

CAMBRIDGE ECONOMIC HANDBOOKS.—VI.

GENERAL EDITOR J. M. KEYNES, M.A., C.B.

WAGES

WAGES

BY
MAURICE DOBB

M.A.

LECTURER IN ECONOMICS IN THE UNIVERSITY OF CAMBRIDGE

WITH AN INTRODUCTION BY

J. M. KEYNES

M.A., C.B.

FELLOW OF KING'S COLLEGE, CAMBRIDGE



London
NISBET & CO. LTD.
Cambridge
AT THE UNIVERSITY PRESS

First published in 1928
All rights reserved

X : 952

F8

7443^c

Printed in Great Britain at
The Mayflower Press, Plymouth. William Brendon & Son, Ltd.

INTRODUCTION TO THE SERIES

THE Theory of Economics does not furnish a body of settled conclusions immediately applicable to policy. It is a method rather than a doctrine, an apparatus of the mind, a technique of thinking, which helps its possessor to draw correct conclusions. It is not difficult in the sense in which mathematical and scientific techniques are difficult; but the fact that its modes of expression are much less precise than these, renders decidedly difficult the task of conveying it correctly to the minds of learners.

Before Adam Smith this apparatus of thought scarcely existed. Between his time and this it has been steadily enlarged and improved. Nor is there any branch of knowledge in the formation of which Englishmen can claim a more predominant part. This Series, however, is not directed towards making original contributions to economic science. Its object is to expound its elements in a lucid, accurate, and illuminating way, so that the number of those who can begin to think for themselves may be increased. It is intended to convey to the ordinary reader and to the uninitiated student some conception of the general principles of thought which economists now apply to economic problems. The

▼

vi INTRODUCTION TO THE SERIES

writers have been more anxious to avoid obscure forms of expression than difficult ideas. Most of the omissions of matter often treated in textbooks are intentional; for as a subject develops, it is important, especially in books meant to be introductory, to discard the marks of the chrysalid stage before thought had wings.

Even on matters of principle there is not yet a complete unanimity of opinion amongst professional students of the subject. Immediately after the war daily economic events were of such a slashing character as to divert attention from theoretical complexities. But to-day, economic science has recovered its wind. Traditional treatments and traditional solutions are being questioned, improved, and revised. In the end this activity of research should clear up controversy. But for the moment controversy and doubt are increased. The writers of this series must apologise to the general reader and to the beginner if many parts of their subject have not yet reached to a degree of certainty and lucidity which would make them easy and straightforward reading.

J. M. KEYNES.

CONTENTS

CHAPTER I

THE WAGE-SYSTEM

	PAGE
§ 1. INTRODUCTORY	1
§ 2. SLAVE, SERF AND ARTISAN	2
§ 3. THE CHARACTERISTICS OF A WAGE-SYSTEM	4
§ 4. ECONOMIC FREEDOM	5
§ 5. GROWTH OF A PROLETARIAT	9
§ 6. DIFFERENT DEGREES OF DEPENDENCE	12
§ 7. WAGES AND NET PRODUCE	15

CHAPTER II

WAGES AND THE STANDARD OF LIFE

§ 1. AGGREGATE WAGES AND WAGES PER HEAD	18
§ 2. WAGES AS A PROPORTION OF GROSS PRODUCE	19
§ 3. MONEY WAGES AND REAL WAGES	21
§ 4. INDEX NUMBERS	26
§ 5. REAL WAGES IN THE NINETEENTH CENTURY	32
§ 6. PRE-WAR AND POST-WAR	34
§ 7. POVERTY	37
§ 8. AN INTERNATIONAL COMPARISON	39

CHAPTER III

THE PAYMENT OF WAGES - *Pages*

	PAGE
§ 1. "THE ECONOMY OF HIGH WAGES"	43
§ 2. INTENSITY OF WORK AND PIECE-RATES	45
§ 3. PREMIUM-BONUS SYSTEMS	48
§ 4. TASK-BONUS SYSTEMS	49
§ 5. THE FIELD OF PAYMENT BY RESULTS	51
§ 6. SUB-CONTRACTING	56
§ 7. WEIGHING AND MEASURING	58
§ 8. TRUCK AND DEDUCTIONS	60
§ 9. PROFIT-SHARING	62
§ 10. HOURS OF WORK	66

; CHAPTER IV ✓

THEORIES OF WAGES

§ 1. CLASSICAL THEORY	70
§ 2. THE SUBSISTENCE THEORY	71
§ 3. FROM RICARDO TO MARX	73
§ 4. THE WAGES-FUND THEORY	76
§ 5. THEORY OF MARGINAL PRODUCTIVITY	81
§ 6. THE DEMAND FOR LABOUR	85
§ 7. THE SUPPLY OF LABOUR	87
§ 8. INVENTIONS AND WAGES	90

CHAPTER V

WAGES AND BARGAINING-POWER

§ 1. THE NEW THEORY AND THE OLD	98
§ 2. THE "SUPPLY-PRICE" OF LABOUR	94
§ 3. THE INFLUENCE OF BARGAINING-POWER	97
§ 4. SPENDING AND SAVING	101
§ 5. HOW FAR CAN RELATIVE WAGES RISE ?	104

CONTENTS

ix

CHAPTER VI

WAGE DIFFERENCES

	PAGE
✓ § 1. DIFFERENCES BETWEEN GRADES	109
✓ § 2. "NON-COMPETING GROUPS"	112
§ 3. DIFFERENCES BETWEEN INDUSTRIES AND DISTRICTS	115
§ 4. "CASUAL" EMPLOYMENT	117
§ 5. THE "SWEATED TRADES"	118
§ 6. MEN AND WOMEN'S WAGES	120
✓ § 7. "EQUAL PAY FOR EQUAL WORK"	125
§ 8. INTERNATIONAL WAGE-DIFFERENCES	128

CHAPTER VII

TRADE UNIONISM AND WAGES

§ 1. THE CHARACTER OF TRADE UNIONS	132
§ 2. THE BEGINNINGS OF TRADE UNIONISM	133
§ 3. THE "OLD UNIONISM"	134
§ 4. THE "NEW UNIONISM"	138
§ 5. TRADE UNIONS AND THE STATE	141
§ 6. REFORMIST v. REVOLUTIONARY TRADE UNIONISM	143
§ 7. WORKERS' CONTROL	145
§ 8. THE MACHINERY OF COLLECTIVE BARGAINING	148
§ 9. CONCILIATION AND ARBITRATION	150

CHAPTER VIII

THE MINIMUM WAGE

§ 1. STATE INTERVENTION	154
§ 2. THE TRADE BOARD SYSTEM	156
§ 3. MINIMUM WAGE PROBLEMS	159
§ 4. STATE ARBITRATION	163
§ 5. THE LIMITS OF REMEDIAL ACTION	164