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The minimum wage

Glenn Newton Merry
State University of Iowa

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THE MINIMUM WAGE

By

Glenn Newton Merry

A

THESIS

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MINIMUM WAGE

Introduction

The trend of economic thought today differs radically from that of a century ago. Then, society was considered as static. The Wage Fund theory seemed a consistent theory. Today we recognize that the conditions of society vary with every minute, with every human act, and that our body politic is dynamic. Then the race was divided into castes, into Royalty, Nobility, Gentry, and Common people. Below this last class existed the laborer or the vassal, the slave. The passing from this system to modern society has been one of complete reorganization. Democratic ideals freed the vassal and the slave. And with this process of reorganization have come the labor problems of today. When the good slave, the docile slave, was given independence his good quality of docility tended to make him a dependent on society. When the freed slave became sick, there was no beneficent master to care for him and his wages were insufficient to pay doctor bills, so he became a charge on society. Economic theory today advocates the welfare of mankind. It contends that man exists for no system, that laws
exist for humanity.

The philosophy of labor legislation today, then, centers about this adjustment of the old ideals to the new, of the theory of property and of freedom of contract to the rights of the laboring man and his property.

Dr. Seager says, "Any program for social reform for wage earners may be analyzed into two parts. One part aims to protect them in the continued enjoyment of their present standards of living. The other endeavors to assist them to advance these standards to ever higher levels. The proposal to establish minimum, or living rates of wages, by law for individuals and classes that are now so unfortunate as to fail to secure them is the link which connects these two parts into a consistent and comprehensive program."

This fact should be born in mind that the advocates of minimum wage in no manner consider it a panacea for all labor troubles. The state regulation of wages is regarded merely as a logical step to supplement the present program of shorter hours, inspection, sanitation, etc.

In the following pages, the subject of minimum wage is discussed under the three general headings. First,
the history, and present status of minimum wage are presented; secondly, the arguments pro and con, in other words, some critical points of this wage system are discussed; and thirdly, wage conditions and proposed minimum wage legislation in the state of Iowa are considered.
Chapter I.

The History and Present Status of Minimum Wage.

Section 1. Minimum Wage Prior to 1894.

The abuses and conditions which lead to the suggestion of minimum wage laws as a solution are not new to this day and generation. Both the conditions and the suggested remedy may be found at other periods in history. Minimum Wage is, however, a form of state or government regulation of wages which has received increasing attention in recent years. The origin of this modern doctrine is not readily determined. Father Ryan contends that Pope Leo XIII initiated the doctrine in his "celebrated encyclical 1891, Rerum Novarum" where he declared:

"Let it be granted then that as a rule workmen and employer should freely agree as to wages; nevertheless, there is a dictate of nature more imperious and more ancient than any bargain between man and man that the renumeration must be enough to support the wage earner in reasonable and frugal comfort. If thru necessity or fear of worse evil, the workman accepts harder conditions because an employer or contractor will give him, he is the victim of fraud and injustice."
As early as 1877 a Belgian law regulated the wages of laborers on public works, but there is no evidence that Belgium attempted to apply this wage to private industry, or that from this piece of legislation emanated similar measures in other countries. Victoria, however, may well lay claim to priority and influence as far as comprehensive, practical prototypes of current legislation wages are concerned.

The author of the wages board plan was Sir Alexander Peacock, a young man then serving his first term as a member of the cabinet and under whose jurisdiction as Chief Secretary of the colony was the office of the chief inspector of factories and workshops. Mr. Peacock has told how he and the chief factory inspector, Mr. Harrison Ord, had many conferences on the subject of anti-sweating legislation. But neither of them was able to find a remedy until Mr. Peacock happened to recall a method by which a disagreement which had arisen between master and men over a proposed reduction in wages in a gold mine near Ballarat had been overcome. The differences had been threshed out at a very informal conference of the employer and his men at which Mr. Peacock had served as secretary. The way in which a settlement of the difficulties was reached had made
a lasting impression on Mr. Peacock and he now proposed to adopt a similar plan for the fixing of wages in the sweated trades.

But the doctrine of minimum wages and of state regulation of wages may be found in early English codes. The minimum wage principle as well as the maximum was embodied in the Elizabethan code which was the "parent of labor acts" for two-hundred and fifty years. This code was made up of the Statute of Laborers, passed in 1349, and the Elizabethan Statute, passed in 1563. "The Statute of Laborers is the most historic and complete code regulating industry ever enacted." The statute of Edward the Third purposed to compel laborers and craftsmen to work cheaper than they desired and it limited freedom of action among working people. But the Elizabethan code attempted to ameliorate the hard conditions of the wage earners. The "Statute of Apprentices was included and purposed in scarcity or plenty to yield a convenient proportion of wages." The statute of Elizabeth recited that its passage was, to quote from the law, "chiefly because the wages and the allowances limited and rated in many of the said statutes are in diverse places too small and not answerable to this time, respecting the advancement of prices of all things. To the said servants and
laborers, the said laws cannot conveniently, without the great grief and burden of the poor laborer and hired man, be put to good and true execution."

This act regulated terms of service, hours, of labor, and the fixing of wages by the justices of the Peace. It had minute provisions respecting every phase of the employment of servants, laborers, and apprentices and skilled workmen.

This was an ideal code of labor law, considering the stage of the industries of the time. It protected employee, apprentice, and master.

During the reign of Edward the third, the population had been much reduced because of the Plague and laborers had so taken advantage of the conditions that these statutes alleviated what might have been most serious relations between employer and employee. In some instances the wage demanded by laborers considering what purchasing power the money possessed, were in excess of wages paid today.

During the middle ages wages were legally regulated directly or indirectly "not only in England but throughout western and southwestern Europe." But hereafter reference will be made only to England in tracing the steps to the more modern idea of minimum wage. In 1728, the Gloucestershire weavers persuaded the justices
who had in charge the settlement of wage difficulties to grant them a "liberal scale." In 1756 Parliament passed a law fixing the piecework and preventing wage cutting and under-selling. But after that time Parliament long had a tendency to adopt a "laissez faire" attitude toward the wage problem.

Attempts to secure minimum wages were made by the handloom weavers in 1795, 1800 and 1808; but the committees to whom the matter was referred declared, "it was wholly inadmissable in principle, incapable of being reduced to practice by any means which can possibly be devised, and, if practicable, would be productive of the most fatal consequences."

In 1805 the Court of Glasgow Sessions granted a scale to printers and in 1812 to cotton weavers. But in 1813 the "pernicious law" was repealed and in 1814 the apprenticeship clause was repealed. Parliament declared that the right of every man to employ the capital he inherits or has acquired, according to his own discretion, without molestation or obstruction, so long as he does not infringe on the rights of others, is one of those privileges which the free and happy constitution of this country has long accustomed every Briton to consider as his birthright.

During the agitation in 1795 when Samuel Whitbread,
friend and follower of Fox, was trying to get through Parliament a bill empowering justices to hold General Session at which they would "rate and appoint the wages and fix and declare the hours of working of all laborers in husbandry by the year, month, week or day, and with beer or cider or without, respect being had to the value of money and the plenty or the scarcity of the time," a group of Norfolk laborers, the class that was most concerned, submitted their own scale or schedule of wages. While endorsing the bill, at the same time they sought to show how their wages should be proportionate to the prices of wheat. The scale urged by them was as follows:

When wheat is £14 per last, the price of labor will be 1s. 2d. per day. When wheat is £16 per last, the price of labor will be 1s. 4d. per day. When wheat is £18 per last, the price of labor will be 1s. 6d. per day. And so on with a raise of 1d., for every £ of price.

The penalties imposed for violation of the law, in this bill of 1795 were fine and imprisonment if an employer contracted for labor lower than the wage set by the justices. The bill had the support of Fox, Sir William Young and Dundas, but was killed February 12, 1796, and also in 1800 by Pitt's influence and arguments. It is interesting to note Pitt's most successful arguments
against the passage of the bill. He declared that labor's hardships were redressed by employer's benevolence and that it was "an endeavor to establish by authority what would be much better accomplished by the unassisted operation of principles."

After 1827 we hear or see little of Minimum Wage agitation, until the latter part of the 19th century. In 1888, the agitation is again renewed. This time it is the Yorkshire coal miners who are seeking better wages. Meanwhile the laborers of England had learned some of the advantages of organization. The labor union had grown up and not only were wages fixed, to a degree, by collective bargaining; but disputes over wages had been settled by arbitration. Labor had developed some collective strength and also some principles. Among these principles, particularly among the northern coal miners, was the theory that wages should depend on prices. This had led to the adoption of a sliding scale of wages over the northern coal fields in 1877-8. These Yorkshire miners, hailing as a panacea this principle of wages, soon began to grumble with falling prices for coal at the operation of the sliding scale. Now they inverted their demands and declared that hereafter prices should depend on wages or at any rate, that prices should be fixed at a figure that would include a living wage, "such a wage to be a first
charge on the industry." This agitation was quite successful, for in 188-89 the Miner's Federation of Great Britain was formed and the organization definitely adopted the principle, and put it into practice where wages were based upon piece work. The agreement clause was rather clumsily worded, but it remained in good repute for some ten years. It stipulated that "the rate of wages was not to be below 30% above the rate of wages of 1888, nor more than 60% above the rate of wages of 1888." "This scale survived till 1898 when in South Wales 100,000 men struck against it and remained out for twenty-five weeks." This dispute led to the formation of the South Wales Conciliation Board which dealt with the question of miners' wages.

English experience with minimum wage theory may be summarized as follows: The earlier statutes of controlling wages in England were ineffective and inoperative for more than a hundred years prior to the present century. But on the other hand, the miners' federation has claimed the minimum wage for the last thirty years, and has considered it a leading factor in the adjustment of wages. Their regulation of wages was first confined to abnormal places and conditions, but later applied to all men and boys "employed underground." This concludes the discussion of minimum wage in
England for the time being. After considering the development of the theory in New Zealand and Australia, the subsequent experience of England will be presented.

Section 2. New Zealand and the First Modern Minimum Wage Legislation

New Zealand has been called the "land of no strikes." This is not altogether true, but the country has been so free from labor troubles that the statement is approximately correct. The chief reason for this paucity of strikes and lock-outs rests in the statutory regulation of industrial disputes. New Zealand is noted for her labor laws. Factory legislation dates back to 1873 when the "Victorian pioneer Act" of the same year was taken as a model. However, the main enactments of factory legislation for which the little nation is noted did not occur until 1891, 1894 and 1901. The act which is operative at present was passed in the last named year. However, the most noted of New Zealand's labor laws is the Industrial Conciliation and Arbitration Act which was passed in 1894, and which has been amended several times.

The administration of the Labor Laws rests with the State Department in New Zealand. This department is presided over by the Minister of Labor. The secretary of
Labor, a subordinate, however, holds a very important office; in fact, he does the detailed work. The duties of this department as outlined in the Act of 1903 are:

(1) To administer all labor laws. (2) To scatter knowledge of industrial conditions with a view of remedying or improving working conditions; and (3) to collect and publish all reliable information. Great powers are given the Department to enable it to secure accurate information.

Before taking up the consideration of Minimum Wage legislation in New Zealand, a few historical points should be noticed. During the period from 1885 to 1889 the unemployment problem became very serious. A depression came on, credit was contracted and business was driven to "exact competition." The scarcity of employment for all drove women to accept lower and lower wages until by the end of the decade, what was called sweating appeared to many to have secured a foothold in the Colony. A newspaper crusade was begun in Dunedin by the "Otago Daily Times"; in ChristChurch by the "Littleton Times"; and inquiries made over a wider field are said to have shown "a deplorable state of affairs in all the principal cities." Public opinion was ready to back an investigation.

Meanwhile a Commission of nine members was appointed
"to inquire into the mode and terms in and on which persons are engaged or employed in shops, in wholesale and retail trading and manufacturing business establishments, and in hotels and other licensed houses of public resort; and in particular as to the terms in and on which persons are engaged or employed in any manner in supplying or making goods or articles for the owners or occupiers of such shops or wholesale or retail trading or manufacturing places of business or otherwise, and upon the relations generally of the employer and employed, and the best machinery for determining matters and questions arising between them and relating to their respective interests."

After many hearings held in the "four chief centers," the majority of the Commission reported "with satisfaction" in May of 1890 that the sweating system no longer existed there.

A minority of three disagreed with the above finding, believing that sweating did exist, "although only to a very limited extent."

The third historical fact that should be considered is the so-called Maritime strike of August 1890. This strike had its origin in Australia, and extended to New Zealand only because of sympathy with fellow workers. It was by far the most memorable strike,
that has ever occurred in New Zealand. The Seaman's Union of Australia demanded higher wages and then, when the employers refused on the grounds that they could not afford to increase wages, the Seaman's Union of New Zealand added its influence.

Thus while it appeared that there was no acute sweating problem, it was plain that there were wage troubles; and, when about a month after the termination of the strike, the triennial general election took place, "It resulted in a decided victory for the Liberal party. This put heart into the Labor Party, as its prospects of being able to accomplish its ends were now brighter than ever before." It lost little time in urging Parliament to pass labor legislation in harmony with its views, and eventually in 1892, the Industrial Conciliation and Arbitration Bill was introduced by the Honorable W.P. Reeves. A few portions of Mr. Reeves' speech made as he moved the Second Reading of the Bill should be presented here to show the bearing of this now famous Law upon conditions then, and also to show the public attitude toward the proposed law. Said Mr. Reeves, "The Bill is more or less of a novel character in New Zealand. It is a measure which may be distinctly called of an experimental kind. There are not in the British Empire any larger number of statutes in force for the
reference of industrial disputes to councils of conciliation or courts of arbitration......I think that the time is opportune for the experiment, for undoubtedly public opinion is growing up, even among those who might have at one time thought that they had most to gain by strikes, that strikes are, at best, injuries to all parties and that conciliation is what must be looked to.... I do not think the Arbitration Court will be very often called into requisition; on the contrary, I think that in ninety-nine cases in one-hundred in which labor disputes arise they will be settled by the Conciliation Boards; but unless you have in the background an Arbitration Court the Conciliation Boards will not be respected, and they will be virtually useless." The bill became law on August 31, 1894. It was passed merely as an experiment and its passage created practically no interest. No one appreciated at the time the far reaching influence inherent in the law, not even Mr. Reeves, himself.

So far in the discussion it has probably become plain that the problem in New Zealand was more one of strike and lock-out disputes than of sweating. Hence the unique relation of the Minimum Wage in the Act just referred to. So many of the industrial difficulties of the period had centered about wages that it was thought these disputes might be prevented if the Court was also given the power
to regulate wages.

Accordingly, the Court was authorized in its award, to prescribe a Minimum rate of wages, with special provision for a lower rate being fixed in the case of any worker unable to earn the prescribed minimum. "Thus the Minimum Wage became one of the most important items in an award of the Court." There seemed to be no fixed program followed by the court in making the awards. It would appear that the rate was fixed according to the average wage in the trade. The law of 1894 was passed really to settle by compulsory arbitration the labor troubles—strikes and lock-outs—then common, and which threatened to "arrest the process of industry." The outcome has been something not contemplated, for under the law as amended, questions of wages, hours of labor, and the relations between employers and workmen generally "have become subject to state regulations."

The Minimum Wage System of New Zealand then, enters in the Act providing for Compulsory Arbitration.

Section 3. Minimum Wage in Australia.

The Act which has been pronounced "the most famous and important attempt at establishing minimum wage laws" was passed by Victoria, one of the Eastern states of Australia, in 1896. But the New Zealand and Victoria were neighbors, the purposes of each in enacting mini-
mum Wage was quite different. New Zealand connected the policy with Compulsory Arbitration, but Victoria adopted it primarily to abolish "sweating." Other Australian states subsequently included the Minimum Wage among their labor laws, but these states like New Zealand, entered upon the state regulation of wages merely as auxiliary support to Compulsory Arbitration. For instance, the laws of New South Wales were amended to include Minimum wage. West Australia enacted its legislation almost entirely on the basis of New Zealand's legislation. The chief act was passed in 1900 and amended in 1902. Queensland passed a Wage Board Act in 1907. The feature of the acts of all the Australian colonies excepting Victoria, is that "minimum wages are fixed by the arbitration Courts. But this is purely incidental to their main task of settling labor disputes. The chief significance, tho, which compulsory arbitration has today in Australia is that it is a powerful weapon by the use of which the state asserts its right to interfere in making and enforcing the labor contract. Compulsory Arbitration must be judged not by its success in preventing disputes but in regulating trade and industry. And "as a natural consequence of this regulation, we have the fixing of the Minimum
Wage as perhaps the most important task of the courts."

The first labor legislation of any of the countries in that part of the world has Victoria's law of 1873. Sweating and conciliation were slogans of the people of Victoria. Early as 1882 a newspaper "The Age" had made an influential investigation, and a Royal Commission reported twice in 1884 on labor conditions. The latter admitted that sweating was all too prevalent, and that it was identified "with home work and sub-contracts." The evil had connected itself especially with the tailoring and book trades."

This Commission made 39 recommendations, number 36 of which read, "The sweating system shall be prohibited." As an outcome of this investigation there was passed the Factories and Shops Act of 1885. This act fixed the number of employers including apprentices that might constitute a legal factory at six. Nothing was done to prevent work being taken to the homes of the workers, but the influence of the law did much to improve conditions, especially about the Melbourne factories and to make possible the enforcement of more positive laws in the later years.

However, sweating still existed, and after supplementary legislation in 1890 there seemed little improve-
ment. So in 1893 a Parliamentary Board was appointed to investigate the workings of the Act of 1890 relevant to "sweating and the alleged insanitary conditions of the factories and workrooms." This Board's reports were published at intervals from 1893 to 1895 and the information led to the establishment of the Wage Board system. A special board empowered to fix a minimum wage for a given trade may be created at the request of employers, employees, the Minister of Labor, or the Legislature. Representation on these wage boards is equal and a non-partisan chairman selected. The basis of the wage is that wage paid by the reputable employers of the trade under consideration. No evidence is admitted as to the cost of living or the profits of the industry. Should the wage determined by the board be unsatisfactory as a minimum, the whole matter may be referred to the Court of Industrial Appeals whose findings are final. The Victorian law applies to male as well as female labor.

The industrial conditions in Victoria which fostered sweating were the outcome of a "boom" from 1886 to 1890, during which inflation became excessive. Gold had been discovered there in 1880. But this "extraordinary richness of the gold yield" ceased at the close of the same decade. Drought and periods of speculation follow-
ed. In 1891, the period of financial contraction came on and the readjustment of inflated land values particularly in and about Melbourne brought collapse. It was not possible to prevent a financial panic and in April and May of 1893 nine of the associated banks together with a number of other financial institutions suspended payment. Ernest Aves tells us that the effects on the conditions of employment were lamentable. The drought of 1895 rendered the position of the laborers most heart-rending. The expenditures on public works sank from £5,000,000 in 1890 to an average of £900,000 for the six years 1893-8. The population of Melbourne which had increased at the rate of nearly 21,000 a year during the 10 years ending 1891, had fallen off about 32,000 by the end of 1897 - a figure, which allowing for the excess of births over deaths which had occurred in the same period, is equivalent to an actual loss (through migration) of nearly 81,000 souls. Finally the employers in manufactories and works fell from 58,452 in 1890 to 41,729 in 1893, and altho the year of financial collapse was followed by some recovery, the figures for 1896 were still 8,000 below the total of 1890. But the tide had turned, and it was on the turn that the Wages Board system started. Thus it is interesting to note that the Minimum Wage in both New Zealand and
Victoria came as a remedy for a situation caused by financial depression and unemployment.

Section 4. Modern Minimum Wage in Great Britain

The most important step for Minimum Wage legislation that the Parliament of Great Britain has ever taken was the Trade Boards Act of 1909, which went into effect January 1, 1910. This Act, the mother-country based entirely upon the experience of her colony Victoria.

There were three distinct influences that led up to the passage of the Trades Boards Act of 1909.

1. The failure of the Consumer's Leagues' Policies.

The London County Council had laid down an elaborate schedule after careful preparation, which stated the Minimum piece rates for parts of garments in the process of finishing. This rule gave satisfaction as far as being enforced "to the letter" was concerned. But it was gracefully evaded in spirit. For instance, a contractor would give out two coats to be basted, one would be a coat marked by the League's Label, "London County Council", and the other a similar article to which the rules of the Council did not apply. The usual price paid
to the worker, let it be supposed, 6 d. The practice
was for the worker to have 8 d. marked on the ticket
for the "London County Council" coat and 4d. or less on
the other. Should the worker decline to take the two
articles she would get neither. So while the plan pur­
posed a remedy it failed because it lacked the power to
cover all conditions.

2. The Sweated Goods Exhibition of 1906. In 1906 was
held a notable display of goods made in sweated indus­
tries. The prices paid for work were also noted. The
injustice of the wages was at once apparent and the pub­
lic was aroused. In 1907 a Select Committee was appoint­
ed "to consider and report on the conditions of labor in
trades in which home work is prevalent, and the proposals
and the licensing of work places, which have been made
for the remedying of existing conditions". This committee
after its investigation reported unanimously in favor
of the system of Wage Boards. Such Boards, it declared,
should regulate the wages of home workers in the various
sweated industries.

3. Mr. Ernest Aves' Report in 1907. This report was
the outcome of a careful and authoritative investiga­
tion of the working of the "Wage Boards and Industrial
Conciliations and Arbitration Acts of Australia and New
Zealand." The extent of the legislation in these colo-
nies presented above impressed Mr. Aves. He was appointed under the direction of the Crown and rendered his Report in 1907. The report was not enthusiastic either for or against. But it presented a survey of most valuable experience and at the same time it was not hostile to such laws. Conditions in England were already ripe for a New Factories Act and after this Report sufficient strength was given the movement to carry the Act. The credit for the immediate presentation before Parliament of the measure belongs to the National Anti-Sweating League, formed in 1906. The union men of England favored the Minimum Wage. This League had begun the advocacy of the policy and had secured the co-operation of the labor party and other influential organizations in urging this system to benefit the less intelligent and unorganized laborers. It was this element that induced Parliament to pass the law.

The Trade Boards Act applies to men as well as to women. In accordance with the provisions of the Act, wage trade boards may be established for all employees in any industry, if the order of the Board of Trade is secured, subject of course, to ratification by Parliament. But Parliament specifically declared the law to the following trades: (1) Ready made tailoring. (2) Card-box making. (3) Chain making, hammered, dollied, or tom-
mied. (4) Certain processes in lace finishing.

The wage boards were to be known as "Trade Boards." These were made up of representatives of employers and workers in equal numbers and were elected by the organizations concerned and by the other members, including the chairman who was appointed by the Board of Trade. The determinations of these Boards were made binding by an order of the Board of Trade, except that the latter might suspend the operation of an order. In such case the tradesmen may renew its recommendation after a period of 6 months, and the Board of Trade may then issue an obligatory order or further suspend it. Trade Boards may fix general minimum time rates or minimum piece rates and on the application of any employer they must fix a special minimum piece rate for any particular class of work on which he is engaged. The rates fixed in this manner may differ for different classes of workers, for different districts and for different processes. To advise the Trade Board, district Committees may be appointed in fixing rates for their respective localities. Prior to a Board's fixing of a certain rate 3 months notice must be given. During this time objections to the rate proposed may be raised. After the 3 months the rate comes into operation, tentatively. The rate is compulsory in the absence of a written contract, signed by the worker, providing for a lower rate; and it must be adopted, by all firms engaged
in public contracts. Six months later the Board of Trade has power to make the rate obligatory in all cases. Special exemptions can be secured under the Act in the case of old or infirm workers. Inspectors are provided with power to enter work places at any reasonable time and to inspect books, that the Act may be enforced. Any employer paying less than the minimum rate is liable to a penalty not exceeding £20, and for each day on which the offense is continued after conviction, £5. An employee who has not received the legal minimum wage may recover the balance due. In 1913 Wage Boards were established in 4 additional trades, as follows:

1. Sugar, confectionery and food preserving trades.
2. Shirt making trades.
3. Hollow ware trades.

Section 5. Wage Regulation in Germany.

The German government passed a so-called "Home work Act" in 1911. Though this act does not establish trade boards to fix a minimum rate of wages, it provides "Trade Committees" of a similar type, whose lack of power to regulate wages directly might easily be remedied by a supplementary act. Mrs. Andrews in her survey of the German law states that the duties of the Trade Committees
touch the borderland of the regulation of wages.

These committees may be appointed by the Federal Coun-
cil for particular trades or districts where home workers
are employed. The Committees are mutually representative
of employer and employee, and two assessors who must have
technical knowledge must be appointed. The presiding of-
ficer must be neutral and where women are concerned, they
must be given representation. Each state is allowed to
fix the number of representatives and to appoint not only
the president and assessors but also, after consultation
with the employers and home workers, half their represen-
tatives. The remainder of the representative members
are elected by the employers and home workers respectively.

The functions of the Committees include collections
of information and, vaguely, the promotion of institutions
or measures for improving the conditions of home workers,
such as collective agreements. These committees must "on
the request of the municipal or Communal authorities as-
certain, in a suitable manner, especially by procuring
evidence from employers and home workers concerned, the
amounts actually earned by home workers, express opinions as
to whether such amounts are reasonable and make proposals
for procuring agreements for reasonable renumeration."

Firms that give out work must keep a register of home
workers and post up fixed rates of pay in the rooms where
work is given out or returned. Such firms, also must con-
form to any instructions issued by the local authorities
to improve, where necessary, their arrangements for giving
out work or receiving it back, in order to prevent undue
time wasted on the part of the out worker.

It is possible that after the present war, when Ger-
many begins to readjust her industrial conditions that
the above law will undergo some radical changes.


Minimum Wage legislation in the United States differs
from the legislation of other countries in that it ap-
plies thus far, only to women and minors. It resembles
the laws of Victoria and Great Britain, in that it at-
tempts to abolish the evil of sweating. But the Minimum
Wage in the United States goes farther in its ethical
policy than the systems of the other countries. Here it
pursposes to give to all workers in all industries which it
covers a "living wage".

The industrial conditions which have produced advocates
of Minimum Wage in the United States, may be traced back
to the early decades of the 19th century. Nearly a cent-
ury ago Mathew Carey, of Philadelphia, the first American
investigator of the working woman's conditions, said that
the wages of women "were barely sufficient to procure them a scant supply of the very commonest food and rai-
ment." Ever since his time the relatively low wage of women and minors has been the subject of persistent though fluctuating, agitation.

Three factors have made for state regulation of wages in our country in recent years. (1) The operation of the British system under conditions similar to our own country; (2) Investigations into labor conditions showing the extremely low wages of women and children not alone in the home work, but in all industries; (3) Studies of working people's budgets and semi-scientific determinations of "living wages."

While the Federal investigation of wage-earning women and children, the reports of the Massachusetts' Minimum Wage Commission and of the Special State Commissions in New York and Connecticut together with the Pittsburg Survey and the smaller industrial surveys in Portland, Kansas City and Milwaukee have brought most valuable information to light, (4) the prime instigation back of all the agitation for Minimum Wage legislation seems to have been the activities of the National Consumers' League. One of the four "principles" from this League's Constitution of 1914 declares that a "duty is especially incumbent upon consumers in the relation to the products of
woman's work, since there is no limit beyond which the wages of women may not be pressed down, unless artificially maintained at a living rate by combinations, either of the workers themselves, or of the consumers." This League prints facts and keeps up a steady education of as much of the public as it is able to reach regarding Minimum Wage benefits and progress as well as the developments of other movements for social reform.

There had been but little real agitation for Minimum Wage in the United States prior to 1909. One of the early and sporadic attempts at such legislation was made in Nebraska during February of that year. A Bill was framed and presented to the state legislature. However, this proposal received little serious consideration. It was not until after the passage of the British Trade Boards Act that Nebraska as well as several other states took up the more active propaganda of Minimum Wage.

In several parts of the United States the wages of the employees engaged in public work have been for several years regulated by statute. For instance in 1913, the city of Spokane, Washington, established at a popular election a minimum rate of $3.00 a day on public work. This ordinance was sustained by the Supreme Court January 2, 1914.

Other states that have provided a minimum scale in public work are California, Indiana, Maryland (for the city of Baltimore) Massachusetts, Nebraska and Nevada,
where the rate is $2 to $3 per day.

The first American Minimum Wage Commission was authorized and created by the legislature of Massachusetts in 1911. It was appointed to investigate conditions and to report on the advisability of the creation of a permanent Wage Board. Also in 1911 great interest sprang up and bills were presented in the legislatures of Minnesota and Wisconsin. These Bills failed to pass. But again Massachusetts "pioneered the way" and created the first permanent Minimum Wage Commission in the United States. In 1913 this was followed by similar action in eight other states. The laws of these nine states went into effect during the year 1913 in the order named.

2. Oregon, June 2.
5. Massachusetts, July 1.
7. Wisconsin, August 1.
8. California, August 10.

Congress also has had under consideration several measures applying to the employees in the District of Columbia, of the Federal Government and of those serving
in interstate commerce. One measure, intended to regulate wages for both male and female employees in the District of Columbia, provided for a Commission of three members at an annual salary of $3,000 each, with powers similar to those of the Massachusetts' Commission, except that the Bill did not provide for subsidiary wage boards. Another Bill applied to those working for the Federal Government and required a minimum scale of $2 a day for all adult male employees and $1.50 a day for all adult female workers.

At least two bills have been presented under which wage rates would be regulated for employees in interstate commerce. One was a flat rate measure providing for a minimum wage of $9 a week for all females employed in such works, or in the production and manufacture of articles for interstate commerce. There was also a provision for the limiting of hours, a feature of labor legislation that is almost inseparably connected with Minimum Wage regulations.

The second of these Federal proposals provided for a National Minimum Wage Commission consisting of one "wage Commissioner" appointed for four years in each congressional district to whom complaints might be made where wages seemed "insufficient, inequitable or unjust in proportion to the work done and services rendered to the
employer, or shall be insufficient and are not sufficient upon which the said person may live and maintain an existence in harmony with the spirit and organization of citizenship in America." Penalties for violation were fixed, but no specific wage standard was given. To date, however, no minimum wage measure for workers in private employment has been passed by Congress.

The laws that have been adopted by the several states are quite similar with the one exception of the Utah law. The main features of these laws can be grouped as follows, under fifteen headings:

1. **Industries covered.** All industries are covered by the laws of the nine states with the exception of the law of Colorado which is made to apply specifically to "Merchantile, manufacturing, laundry, hotel, restaurant, telephone or telegraph" establishments.

2. **Employees covered.** Utah's legislation includes females only. The laws of the other states cover women and minors.

3. **Principle of Wage Determination.** The Utah law fixes a flat rate of $1.25 per day for experienced adults. The other states prescribe "A wage sufficient to maintain himself or herself under conditions
consistent with his or her welfare." (as in Wisconsin); or a wage equal to the "Necessary cost of proper living and to maintain the health and welfare." (as in California).

4. Exceptions for Defectives. Utah makes no such provision. The other states provide the "permit system."

5. Exceptions for Learners. California and Colorado make none. Massachusetts, Minnesota, Nebraska and Oregon provide "special rates for learners and apprentices." Utah provides for "females under 18 years, 75 cents a day; adult learners and apprentices 90 cents a day." Wisconsin requires that minors in a "trade industry" must be indentured.

6. Penalties for Violation and Discrimination. Generally the laws provide fines and in some cases imprisonment for violation and the laborer may sue for the balance of the wage due. In Massachusetts and Nebraska the penalty is the publication of the employer's name in newspapers; and a paper refusing to publish such a name is subject to a fine of $100. Utah makes the penalty for violation a misdemeanor. The penalty for discrimination is directed toward the employer who "discharges or in any way discrimi-
nates against any employee because such employee has testified, or is about to testify, or that the employer believes that the employee may testify, in any investigation, or proceeding "relative to the enforcement of the Act."

7. **Appropriations.** These varied from "none" in Nebraska and Utah to $15,000 annually in California. In Wisconsin the expense is covered by the appropriation for the "Industrial Commission."

8. **Names by Which Commissions are known.** The terms used in the states are here tabulated.

(a) "Industrial Welfare Commission," California, Oregon and Washington.

(b) "State Wage Board" - Colorado.

(c) "Minimum Wage Commission" - Massachusetts.

(d) "Commissioner of Immigration, Labor and Statistics" - Utah.

(e) "Industrial Commission" - Wisconsin.

9. **Personnel.** The laws provide for Commissions composed of from 3 to 6 persons, and usually specify that one of these shall be a woman. The purpose is clear to make the members either representative of the interests involved or neutral. Nebraska has the unique provision that one member of the chief administrative body shall be a professor of political science at the
10. Appointment and Compensation. All of the appointments are made by the governor of the state concerned. And compensation averages close to $10 a day, expenses included. Nebraska, Oregon and Washington provide expenses only.

11. Investigation, Original Inquiry and Rehearings. The original inquiry, into the wage conditions of any trade or industry is made only when a petition, a request or complaint is issued by employees or employers in the trade or industry concerned. In Minnesota the law fixes the number who issue the petition to at least one hundred employees or one hundred employers. If the determination which is then made by the wage Board is unsatisfactory a rehearing may be ordered upon the request of the Wage Board itself or petition from employees or employers. Powers to subpoena witnesses, administer oaths, and examine books are granted in all states.

12. Authority to Determine and Enforce. This generally covers maximum hours as well as minimum wages.

13. Court Review and Grounds for Setting Aside a Ruling. Court review is provided in all states except Minnesota and Utah. And with the exception of these two states plus Washington and Oregon, the ruling may be set
aside if "unlawful or unreasonable."

The above apply to the chief administrative body or Commission. But there also is appointed for each hearing a minor body to consider the particular wage conditions in question. The following apply to that Subordinate Body whose functions are advisory only and whose operations are limited to the industry in question under the supervision of the chief Commission.

1. **Personal.** Three to ten members are provided for and they are supposed to be representative of the interests concerned, "so as fairly to represent employers, employees, and the public," to quote from the Wisconsin law.

2. **Appointment and Compensation.** Appointment is in all cases under the Commission's rules. No compensations is granted except in -

   (a) California, $5 a day and expenses.

   (b) Massachusetts, same rate as jurors.

   (c) Nebraska, same as jurors in district court.

**Chapter 7. International Recommendations.**

**for Minimum Wage**

The International Association for Labor Legislation was organized in 1900. It met in its third biennial convention at Basle, Switzerland and international action
for the establishment of minimum wage laws was recom-
mended. In 1912 at its seventh biennial convention it
adopted the following general principles:

"The adoption by legislation of the principle that wage
agreements for insufficient amounts or of an usurpous
nature should be null and void, and that the conclusion
of such agreements should be subject to penalties. The
meeting regards this principle as essential, but at the
same time, it recognizes that the difficulties of its
application are such as to prevent its adoption from
being in any degree a practical solution of the problem.

"The delegates' meeting believes that any legislation
in favor of home workers will be ineffective so long as
it is not founded on minimum rates fixed by wages boards
constituted according to the following principles:

"1. The board shall be composed of an equal number of
employers and employees, chosen generally by the parties,
or if this is impossible, bodies acting on their behalf.

"The president shall not be an employer or an employ-
ee and shall be elected by the board. The government
shall appoint him in case of disagreement. He shall have
the casting vote.

"2. The minimum wage shall be so fixed that a home
worker of ordinary capacity may earn as time wage a
sum approximately equal to fair wages paid in factories
and workshops where similar trades are carried on in the town or district. The wage must be at least high enough to insure to the worker under normal living conditions sufficient food and healthful housing.

"3. The board shall fix officially the minimum wage and publish it at once.

"4. If possible the board shall establish a scale of minimum wages rates for all the different operations of the trade.

"5. To the amount of wages must be added the cost of tools and materials furnished by the worker, the value of time wasted, etc.

"6. The minimum wage must be paid to the worker net without any deduction in favor of employer or middleman.

"7. If collective agreements exist in a trade, the minimum wage board must endeavor to extend the benefits of such collective agreements to all home workers also.

"8. For operations not included in the scale named under 4 the employer must prove in each particular case coming before the board that the conditions allow the average worker to earn at least the minimum time wage. Disputes shall be settled by the wage boards.

"9. The board shall establish likewise scales of payment and if possible minimum wages, for the apprentices in the trade, even where the apprentices are em-
ployed in workshops.

"10. Every violation of the law shall constitute a penal offense in each case and in respect of each worker concerned.

"11. Every trade organization and any person interested in the trade and every society qualified for the purpose may inform the board that wages paid are below the minimum wage fixed for the trade. All such persons or organizations may take legal actions.

"12. The minimum wages fixed by the local boards may be reviewed by a central commission of revision acting officially and without delay. This commission may modify and coordinate local decisions. The governments shall select the members of such commission in equal numbers from the employers and employees composing the local boards.
Some critical points in the Minimum Wage Controversy.

The proposal to establish by law a minimum wage in the United States suggests scores and scores of searching questions. It is impracticable to attempt the consideration of each of them in this dissertation. A few of them, however, are so fundamental as to call for special dispassionate consideration. This is the more important because they have so frequently been dealt with in a partisan spirit from the standpoint of the advocate or the special opponent on the one side or the other.

It is necessary to consider, for example, (1) whether a living wage basis can be determined. (2) To what extent non-living wages prevail in American industry; (3) Wherein other remedies (such as trade unionism) are inadequate; (4) What benefits or hardships a legal minimum might be expected to impose upon the employer, the laborer, and the public; (5) What are the actual results of such legislations in other countries; (6) How minimum wage laws may be made to square with our constitutional system of government.

Section 1. A Living Wage Standard.

Adam Smith declared that a laborer should receive
a living wage. With him, both advocates and opponents of Minimum wage legislations are fairly agreed that the laborer should have a subsistence wage. Differences begin to appear, however, as soon as we try to determine what is a living wage and whether all industries should be required to pay a living wage. It is urged that no standard can be determined as to what a living wage is. One individual cares most for expensive clothing, another for expensive food, another for expensive forms of recreation, and entertainment, while another individual may care for none of these and be contented with what a comparatively low wage can supply. Again it is admitted that most industries should pay living wages but that if all were required to, those industries which hire "pin money" labor would be forced to go out of business.

Can the basis of a living wage be determined? then becomes an important question. It has become insistent because of the world wide rise in the cost of living. Money will not buy as much today as it would a half century ago. Increased prices have outrun increases in wages. Not the United States alone, but every other civilized country is struggling with the same or similar increases in prices. "Recent studies on the cost of living have been published in nearly all the leading industrial countries of the world." In fact an international com-
mission for the study of the cost of living is being seriously urged by many governments. Several of our own states, the Dominion of Canada, the Senate of the United States, the Department of Labor in France and the Board of Trade in Great Britain have made rather complete investigations. The report of the British Board of Trade approaches an international effort. The study was begun in 1905 in England, then extended to Wales, Ireland, Scotland, Germany, France, Belgium, and concluded during the year 1909 with an investigation in the United States. Germany, France and Sweden have made investigations limited to their own countries. The results of these studies seem to show that since 1890 the raise in prices has been proportionately about the same in the United States, Canada, England, France, Germany and Italy.

If the cost of living continues to soar, what wage should be the minimum? Many opponents of Minimum Wage overlook the reasonableness of arguments along this line by advocates of the system. The latter hold that there is a difference between cultural desires and actual necessities of life. Caruso may have a standard of cultural living much more expensive than his Italian brother the immigrant, who lands at Ellis Island; but the food and shelter absolutely necessary to maintain the health of
both men is about the same. Advocates of Minimum Wage point out that it is only the standard of cultural wants that is impossible to be obtained. What is needed for the necessities of life can be determined approximately.

To estimate the cost of the necessities of life many studies have been and are being made of working men's budgets. The results appear to be proof that a living wage standard can be determined, based upon what is necessary to purchase the necessities of life. They appear to be proof because they show that as income increases there is almost an absolute tendency for the percentage of expenditures for food and shelter to decrease, while the percentage of expenditures for cultural benefits increases relatively. Dr. Engel, former chief of the Royal Bureau of statistics of Prussia who compared the budgets of Le Play's famous "Family Monographs" in 1857, pointed out this tendency, and enunciated the four laws which bear his name: 1. The percentage of expenditures for food diminishes as the size of the income increases. 2. The percentage for clothing is approximately the same whatever the income. 3. The percentage for rent and for fuel and light are invariably the same whatever the income. 4. The percentage for sundries becomes larger as the income increases. Recent studies of wage earners' budgets
do not seem to call for material alteration of these laws. From a comprehensive study made in New York City compared with a study made in the country at large, however, the following modifications have been suggested: 1. The proportionate expenditure for food decreases for the country at large from 50% to 37%, but in New York City, it amounts to almost 45% of the total outlay until an income of $1,000 a year is attained. 2. There is a strong tendency for the percentage of expenditures for clothing to increase. 3. Relative to expenditures for housing, they remain about constant for the country at large, falling very slightly after $400 incomes have been reached, but they decrease very rapidly from 30% or more to 16% in New York City. 4. Proportionate expenditures for fuel and light increases. 5. Expenditures for cultural wants increases absolutely and relatively.

A living wage then may be roughly defined as that wage which will buy the necessities of life and whose increase will be expended for cultural benefits. Of course a living wage ought to include a few cultural benefits, but for the purpose of determining what a minimum wage and a subsistence wage should be, these may be disregarded. Careful computations based upon this standard have led to the estimates ranging from $750 to $1000 as to the amount necessary to support a laborer's normal family
in decency. The variation is due largely to the range of cultural benefits included Similarly budgets of wage earning women have been studied to determine the amount requisite for the decent support of a woman worker.

Section 2. Non-living Wages.

How do actual wages in the United States square with the minimum requisites above set forth? There is no question but that low wages are paid to many male laborers and very low wages to a large percentage of women workers. It is said, "One half of the adult male wage workers of the United States receive less than $500 annually, and only 10% are in receipt of more than $800 per year. Of women wage workers, three fifths get less than $325, and only one in twenty gets more than $600 yearly. But wage conditions among women are of particular interest in this discussion, because thus far there has been little agitation in the United States for the extension of Minimum Wages to male workers. Surveys of the wages of women workers have been made in many states and cities. Reference might be made to a great number of these surveys, but only a few are mentioned as all show
about the same conditions, namely that too many women workers receive wages below a subsistence level.

One of the most important of these surveys was made during the year 1913 in the city of Portland, Oregon. The wages of 7600 women were investigated. The exact wage status of 4500 of these women wage earners was tabulated and at the close of its work the investigating committee of Portland concluded that in Portland $10 a week was the least upon which the average girl could support herself decently. This would call for a wage of $500 a year including two weeks off without pay for a vacation. In the city of Portland with a population of 200,000, nearly 500 wage earners were found whose actual expenditures for a livelihood exceeded their income. For instance, of women working in the Portland laundries, there were 27 who were entirely self-supporting, without homes, or to use the technical term, women adrift, who had an average deficit of $11. Nine women living at home had an average annual deficit of $51. Eighty-two women in factories, had a deficit of $44 each. Eighty-two women living at home and working in the city department stores had a deficit of $145 each. Thirty-five women adrift working in the same stores had an average deficit of $29 each. Or to take the figures
the whole survey of 4,500 women whose exact status was tabulated, over half of them received less than $10 a week.

The report of the director of the Massachusetts Bureau of Labor Statistics for 1914 shows the earnings of 4,463 women workers over 16 years of age; of this number, 5.3% received less than $4 a week, 22.5% less than $6, 69.6% less than $8, and 95.4% less than $10 a week.

In 1911 was issued volume five of the United States report on conditions of women and child wage earners. This volume relates to wages in stores and factories. The investigation covered wage earners in seven cities, Boston, New York, Minneapolis, St. Paul, Chicago, St. Louis, and Philadelphia. Of the workers in "department and other retail stores," 108,616 were canvassed. These were divided into two groups, those living at home and those adrift. Of those living at home it was found that the average age was 23 years; average experience in the line employed, 5 years; average wage received per week, $6.88; and the average amount paid out of this wage to the family, $5.39. Among the women adrift it was found that the average was greater; age 28 years; experience 7 years; and wage $7.89. The same appeared to be the case with those employed in "factories, mills and miscellaneous establishments."
Of these latter, living at home, the average age was 21 years; average experience 4 years, wage $6.40 and amount paid over to the family $5.46; while of those adrift, age was 28 years; experience, 7 years; and wage $6.78.

The Sixteenth Biennial Report of the Iowa Bureau of Labor Statistics shows for example that of the 23 women working in Iowa City "department and other retail stores" only two are receiving a wage above $10 a week, and those two are 45 and 52 years of age. The one is a department head of 21 years experience who receives $14 a week. The other is a saleslady of 34 years experience who receives $11.50 a week. Both are unmarried. Eighteen of the twenty-three contribute from a half to all of the wage each week to the support of the family in which they live, and in no one of the cases is the woman married. In Davenport, the investigator questioned 117 women working in "department and other retail stores" and found that 7% of them lived at home. But of the 42 working in "restaurants and hotels", she found that over 57% were adrift, without home connections. Of the 102 women working in Davenport "retail and other stores" only 16 receive above $10 a week. On the other hand, of the 15 women adrift and working in the "retail and other stores" more than
50% receive wages above $10 a week.

The point that draws our attention is the fact that women workers are receiving very low wages in the United States. Statistics abound in confirmation of this deduction. Authorities seem to be agreed that this condition is due to woman's inferior ability to bargain. Woman is less efficient, in the main, than man because of physical handicaps. She also is a less definite factor in industry, as marriage generally takes her from the ranks of wage earners.

Section 3. The Inadequacy of Trade Unionism as a Remedy

The experience of woman in trade unions makes clear that little hope of better wages lies in the direction of organization. "For eighty years and over women wage earners in America have formed Trade Unions and gone on strike for shorter hours, better pay and improved conditions; and a few conclusions seem inevitable from a study of this chapter in trade union history among American women workers.1. That the Unions have been ephemeral in character. 2. They have been developed and influenced by leadership from without the ranks of wage earners rather than from within. 3. External leadership
has often been necessary to initiate and finance activity on the part of the union, but this support has too often worked injury. 4. In most cases, the union is not supported by women after they marry. The opposite is apt to be true with men. A man, when he marries, becomes more permanently attached to his trade and his union. 5. Yet in many instances by means of the union women have been able to secure shorter working days, increased wages and improved conditions for work.

The government Report on Woman and Child Wage Earners also includes a study of the relation of union activities to increased wages. The study is confined to unions "organized prior to 1908 having 10 or more women members, which have effected an increase or no increase in wages since 1890." The exact increase trade by trade is mentioned in the report, but only the totals are here presented. The number of unions investigated was 392. Of this number 13.5% received no increase and 22% received an increase but did not report on the amount. However, 8% received an increase less than 10%, 4% of the unions were able to gain an increase of 10% in wages, while 29% were able to gain an increase above 10%. These figures are the more significant when it is recalled that during the years
under review the purchasing power of a dollar has decreased perhaps 50%. It is then clearly idle to look to unionism for the solving of the women wage question. In the absence of other effective alternatives, it is but natural to turn to state regulation.

Section 4. The Benefits and Hardships of a Minimum Wage upon the Employer and the Laborer.

A. The employer's welfare.

The policy of Minimum Wages for unskilled laborers is being advocated to increase the wages of underpaid labor. The employer justly asks, "Where will this increase come from?" Will it come from a reduction in the employer's profits, from an increase in prices, or will he be forced to go out of business? On the other hand, will not the fear of reduced profits compel the employer to search for "leakage" and to improve the efficiency of business administration? Will not the better paid workers be more efficient and able, therefore, to produce enough more to counteract the rise in wages? These two contrary views seem to be the main arguments pro and con of those interested in the employer's question.

Unquestionably the employer's profits will be reduced in case of the adoption of Minimum wages scales,
unless he either raises prices or increases efficiency somewhere in the business. Some employers argue that they are charging prices already as high as the traffic will bear and that their business is as efficient as it is possible to make it. Yet it has been pointed out that such is not true in some cases. An investigation was made in Boston among the candy factories where some employers made this argument. Many employers were found who were making good profits by managing their business carefully and paying living wages. But several employers also were found who were paying non-subsistence wages and altho receiving the same market price for their candies as were their competitors, they were complaining of low profits. Efficient management seemed to be what was lacking. But if the employer raises prices, he argues that his scales will decrease and he will be forced to close his business. Others argue that "experience has shown increases in prices are generally greater than proportionate increases in expenses by reason of which prices are raised," and also that the higher standards of living brought about by increased wages will call for higher prices."

On the other hand, such efficiency experts as Harrington Emerson and others, have demonstrated that there are few business concerns which cannot reduce expenses
by efficient business management and gain added efficiency in production by the introduction of added machinery and by paying better wages. Mr. Aves' report to Parliament is illuminating on this point. Of the one hundred industries canvassed in Australia and New Zealand, nearly 75% replied that Wage Boards tended to increase the use of machinery. Only two factories replied to the contrary. And of the one hundred industries, 58% replied that the wage boards had no tendency to diminish the efficiency of the individual worker and many of this group believed had been increased.

The employer who hires "pin money" labor maintains that he cannot pay living wages because his goods sell far too low. This type of industry is called by some the sweatshop, by others the parasitic industry. This employer however, overlooks the actual conditions of his labor. But few of the workers are trying to earn "pin money." They are in many instances women upon whom rests the support of a family or girls who have to contribute their wages to the family income. The sweatshop laborers are permanent workers employed for the entire day of from 8 to 16 hours. The low wage of the sweatshop for the work required is notorious. The advocates of the Minimum
Wage maintain that even the employer of sweatshop labor should be deprived of his property without due process of law, his industry should be driven out of business unless he pays a living wage; for he is an exploiter of labor; that his enterprise should not be subsidized by other industries; and that the public would prefer to pay higher prices rather than to utilize articles of commerce made by laborers weakened by hunger or disease.

Furthermore, the objection is made that states with a Minimum Wage will be unable to compete in products with the states not having such legislation. It is contended that capital and industry will move to the states which have no Minimum scale. But to this reply is made that the facts do not bear out the contentions and that there is no danger of the products made by laborers receiving a living wage and by modern methods and machinery proving unable to compete satisfactorily with the products of cheap labor.

The chief benefit of Minimum Wage to the honorable employer is that it prevents under-cutting of wages by the less scrupulous competitors. When all employers are forced by law to pay the same wage, there ceases to be this inhuman phase of competition from what is known as the "scab" employer.
B. The Laborer's Welfare.

The next consideration is the effect of a Minimum Wage upon the laborer's welfare. The woman wage earner, for example, will receive a higher wage, it is true, but will she spend this increase wisely? If the increased wage does not purchase more and better food, healthier living conditions and more wholesome recreation, the probability is that the worker will be worse off than before. To support this contention the tendency for men receiving higher wages to spend more in saloons and gambling houses is cited. And of course, if the increase in wage would have this effect, the plan is undesirable. But it is believed this will not necessarily be the outcome, except in a very few cases. The study of working women's budgets shows that the physical needs are those first supplied. The investigation shows that the vast majority of workers are honest and thrifty. The charge that low wages drive girls in large numbers to prostitution is without foundation. Evidence abounds to prove that most working women will weaken and die by a process of slow starvation in honorable activity, rather than sell their virtue. Immorality is prevalent among the rich as well as the poor, and some think more prevalent in the former class. So it stands to reason that the increased wage would be spent mainly for the necessities of life.

But, objects a prominent labor leader, a Minimum
Wage is merely another of the devices for "speeding up labor." The advocates of Minimum Wage admit that it will tend to make for more efficient laborers, and add further that proper standards will be developed because the only standard then will be production efficiency, while today it is merely strength of bargaining power.

In general, organized labor in the United States opposes Minimum Wage legislation on the ground that regulation of wages should be left to the determination of the trades and unions involved. It is actively opposed to Minimum Wage laws for male laborers, but is rather passive toward the agitation where the women workers are unorganized, unskilled and insufficiently paid. In Great Britain, the unions favor Minimum Wage. In fact, the law of 1909 was passed in response to the activities of organized labor.

A vital objection urged against Minimum Wage is that some laborers would profit more than others from the wage scale. All would receive the same minimum, married and unmarried, those with the responsibility of supporting others and those without. For instance, should an unmarried woman with no one but herself to support be deserving of the same minimum as the widow trying to support four or five children? It is easily shown that today women adrift
are better paid than those living at home. The answer to this contention rests mainly in recognizing that a Minimum Wage does not abolish "bargaining." Labor is assured of a Minimum but may bargain relatively above that amount. And the same incentives for higher productivity on the part of those bearing burdens of the support of others would exist that exist with the present system. The woman adrift would have the same possibility of receiving higher wages, than the home worker, that she has today. Those who advocate the system for male workers as well as female answer this objection by showing the justice of paying an equal minimum to the unmarried man as well as the married. One chief cause for delayed marriage is believed to be the inability of a worker to save enough money upon which to marry. The surplus he receives would enable him to assume family and household obligations.

One of the most prevalent arguments presented in opposition to Minimum Wage is that the minimum would tend to become the maximum. In fact this is a favorite objection among the classes of opponents of the system. But "it would seem that many of those who advocate the principle fail to distinguish between ethics and humanity on the one side and economics and practical administration on the other". The economic doctrine of a living wage is confused with that of a compulsory Minimum Wage fixed
by law as a universal code. Even among some of our most prominent leaders there is a great variety of opinion. President Woodrow Wilson doubts the possibilities of a Minimum Wage, fearing this tendency toward a maximum. He says, "if a Minimum Wage were established by law, a great majority of employers would take occasion to bring their wage scale as near as might be down to the level of the minimum; and it would be very awkward for the working men to resist that process successfully, because it would be dangerous to strike against the authority of the Federal Government." This statement was made with special reference to the clause in the Progressive Party Platform of 1912 which stated, "We pledge ourselves to work unceasingly in state and nation for Minimum standards for working women, to provide a living wage in all industrial occupations." Ex-President Roosevelt replied that President Wilson's charge was "purely academic and smacked of the schoolroom." On the other hand no less eminent labor leaders than Samuel Gompers opposes Minimum Wage on the same grounds as President Wilson. Said he, favoring the doctrine of a living wage and opposing the compulsory wage for earners in private employment, "I recognize the danger of such a proposition. The Minimum Wage would become the Maximum from which we should find
it necessary to depart." And furthermore, Mr. Gompers declares, "the law may endeavor to force men to work for the Minimum Wage scale, and when the government compels men to work for a Minimum Wage that means slavery."
The main answer to this objection is the fact that Australia and New Zealand have reenacted and extended to other industries the Minimum Wage, year after year, for the last two decades. Reliable statistics on the subject are lacking. The argument abounds in New Zealand and was widely preached in England before the adoption of the Trade Boards Act of 1909. In Mr. Aves' Report above mentioned, fifty industries made reply to his inquiry on this leveling tendency. Of the fifty only nine thought that the expert workers' wages were improved while twenty-seven thought his wages were diminished. But relative to the average worker only three thought his condition was weakened by Minimum Wage. Fifteen of the fifty thought that the position of the "less competent" worker was weakened, fourteen thought it was improved, the remainder considered it unaffected. Mr. Henry Broadhead, who was for some years secretary to the Canterbury Employers Association in ChristChurch, New Zealand, and whose experience with the Minimum Wage of that country has been quite extended has a very definite opinion as to the effect of the scale. He says, "in those trades where
there is no competition with the outside world, many of the workers according to their degree of skill, are paid more than the Minimum Wage fixed by the Court. But in others in which there is competition with the imported articles the practice of making the Minimum the Maximum wage is pretty general. The employers contend they cannot afford to pay to any worker more than is fixed by law."

To this statement, however, he adds the following qualification: "the fact is the Minimum Wage is usually fixed too high." Another authority gives what may be a conservative and more fair statement; "employers have frequently said to me that they thought there was a tendency for the Minimum to become the Maximum, but they have seldom been able to furnish evidence to that effect from their own establishments. At times I have found that not a single man in their own plants was receiving the minimum wage...... statistics as to wages tabulated by the Labor Departments in New Zealand show that in the four leading industrial centers the percentage of workers in trades where a legal minimum wage was fixed who received more than the minimum varied from 51% in Dunedin to 61% in Auckland.

Evasion of the law does not create a very serious consideration. Attempts at evasion are made against all laws. The usual form of evasion is for the employee to sign a receipt for the Minimum Wage in full, but to hand back a

56
certain amount to the employer. It is of mutual ad-
vantage for each to keep quiet about the evasion. But
the agents of the government are active and the penalty
for evasion besides the fine is the right of the laborer
to recover all back wages due to the extent of the minimum,
so there seems to be no serious basis for objection to
minimum wage on this ground.

Another argument for the Minimum Wage, often made,
is that it would tend to organize the employers so they
would keep together "their trained workers and thus avoid
as far as possible seasonal fluctuations." The strength
of this point rests upon the joining of state regulation
of hours with wage regulation. If higher wages must be
paid when work is continued out side regular hours the
probability is that work will not be rushed so much during
certain seasons but be distributed over more days and
weeks. Furthermore, it may be added that Minimum Wage may
tend to promote industrial peace, since too many of the
labor disputes are over the fixing of wages.

Of all the hardships that a Minimum Wage may bring upon
the laborer the most serious is unemployment. It should
not be overlooked that there is an unemployment problem at
present. Will this wage policy aggravate it? Opponents
of Minimum Wage believe that the standard wage will be
determined by the most efficient laborer and that the
inferior or debilitated worker, unable to keep up to the pace set by the better class of workers, will be thrown out of a job. At present all such handicapped workers receive wages below what would be set as a minimum scale. It is asked, "What would become of the large class of workers who because of age or physical defects are now employed at cheap work and 'odd jobs?'"

If this class is to be thrown out of employment, the system would harm rather than benefit the very workers in whose interest it is instituted. Those who put so much confidence in this belief, however, overlook the fact that the "permit" has reduced this objection to all but negligible proportions. All that is necessary where a worker knows he cannot compete with the minimum wage is for him to make application to the chairman of the trade board, who will issue him a permit to work for less. In fact, those believing in Minimum Wage think the "permit" one of the advantages of the plan since experience shows laborers hesitate to ask for the permit, preferring to compete for the minimum by increasing their efficiency in every possible manner. From Mr. Aves' investigation in Australia and New Zealand it is difficult for either advocate or opponent to form a conclusion. Eighty-two replies were received representing "employers, employees and others." Forty replied that the permit system was abused, forty-two
denied that the system was abused. Among the responses received the statement of an employee, a driver, shows how the permit system may be abused: "all employers seem to consider the minimum as the maximum and they have a right to pay it only to the most skillful. Because of the ignorant fear of many workers they fall a prey to the cupidity of unscrupulous employers, who say 'you must get a permit to work under rate or I cannot keep you.' The worker accepts the alternative and he is sure of a job, for in every case when the staff is reduced, he is the last dismissed."

A chief cause of the problem of unemployment is our unrestricted immigration. The industrial centers of the country are congested and the unlimited supply of workers increasing the competition reduces wages. Some believe that one of the best methods of restricting immigration is to establish a minimum wage. "Then no corporation would pay say a $3.00 a day minimum to the Italian when for the same money an able bodied and more efficient American could be hired."

Section 5. The Success of Minimum Wage where Tried.

A study of experience with the Minimum Wage legislation in this country and England can yield no conclusions. Sufficient time has not elapsed to render either
data or opinions thereon of great value. On the other hand, fifteen and twenty years of experience of New Zealand and Australia are very instructive. It should not be overlooked, however, that these countries are small and that their industrial centers are not particularly congested as they are in cities like Chicago, Philadelphia, Pittsburg and New York. The largest city in Victoria has a population of only one million. Then again, data and opinions based upon data, relative to Australia and New Zealand as well as to the brief experience of the United States and England with Minimum Wage, are so overwhelmingly contradictory that only perplexity results. To cite a case in question, one writer states his favorable impression of Minimum Wage in Victoria. He says, "in the five sweated trades to which the law was first applied sixteen years ago, wages have gone up from 12% to 35%, the hours of labor have invariably been reduced and the actual number of persons employed far from falling off has in all cases, relative to the total population greatly increased.......certainly no statesman, no political party, nor any responsible newspaper in Victoria however much a critic of details, ever dreams of undoing the Minimum Wage law itself." To this statement another replies,"it is surprising that such an authority as Mr.
Webb should assume that the problem of Minimum Wage has been solved in Australia and New Zealand. A more correct assumption is that the whole problem is still in a state of experimentation." And as has already been cited much of the data gathered by Ernest Aves in Australia and New Zealand is two edged. About half of the replies he received declared affirmatively and half negatively. His report, nevertheless, is extremely valuable because of the carefully gathered statistics and the manner in which the report reflects the exact status of the system. The one strong point that seems to rise out of his somewhat neutral report is that the system is not a failure "in toto" and that there is no influential movement toward overthrow.

From a survey of the facts and opinions, it does not seem that the industries of Australia have been paralyzed or driven out of the state. But one instance seems to be on record of a plant that left because of the Minimum Wage and that was a brush factory whose manager, living in London "became enraged at the thought of having the wages he paid regulated." On the other hand a steady growth of manufactories is apparent. In 1896, the year the act of Victoria was passed, there were in that state but 3,370 factories, and 55,000 workers. In 1910 there were 40,814 factories and 83,000 workers. Prices have raised
in a few industries, but in the main the increase in wages was the occasion rather than the cause of the increase as the price was bound to come sooner or later because of the increased cost of food and supplies. The prices on staple articles which are fixed in the world's markets, have not been raised. Increased efficiency and the introduction of machinery and labor saving devices have substituted. As a class, both employers and employees are unanimous in declaring that they prefer not to return to the old system.

Section 6. The Constitutionality of Minimum Wage.

In England when Parliament passes a measure it becomes law. In the United States, when a state passes a law, or when Congress enacts a bill, the legislation is subject to review by the Courts. This second obstacle makes labor legislation a tedious and sometimes a very long drawn out process. Those interested in securing the favorable action of a legislature on a measure of reform must not stop but continue to foster sentiment until the Courts have made its declaration. This has been particularly well illustrated by the processes thru which the laws limiting the maximum number of hours for women
and child labor have passed. Minimum Wage legislation is also upon the same rack. The law of Minnesota is now before the courts. Oregon is the first state to have the constitutionality of the question settled one way or the other. The Supreme Court of that state declared Minimum Wage legislation constitutional, March 17, 1914.

The chief basis upon which such legislation may be declared unconstitutional is that Minimum Wage violates the freedom of contract on the part of the individual. It is also contended that the Fourteenth Amendment to the constitution is infringed upon.

The Minnesota law may be declared unconstitutional because of some technical flaws, but from the opinion handed down in the Oregon case it would seem that the Courts will pass favorably upon Minimum Wage as a principle. The chief basis upon which the court in Oregon placed its decision was that of "police power". If it was constitutional to enact Maximum hours for labor laws, that court held it was constitutional to enact Minimum Wage laws as the two measures are inseparably related. Long hours of work reduced the vitality of the coming mothers of the nation, low wages created a condition of under-nourishment and slow starvation which reduced the vitality of the coming mothers of the country. The "police power" was accepted to be "the name given to the inherent sovereignty
which it is the right and duty of the government or its agents to exercise whenever public policy, in a broad sense, demands, for the benefit of society at large, regulations to guard its morals, safety, health, order, or to insure in any respect such economic conditions as an advancing civilization of a highly complex character requires." Under this power, the Court declared: "We think we should be bound by the judgment of the legislature that there is a necessity for this act, that it is within the 'police power' of the state to provide for the protection of the health, morals and welfare of women and children, and that the law should be upheld as constitutional."

Law is a progressive science, and because industry had certain rights a few years ago, under certain conditions, it does not hold that under different considerations, they have the same rights. The entrance of women into the industrial field and the plain proof of underpayment seem to be the evidence of changed conditions. "The law will be forced to adapt itself to new conditions of society, and particularly to new relations between employer and employees as they arise."
Chapter III.

Minimum Wage Legislation in Iowa.

Section 1. Wages of Women in Iowa.

The thirty-fifth General Assembly added another factory inspector to the two previously associated with the Labor Commissioner. This new inspector was to be a woman "who in addition to the general duties required of her, under the direction of the Bureau of Labor Statistics, should inspect the sanitary and general conditions under which the women and children are at work in all factories, workshops, hotels, restaurants and other places where women and children are employed." She was to collect statistics and make recommendations which were to be included in the biennial report of the Labor Commissioner.

Mrs. Ellen M. Rourke, of Des Moines, a woman who has had some fifteen years experience as an employee in factories was appointed to the position. Her service began July 4, 1913. The data collected between this date and January 1, 1914 is printed in the sixteenth biennial report of the Bureau of Labor Statistics.

The scope of these figures covers women working in "department and other retail stores," and in "hotels and restaurants." These industries were selected because the great majority of employees consists of women and because no previous statistical study of such industries had been made by the Bureau.

Mrs. Rourke interviewed 1,190 women in "department and
other retail stores" and 351 women workers in "hotels and restaurants." All interviews were personal, and with the exception of Marshalltown and Cedar Rapids, the first two cities investigated, the report covers from 70% to 77% of the entire number of women employed by the firms investigated. The conditions in fifteen cities were reported on, five with populations 10,000 or under, five with populations 11,000 to 30,000 and five with populations over 30,000. The cities with their populations were as follows:

1. Des Moines, 86,368
2. Sioux City, 47,828
3. Davenport, 43,028
4. Dubuque, 38,494
5. Cedar Rapids, 32,871
6. Ottumwa, 22,012
7. Keokuk, 14,008
8. Fort Dodge, 15,543
9. Muscatine, 16,178
10. Marshalltown, 13,374
11. Iowa City, 10,091
12. Fort Madison, 8,900
13. Centerville, 6,936
14. Creston, 6,924
15. Oelwein, 6,028
An analysis of these statistics is here presented and since the Thirty-sixth Assembly had under consideration Senator Thomas' Minimum Wage Bill, a portion of the analysis is made upon the basis of that measure. The bill specifies a minimum adult wage for women of $8.40 per week. Minors between 16 years and 21 years are assured a minimum of $6.00 a week, while those below 16 must be paid at least $4.50 per week. An exemption in the act provides that it "shall not apply to employees in any hotel or restaurant where board, or board and room are furnished such employees." So in the analysis of hotel wages, classification is made only of the cases to which the exemption would not apply.

The figures presented in this sixteenth Biennial Report of the Bureau of Labor Statistics may be accepted as reliable, with the following exceptions. In a personal interview Commissioner A.L. Urick stated to the writer that where the statistics showed money given to the family there was some doubt of the accuracy of the reply made, for the women responded in most cases "all." It is unlikely that so many women would receive no portion of their wages for personal use. Also where the employee answered as to "nationality" Mr. Urick said that replies were inaccurate. For instance a women would say she was "German" generally meaning that her ancestry had been
German while she had been born in this country. So the replies of the employees in most cases determined nothing except ancestry anywhere from one to five generations back. Otherwise according to the Commissioner, the figures are as trustworthy, as it was possible to secure them.

A glance at the tables numbered I, II, III and IV will show a surprisingly low wage in Iowa. Table I, dealing with women living at home and working in "department and other retail stores" shows that 71% of employees under 16 years of age receive wages under the Thompson Bill Minimum of $4.50 a week; that of those between 16 and 21 years, 63% receive a wage under the minimum of $6; and that of adult women workers, 45% receive under the minimum of $8.40 a week.

Table II which deals with the wages of women in "department and other retail stores" women who are adrift without home relations and connections, shows that 50% of employees between 16 and 21 years receive under the minimum and that of the adult wage earners, 29% receive under the minimum.

A further analysis of Mrs. Rourke's data shows that there is no basis upon which wages are determined except strength of bargaining power. It is true that there is
## TABLE I WAGES.

Women Living at Home and Working in Department and Other Retail Stores.

<table>
<thead>
<tr>
<th>CITY</th>
<th>TOTAL</th>
<th>Under 16 yrs.</th>
<th>16-21 yrs.</th>
<th>Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$4.50 $4.50</td>
<td>$6 $6</td>
<td>$8.40 $8.40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>week week</td>
<td>week week</td>
<td>week week</td>
</tr>
<tr>
<td>Des Moines</td>
<td>291</td>
<td>16 7</td>
<td>67 32</td>
<td>62 107</td>
</tr>
<tr>
<td>Sioux City</td>
<td>205</td>
<td>5</td>
<td>38 59</td>
<td>38 65</td>
</tr>
<tr>
<td>Davenport</td>
<td>102</td>
<td>1</td>
<td>22 8</td>
<td>38 33</td>
</tr>
<tr>
<td>Dubuque</td>
<td>100</td>
<td></td>
<td>44 14</td>
<td>28 14</td>
</tr>
<tr>
<td>Cedar Rapids</td>
<td>24</td>
<td></td>
<td>4 2</td>
<td>9 9</td>
</tr>
<tr>
<td>Ottumwa</td>
<td>55</td>
<td></td>
<td>26 1</td>
<td>15 13</td>
</tr>
<tr>
<td>Muscatine</td>
<td>48</td>
<td></td>
<td>9 2</td>
<td>21 16</td>
</tr>
<tr>
<td>Ft. Dodge</td>
<td>47</td>
<td></td>
<td>12 11</td>
<td>6 18</td>
</tr>
<tr>
<td>Keokuk</td>
<td>35</td>
<td>1</td>
<td>5 4</td>
<td>12 13</td>
</tr>
<tr>
<td>Marshalltown</td>
<td>11</td>
<td></td>
<td>2 1</td>
<td>5 3</td>
</tr>
<tr>
<td>Iowa City</td>
<td>23</td>
<td>1</td>
<td>5 4</td>
<td>5 8</td>
</tr>
<tr>
<td>Ft. Madison</td>
<td>33</td>
<td></td>
<td>8 2</td>
<td>18 5</td>
</tr>
<tr>
<td>Centerville</td>
<td>28</td>
<td></td>
<td>8 2</td>
<td>6 12</td>
</tr>
<tr>
<td>Creston</td>
<td>32</td>
<td></td>
<td>3 4</td>
<td>11 14</td>
</tr>
<tr>
<td>Oelwein</td>
<td>11</td>
<td></td>
<td>1 1</td>
<td>4 5</td>
</tr>
</tbody>
</table>

1045  22 9 254 147 278 335

71%  63%  45%
### TABLE II WAGES.

**Women Adrift**

and Working in

**Department and Other Retail Stores.**

<table>
<thead>
<tr>
<th>CITY</th>
<th>TOTAL</th>
<th>Under 16 yrs</th>
<th>16-21 yrs</th>
<th>Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Under $4.50</td>
<td>Over $4.50</td>
<td>Under $6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>week</td>
<td>week</td>
<td>week</td>
</tr>
<tr>
<td>Des Moines</td>
<td>60</td>
<td>4</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>Sioux City</td>
<td>31</td>
<td></td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Davenport</td>
<td>15</td>
<td>2</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Cedar Rapids</td>
<td>5</td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Muscatine</td>
<td>12</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Ft. Dodge</td>
<td>6</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Keokuk</td>
<td>4</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Marshalltown</td>
<td>3</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Centerville</td>
<td>4</td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Creston</td>
<td>5</td>
<td>1</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>145</strong></td>
<td><strong>7</strong></td>
<td><strong>7</strong></td>
<td><strong>38</strong></td>
</tr>
</tbody>
</table>

50% 29%
### TABLE III WAGES.

Women Living at Home and Working in Restaurants and Hotels.

<table>
<thead>
<tr>
<th>CITY</th>
<th>TOTAL</th>
<th>Under $4.50</th>
<th>Over $4.50</th>
<th>Under $6</th>
<th>Over $6</th>
<th>Under $8.40</th>
<th>Over $8.40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Des Moines</td>
<td>10</td>
<td>8</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Davenport</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cedar Rapids</td>
<td>6</td>
<td>1</td>
<td>5</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marshalltown</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>20</td>
<td>1</td>
<td>16</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TABLE IV WAGES of WOMEN ADRIFT

<table>
<thead>
<tr>
<th>CITY</th>
<th>TOTAL</th>
<th>Under $8.40</th>
<th>Over $8.40</th>
<th>Under $6</th>
<th>Over $6</th>
<th>Under $4.50</th>
<th>Over $4.50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Des Moines</td>
<td>13</td>
<td>1</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Davenport</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cedar Rapids</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marshalltown</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>16</td>
<td>1</td>
<td>14</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

85% 90%
a general relationship between age, years of experience and bargaining power. As a class the older employees receive more than the very youngest and those with some experience receive a wage greater than those with less than a year's experience. But in these cases these are exceptions that show no rule or generalization can be made. For instance, regardless of how the data of the report on Des Moines conditions are rearranged and tabulated, these facts stand out impressively; -

The oldest woman in the department stores was a widow of fifty years. She had had twenty years experience in the line she was engaged in, and was receiving $13.50 a week. She had had a high school education. On the other hand there were thirty-two women earning more money—anywhere from $14 a week to $25. All were younger than she, one only 21 years of age; and several were only 23 to 30 years old. The woman receiving the highest wage ($25 a week) was only thirty years of age and she had had but ten years of experience, and merely a Grammar school education. Two women of but four years experience were earning $14 and $16 respectively. A woman forty-nine years old and of thirty-four years experience was receiving but $8 a week.

Or let it be considered that a woman should be able to earn the best wages when she is between the ages of thirty and forty-five years. The statistics show one hundred
women in Des Moines stores of this class, who have had a year or more experience. Yet 15% of the number earn less than $8.24 a week. Only 39% of the women working in the Des Moines department stores and living at home receive a wage above $8.40 a week and in this class may be found many women of twenty-one to twenty-five years of age. It seems therefore that neither age nor experience are absolutely decisive in determining wages.

Mrs. Rourke was driven to the same conclusion by the testimony of the wage earners. She says, "a very general complaint of clerks was that unless they could carry with them a line of customers, they were tied to a particular store because experience was not to any degree taken into account. Whenever they became dissatisfied to work for one store and changed to another almost invariably they were compelled to accept a lower wage and again work up."

There is no evidence that school education bears any relation to bargaining power. The education of the 1190 employees canvassed varies from that of fourth grade to Normal and College, yet in no instance is a woman of College or Normal school education receiving a highest salary. Women of this class are not among the lowest paid workers, prima facie, because it takes some years to complete the college education and the lowest paid employees are
cash girls. But the wages of those with the higher education range with those of the grades and high school education anywhere from $6 to $20 a week.

Had the data relative to "nationality" been accurate, some interesting and possibly valuable deductions might have been made. But analysis of the present data shows no one class abler than another in bargaining capacity.

Neither does it appear that better wages are paid in the small town than in the large city. In fact, the opposite appears true if the largest number of wage earners in any one class is considered. For instance, in Des Moines more employees receive between $5 and $6 a week than work for $6 to $7 or $8 to $9 etc. In Sioux City more work for $10 to $12, in Davenport more work for $8 to $9 a week, while in Keokuk, Marshalltown, Fort Madison, and Iowa City, the greatest number of workers classify again between $5 and $6 a week.

This fact seems clear, however, that the women "adrift" are better bargainers than those "living at home." Of all the cases canvassed in the two classes the majority "living at home" work on a schedule anywhere from $7 or $8 a week to $25 and over. But for those "adrift" the schedule is not so low. It ranges from $9 or $10 a week to $25 and over. That women "adrift" are either more
efficient or are less easily exploited than women
"living at home" must be the conclusion; or else we
must conclude women "adrift" possess stronger person-
alities and better bargaining power.

Wages are not affected materially by the privilege
of purchasing clothing in the store at a 10\% reduction to employees. But in many cases wages are much
reduced by the systems of "fines and dockage" for
"breakage and tardiness." "This system has a material
effect upon.......those especially whose earnings are
barely enough to make ends meet."75

Vacations also effect wages. The investigation dis-
closed the custom of expecting many employees to take
a two to four weeks' vacation, during the dull period
and without pay. Thus the annual wage would sometimes
be reduced nearly one-twelfth. In many cases employees
were expected to work overtime during holiday and stock
inventory seasons, and in "no case was it found that any
extra payment was made,"76 though some women said they
were given the evening meal to save car expense to
boarding places or homes.

Tipping presents another factor in remuneration. "The
practice of tipping is without doubt growing,"77 and will
not cease even when the new anti-tipping law becomes
operative. But the returns depend largely upon the class
and character of the place and upon the personality of
the girl or woman serving. Thus it seems hardly fair
to include tips as a portion of wages. Yet this is a custom with some employers, and much friction between help and employer often results. For instance, "in one restaurant a very high spirited argument took place between the proprietor who claimed tips averaged one dollar a day for each waitress, and a half dozen waitresses who very emphatically disputed the amount."

In summary then, it would seem that the wages of women are very low in Iowa, and that experience, age, or education are not taken into account to any marked degree as factors in wage bargaining.

Section 2. Proposed Minimum Wage Legislation in Iowa.

A. Senator Thomas's Bills.

In the preceding chapter the need for increased wages is apparent from the study of wages paid Iowa women. Commissioner Urick stated to the writer that many employers over the state raised wages subsequent to the investigation, that employers had not realized the prevalence of a general schedule of under-payment. Conditions as a whole, however, have been little improved. The underpayment of labor has been a life long study of Senator Thomas and chiefly the legislative agitation in the state.
has been championed by him. In the thirty-fifth General Assembly, he introduced a Bill providing for a Minimum Wage. He has again introduced a Bill in the present, the thirty-sixth General Assembly. The latter Bill is based upon the Minimum Wage legislation of Utah, and like the Utah law it is different from the laws of other states in that it provides a flat rate minimum instead of a "sliding scale." The Utah law provides a minimum of $1.25 a day for women workers while the Iowa Bill fixes $1.40 a day as the minimum. Senator Thomas originally included the Utah standard of $1.25, but raised it to $1.40 at the recommendation of Commissioner Urick, who felt the Iowa employee should receive more.

Likewise the former bill was based upon the Utah law with no sliding wage scale, and it was less fitted to meet Iowa conditions than the present Bill. Both of these bills had their death blows in the committees. Iowa essentially is not an industrial state and tho there was little opposition to the Bills except from telephone and laundry companies, it seems that both failed of passage for want of encouragement of an aggressive and positive nature. Even the labor unions made no opposition to the bills, altho they are opposed to Minimum Wage. In a circular letter mailed to all unions in the state the
Minimum Wage Bill of the thirty-sixth General Assembly was included among others affecting the interests of labor. But it was apparently evident that the bill stood little opportunity of passage, and no activity was needed against the bill on the part of the unions.

Senator Thomas, the chief sponsor for Minimum Wage in Iowa, in a communication directed to the writer states his dominant purpose in urging this legislation. He says: "The courts hold that capital is entitled to a reasonable reward which is equivalent to a living wage; therefore, if capital is entitled to a living wage, why not labor? Why not human flesh and blood?....I will go further and lay down this additional proposition....labor is entitled to its breakfast, is entitled to the necessities of life, is entitled to a living wage before capital is entitled to a profit."


The Bill introduced in the thirty-sixth General Assembly, together with Amendments that were proposed, is as follows:

A Bill for an act to protect the lives, health, morals, of women and minors, providing for the fixing of Minimum Wages and the standard conditions of labor for such workers, limiting the hours of labor, and providing penalties for violation of the same. Be it enacted by the General
Assembly of the State of Iowa:

Section 1. The welfare of the state of Iowa demands that women and minors be protected from conditions of labor which have a pernicious effect on their health and morals. The state of Iowa, therefore, exercising herein its police and sovereign power, declares that inadequate wages and insanitary conditions of labor exert such pernicious effect.

Section 2. It shall be unlawful to employ women or minors in any industry or occupation within the state of Iowa under such conditions of labor detrimental to their health and morals; and it shall be unlawful to employ women workers in any industry within the state of Iowa at wages which are not adequate for their maintenance.

Section 3. For the purposes of this act a minor is defined to a person of either sex under the age of eighteen (18) years.

Section 4. It shall be unlawful for any person, firm, company, corporation or association to contract for, hire or pay any female or minor employed in this state in any store, mercantile establishment, office, factory, printing or publishing plant, photograph gallery, theatre or public amusement house, hotel or restaurant, or by any public service corporation, a less wage than is specified herein,
to-wit:

For minors, under the age of sixteen (16) years, not less than seventy-five cents (.75) per day; for minors sixteen (16) years of age and over and adult learners and apprentices, not less than one dollar ($1.00) per day; provided, that the period of apprenticeship shall not extend for more than one year; for adults who are experienced in work they are employed to perform, not less than one dollar and forty cents ($1.40) per day for each day of nine hours' labor, and the employment of any female labor, or minors of either sex for a longer period than nine hours in any one day is hereby prohibited. But nothing herein shall be construed as limiting the right to contract for and pay a higher wage than herein specified as a minimum wage for female employees or minors in the above lines of employment; provided further, that this act shall not apply to employees in any hotel or restaurant where board or board and room are furnished such employees.

Section 5. All regular employers of female workers shall give a certificate of apprenticeship for time served to all apprentices.

Section 6. If any employee shall receive less than the legal minimum wage, said employee shall be entitled to recover in a civil action the full amount of legal minimum wage as provided for herein, together with the costs and
attorney's fees to be fixed by the court notwithstanding any agreement to work for such lesser wage. In such action, however, the employer shall be credited with any wages which have been paid upon the claim sued for.

Section 7. Any person convicted of a violation of this act shall be deemed guilty of a misdemeanor.

Section 8. Any firm, company or association convicted of a violation of this act shall be fined not more than five hundred dollars ($500.00) for each separate offense.

Section 9. The commissioner of labor shall have general charge of the enforcement of this act, but violations of the same shall be prosecuted by all the city, state and county prosecuting officers in the same manner as in other cases of misdemeanor.

Section 10. Should any section of this act, or any part thereof, be held by any court of competent jurisdiction to be unconstitutional, such decision shall effect the specific provision only which it is held offends against the constitution and said unconstitutional part shall not be held to be an inducement to the passage of any other section or provision of this act.

Section 11. All acts or parts of acts in conflict with any of the foregoing sections are hereby repealed.
C. Amendments Proposed to the Minimum Wage Bill.

Amend Section Four (4) by inserting the word "workshop" after the word "establishment" and before the word "office" in line three (3) and by striking out all after line five (5) in the printed bill and substitute the following:

"For minors, under the age of sixteen (16) years, not less than eight and one-third (8-1/3) cents per hour; for minors sixteen (16) years of age and over and adult learners and apprentices, not less than ten (10) cents per hour; provided, that the learning period of apprenticeship shall not extend for more than one year; for adults who are experienced in the work they are employed to perform;

(a) In cities and towns having a population less than ten thousand (10,000) and over two thousand five hundred (2500) not less than twelve (12) cents per hour.

(b) In cities having a population of ten thousand (10,000) and less than twenty-five thousand (25,000) not less than fourteen (14) cents per hour.

(c) In cities having a population of twenty-five thousand (25,000) and over, not less than fifteen (15) cents per hour.

The employment of any female laborer, or minor of either sex for a longer period than fifty-five hours in the six secular days of any week is hereby prohibited. But
nothing herein shall be construed as limiting the right to contract for and pay a higher wage than herein specified as a minimum wage for female employees or minors in the above lines of employment; provided, however, that this act shall not apply to the following classes of employees:

1. Those engaged in any hotel or restaurant where board or board and room is furnished such employee.

2. Those employed in any canning factory, or fruit picking or packing industry.

3. Those employed in any telephone exchange where less than three operators are employed and the work is not continuous and consecutive.

4. Those, who, by reason of infirmities of age, or who by reason of physical or mental defects, are disqualified from earning the minimum wage specified herein, provided such disqualifications are certified to in writing by a reputable physician of the county; and a copy of this certificate given the employer and the same shall by him be kept on file and open to inspection by the duly constituted authorities.

5. Nurses employed in any hospital.

6. In the event of a great public calamity when the provisions of this act limiting the hours of labor may be temp-
orarily suspended if authorized by the Commissioner of
the Bureau of Labor Statistics.

Amend Section nine (9) by inserting the words "the
Bureau of" in line one (1) following the word "of" and
by inserting the word "statistics" in the same line fol-
lowing the word "labor" in the printed bill.
Notes and references.

1. Ryan, The Living Wage, p. 28.
5. Ibid., p. 305.
6. Ibid., p. 306.
7. Ibid., p. 304.
8. Ibid., p. 305.
9. Ibid., p. 308.
10. Ibid., p. 309.
11. A measure varying in size or weight in different parts of Great Britain.
15. Ibid., p. 20.
16. Ibid., p. 21.
17. Ibid., p. 20.
18. Ibid., p. 25.
22. Ibid., p. 5.
27. Ibid., p. 12.
29. Ibid., p. 79.
33. United States Congress, Investigation Relative to Wages and Prices of Commodities. (61st Congress, 3rd session. Senate Document No. 847.)


44. Ibid., p. 160.

45. Ibid., p. 142. For a more exhaustive analysis of the material in this Report, see chapter iii of this dissertation.

47. Ibid., vol. 10, p. 211.
53. Boyle, Minimum Wage and Syndicalism, p. 16.
57. Broadhead, State Regulation of Labor and Labor Disputes in New Zealand, p. 72.

64. Boyle, Minimum Wage and Syndicalism, p. 43.

65. The Amendment stipulates that, "No state shall make or enforce any law which shall abridge the privileges or immunities of the citizens of the United States, nor shall any state deprive any person of life, liberty or property without due process of law, or deny to any person within its jurisdiction an equal protection of the law."


67. Ibid., p. 121.

68. Ibid., pp. 121 ff.


70. Ibid., p. 114.

71. Senator C. H. Thomas, of Kent, Iowa, representing the Fifth District.

72. February 19, 1915, at Des Moines.

74. Ibid., p. 119.
75. Ibid., p. 119.
76. Ibid., p. 120.
77. Ibid., p. 120.
78. Ibid., p. 121.
79. Interview with Labor Commissioner Urick, Des Moines, February 19, 1915.
80. Dated at Des Moines, March 20, 1915.
81. Thirty-sixth General Assembly of Iowa, Senate File No. 111, BY Thomas. Labor.
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