'l Compositors, 'stab.	35/- „ „	1871—1900	30
Glasgow „ „	30/- „ „	1837—64	28
Edinburgh „ „	25/- „ „	1836—66	31
Dublin „ „	25/- „ „	1846—66	21
Edinburgh, piece rates {	30/- „ „	1851—71	21
per 1,000	3½d.	1785—1804	20
Dublin, piece rates per {	4½d.	1805—61	57
1,000	5d.	1829—61	33
Glasgow, piece rates per {			
1,000	4½d.	1815—61	47

TABLE SHOWING CASES OF STATIONARY RATES OF WAGES FOR TWENTY YEARS OR OVER—(continued.)

Place and Trade, or Trade Union.	Wages.	Inclusive Period.	Years.
Sheffield, Night News, } 'stab.	36/- per week	1873—1900	28
London Bookbinders....	42/- max. per week	1856—90	35
„ Compositors, } 'stab.	32/- min. „ „	1866—90	26
„ Compositors, } 'stab.	33/- „ „	1820—66	41
„ Compositors, } piece rate per 1,000....	36/- „ „	1867—90	24
London Compositors, } Night News, galley....	6d.	1810—60	51
London Compositors, } Day News, galley	3/10	1810—94	85
	3/7	1810—94	85

Here we find 25 cases of stationariness for 20 to 25 years; 21 cases for 25 to 40 years; and 9 cases for over 40 years. At the first glance it seems unbelievable that bodies of organised wage-earners would remain so long without obtaining an advance, or that employers would continue to pay the same rate, not through one, but through two, three, and even eight or nine recurring periods of trade depression. Some of these records may be doubtful; for instance those of Symons relating to the South of Scotland trades, but, as far as our knowledge goes, the rest are perfectly reliable, being what they stand for, standard rates. London is well represented by eight different sets of workmen, and, in addition, the Amal. Socy. of Engineers stated in one of their publications, issued during the recent lockout, that the London rate for their members had remained unchanged for twenty-five years.

The important questions, for the statistician constructing a wage index-number, are: “Were these wages actually paid during these periods?” and, if so, “How far are they representative of average earnings in a full week?” In the case of the Bristol engineers, the minute book attests the accuracy of the record here given, but the times of depression, as, for instance, 1879 or 1886, although the local officers of the Society did not officially acknowledge it, it was known,¹ that many members were accepting one, two, or three shillings per week less than the standard, and it is probable that this saved the Society from

¹ This was stated to the present writer by a local Trade Union official, and that members of Trade Unions do accept lower wages than the local standard rate during depressions may be seen in many of the replies to the Trade Depression Commission Circulars, 1886.

a general reduction throughout the district. We cannot safely assume, therefore, where the rate mentioned is for day workers, that it was universally maintained throughout the district named. In the case of piece lists it is more probable that the rate would be maintained, but a variation in average earnings would arise through short time, or slackness.

In any case, the most that can be claimed for the standard rate is that it represents average earnings *in a normal week of a normal year*.

We have yet to discover the reasons for this nominal stationariness of wages, and the most that can be said seems to be that in the cases given in the table, such a diversity of local circumstances kept the several rates stable that no general reason may be discovered. It is, however, probable that where the trade union is strong in a district, it may succeed in forcing wages up very high when local circumstances permit, and, fearing the reduction which would be expected when these local circumstances have passed away, uses its energies solely to guard the advantage obtained, by regulating as far as possible the supply of labour.

In the case of the Spanish morocco leather finishers, improved methods of production have been introduced which would tend to increase average earnings, and the work of the Union (which has not ordered a strike for fifty years)¹ has been to keep the standard list unchanged, knowing that, if they were successful in this, their position would be improved with each improvement in the methods of production.²

Lastly, stationariness may be partly explained by the increased purchasing power of wages. In nearly every case the wages of the time workers mentioned in the table were above the average rate for workmen of a similar grade of skill in the same locality at the commencement of the stationary period, and it is conceivable that under such circumstances a fall in the cost of living would result in the standard wage remaining unchanged. But the beneficial effects of a fall of prices is felt alike (in varying degrees) by the well-paid and the ill-paid, and if one requires an additional advance in times of expansion, why not the other?

All that we definitely learn from our inquiry is that local

¹ Webb, *Industrial Democracy*.

² Cotton operatives often go over long periods without a general change in the percentage from list prices, but their wages are said to be continually rising through "speeding up" the machines.

influences may operate to keep a standard wage stationary for many years, but that we have no guarantee that average earnings per week or per year have remained unchanged, and further that wage index-numbers based on such statements do not represent actual changes in average earnings unless reference is made to the percentage of workers unemployed. We also find that greater security against reductions of wages exists in trades producing for home consumption than exists in the export trades, and that the producers of raw material are much more liable to fluctuations of wages than other classes of workmen.

GEORGE H. WOOD