# CONTENTS

I	PAG
CHAPTER I—INTRODUCTORY	1
§ 1. In any attempt to formulate principles for use in the settlement of wage disputes, past experience furnishes much guidance. What this experience consists of.	
§ 2. Such principles as have been used in the settlement of wage disputes have usually resulted from compromise; reason and economic analysis have usually been secondary factors. However, industrial peace cannot be secured by a recurrent use of expedients.	
§ 3. The attitude most favorable to industrial peace.	
Chapter II—Some Pertinent Aspects of the Present Industrial Situation	8
§ 4. The economic position of capital in the present industrial order. Its service to production. The problems to which the accumulation of capital has given rise.	
§ 5. The economic position of the directors of industry.  Industrial control an attribute of ownership. Two important suppositions used in this book, concerning: a. The forms of industrial income; b. The possible spread of public ownership, and its consequences for a policy of wage settlement.	

CHAPTER III—THE PRINCIPLES OF WAGES	35
§ 1. A knowledge of the forces governing existing wage levels essential in any attempt to work out a policy of wage settlement for industrial peace.	
§ 2. Wage incomes determined by great number of forces. The three most important and constant among these stated.	
§ 3. These three to be taken up in order. The volume of the flow of wealth in the county of the worker the first to be considered. Its relation to wages indirect, as all product is joint result.	
§ 4. The scientific management theories of wages based on a misconception of the relation between the productive contribution of labor and wages. These theories merely an elaboration of one method of wage payment. They have perceived one important truth, however.	
§ 5. The "group-demand" theory of wages as held by some trade unions, based on a similar misconception. Valid, sometimes, from group point of view; unsound from point of view of labor in general.	
§ 6. The second important force determining wages is the relative plenty or scarcity of the different groups or agents of production. How this governs the share of the product going to wage earners.	
§ 7. Many important modifying forces to the influence upon wages of relative plenty or scarcity. The most important considered.	
§ 8. The forces determining the sharing out of the prod- uct of industry summarized. The idea of normal equilibrium in distribution a mistaken one.	
§ 9. A brief analysis of the factors which determine actual plenty or scarcity of the different agents of production at any one time.	7 .
§ 10. The third important force introduced—the relative plenty or scarcity of different kinds of labor. The existence of relatively separate groups of wage earners discussed. The nature of an investigation of the principles of wages.	
Chapter IV—Principles of Wages (Continued) § 1. We have next to examine the causes of formation of relatively separate groups of wage earners.	69

- § 2. What is meant by a "relatively separate group"?
- § 3. The causes of the existence of these groups in the United States to-day. Inequality of natural ability; inequality of opportunity; artificial barriers. All these contradictory to assumptions behind theory of general rate of wages.
- § 4. Trade unions another factor in the formation of relatively separate groups. Indirect effects in opposite direction.
- § 5. Each of these groups has a relatively independent economic career. There are a series of wage levels, all of which are governed to a considerable extent by the same forces.
- § 6. The way in which the relative plenty or scarcity of each kind or group of labor affects its wages. Other forces play a part also.
- § 7. The nature of wage "differentials."

#### CHAPTER V-WAGES AND PRICE MOVEMENTS . . . . . 87

- § 1. The transactions of distribution arranged in terms of money. How does this affect the outcome of distribution as regards wages?
- § 2. The characteristics of price movements.
- § 3. The direct and indirect effects of upward price movements upon the distribution of the product.
- § 4. The direct and indirect effects of falling price movements upon the distribution of the product.
- § 5. The doctrine of the "vicious circle of wages and prices" examined. Its meaning and importance.

## CHAPTER VI-WAGES AND PRICE MOVEMENTS (Continued). 106

- § 1. The problems of wage settlement arising out of upward price movements two in number: (a) Should wages be increased during such periods? (b) If so, on what basis should increases be arranged? The doctrine of the maintenance of the standard of life analyzed.
- § 2. An alternative method of adjustment proposed, based on a new index number.
- § 3. Periods of falling prices also present two problems of wage settlement, similar in essentials to those presented by upward movement. These problems discussed.

PAGE

CHAPTER VII—THE STANDARD WAGE
§ 1. The remainder of the book will consist of an attempt to mark out principles of wage settlement that could be applied with relative peace and satisfac- tion in the settlement of wage disputes.
§ 2. Some preliminary notes on the subsequent exposition. The question of the political machinery required to put any policy of wage settlement into effect, avoided on the whole.
§ 3. The principle of wage standardization defined and explained.
§ 4. The characteristics of the standard wage examined.
§ 5. The effect of the standard wage on individual independence and initiative.
§ 6. The effect of the standard wage on the distribution of employment within the group.
§ 7. Its effect upon industrial organization, prices, and managerial ability.
§ 8. Its effect upon the output of the wage earners.  This question cannot be satisfactorily discussed apart from the larger one—that of the effect of unionism upon production.
§ 9. Wage standardization and the "rate of turnover" of labor.
CHAPTER VIII—THE STANDARD WAGE (Continued) 1
§ 1. What variations or limitations should be introduced into the principle of standardization in view of the great area and economic diversity of the United States?
§ 2. Differences in natural or acquired advantage between different enterprises as a reason for modification and limitation of the principle.
§ 3. Differences in the character of the work performed by any large group of wage earners as a reason.
§ 4. Differences in the cost of living at different points within the area of standardization as a reason.
§ 5. The grounds for "nominal variations" in standard wage rates. The policy to be pursued in regard to payment for irregular employment.
§ 6. The possibility of maintaining standard wage rates over a large and diversified area considered.

PAGE

§ 7.	Up to the	present,	the	progre	ss of	stand	ardiza	tion
	has not	proceede	d in	accor	dance	with	reaso	oned
	conclusio	ns as to						

§ 8. Where should level of standardization be set? The doctrine of "standardization upward."

§ 9. The importance of the principle of standardization in wage settlement.

# 

- § 1. The reasons for seeking separate principles for the settlement of the wages of the lowest paid groups.
- § 2. Wage statistics of these groups a matter of familiar knowledge.
- § 3. The definition of the living wage idea. An inescapable element of indefiniteness contained in it.
- § 4. The living wage principle put in the form of applied policy.
- § 5. Should the living wage principle be applied to male labor? The arguments for and against.
- § 6. The theoretical case for the living wage principle.

  The verdict of past experience favorable to its extension.
- § 7. The dangers which must be guarded against in applying it.
- § 8. It should be administered through machinery which makes possible careful study of facts of each industry. This machinery discussed.
- § 9. The question of the relation to be established between living wage for men and women difficult.

  Alternatives considered.
- § 10. A plan for the adjustment of the living wage to price changes. The basis of adjustment.
- § 11. The policy of adjustment—already discussed.
- § 12. The hope of the living wage policy.

#### CHAPTER X-THE REGULATION OF WAGE LEVELS . . . . . 209

- § 1. Why there must be in industry an ordered scheme of wage relationship between each and every group of wage earners. The limits of collective bargaining as a factor in industrial peace.
- § 2. In the beginning, the scheme must probably be

## CONTENTS

based on an acceptance of existing wage "differentials." The reasons for this are of a practical kind.

PAGE

- § 3. Any policy which planned to develop a scheme of wage relationships merely by maintaining existing differentials would be bound to fall to pieces in the end. The difficulties that would arise.
- § 4. Two principles proposed as the basis of the desired scheme of wage relationship. Their meaning as applied doctrines.
- § 5. These principles open to criticism both on practical and theoretical grounds. The chief criticisms examined and taken into account.
- § 6. Some notes on the best method of administering these principles. The necessity of avoiding political interference, if possible.

#### 

- § 1. The scheme of wage relationship must recommend itself as just to the wage earners and the community in general. The ultimate distributive question to be met is the division of the product between profit and wages.
- § 2. Provision for the adjustment of wages to price movements would aid, however, towards reaching distributive goal. A policy of adjustment suggested.
- § 3. The difficulty of maintaining scheme of wage relationship of wages adjusted to price movements.

  The best method of adjustment a compromise.

#### 

- § 1. The profits return in industry, under any policy of wage settlement, will be closely scrutinized.
- § 2. The possibility of measuring a "fair" profits return for all industry discussed. A method suggested.
- § 3. Would the principles of wage settlement worked out so far, produce a fair profits return? An open question.
- § 4. The scope and form of any measure designed to assure the desired distributive outcome can be discerned.

PAGE

- § 5. The various steps in the formulation of such a measure reviewed. A measure tentatively suggested.
- § 6. The difficulties of calculating wage changes called for under the suggested measure.
- § 7. The chief practical weaknesses of the suggested measure examined.
- § 8. It would be open to theoretical criticism also. The alternatives even less satisfactory.
- CHAPTER XIII—A CONCEPT OF INDUSTRIAL PEACE . . . 264
  - § 1. The hope for industrial peace in the United States.
  - § 2. A policy of wage settlement composed out of the principles already set forth.
  - § 3. What results might be expected from the adoption of these principles as a policy?
  - § 4. The matter of economic security for the wage earners likely to be important for industrial peace. Hardly considered in this book. The question has been presented to the Kansas Court of Industrial Relations.
  - § 5. Certain new ideas concerning industrial relationship have come to stay. They indicate the probable current of future change.