



Review: Labour and Wages

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Reviewed work(s):

Wages and Income in the United Kingdom since 1860. by A. L. Bowley

Labour Conditions in Western Europe 1820 to 1935. by Jurgen Kuczynski

Source: *The Economic History Review*, Vol. 9, No. 2 (May, 1939), pp. 215-217

Published by: Blackwell Publishing on behalf of the Economic History Society

Stable URL: <http://www.jstor.org/stable/2590234>

Accessed: 25/09/2009 10:25

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towns hardly any came from the public schools, though at those schools there were educated the sons of the territorial rich who drew in many cases great wealth from those towns and the sons of the industrial and commercial rich whose fortunes had been made there.

J. L. HAMMOND.

LABOUR AND WAGES.

A. L. BOWLEY. *Wages and Income in the United Kingdom since 1860.* (Cambridge University Press. 1937. 8s. 6d.)

JÜRGEN KUCZYNSKI. *Labour Conditions in Western Europe 1820 to 1935.* (Lawrence & Wishart. 1937. 4s. 6d.)

These two books are concerned with one of the most important aspects of economic history—the welfare of the mass of the people. Professor Bowley, in his book, summarises a lifetime's original work on statistics of wages and income in the United Kingdom, subjects in which he was a pioneer and still occupies a unique position of authority. Mr. Jürgen Kuczynski manipulates published data, including Professor Bowley's, in an attempt to demonstrate the progressive deterioration of working-class conditions in England, Germany and France.

Professor Bowley thinks that working-class conditions in the United Kingdom have *not* deteriorated. Between 1860 and 1899 "real" wages rose steadily and doubled in the period; from 1899 to 1914 they were stationary or declined slightly; and in 1936 they were about one-third higher than in 1914. "The increase in real wages has at no time in the past forty years been rapid"; the change in them is "not enough to account for the progress that is evident to anyone who has observed the wage-earning classes during the period." (Professor Bowley, through the various social surveys which he has directed, *has* observed them.) "The development of social expenditure . . . through old-age pensions and the many insurance services; . . . a great advance of knowledge, as the younger generations have matured in an environment of more general education; . . . the reduction of the hours of work in 1919-20; . . . the reduction of stringency in making the income meet necessary expenses, due to the smaller number of children"; all these factors have contributed to the progress of the working classes, although the progress has not been uniform, since "some groups [districts and industries] have had exceptional good fortune, while others have barely preserved their standard."

According to Mr. Kuczynski, "in all these investigations . . . the fact that labour conditions deteriorate in the long run . . . should be stated at the beginning." This apparently follows inevitably from the nature of the capitalist system. Accordingly it remains only to devise a statistical measure of the extent of the deterioration. Mr. Kuczynski describes at some length some of the corrections which ought to be applied to an index of real wages in order that it may more accurately

represent changes in the economic welfare of the working classes. The Cost of Living Index, by which an index of money wages is converted into an index of real wages, takes no account of necessary increases in the standard of living; nor does an index of real wages take account of increased unemployment, increased taxation of working-class incomes, or increased intensity of work. Mr. Kuczynski presents an index of "net real wages per unemployed and employed worker" in which he has allowed for unemployment, social insurance payments, and social insurance benefits; according to this index the British worker was no better off in 1935 than in 1899, but it is curious that if Professor Bowley's figures are corrected for unemployment only (*without* allowance for State-aided and employer-subsidised social insurance benefits) they show an increase of about 15 per cent. between those two years.

However, Mr. Kuczynski is concerned less with the conditions of the working classes in themselves than with their position relative to that of other classes. In this view it is "relative wages," or the proportion of the total national income received by the workers, which matters. Mr. Kuczynski's index for England of "relative wages" declines by more than one-third in about sixty years, although Professor Bowley finds that the proportion of the national income accruing to the working classes has remained almost constant at about 40 per cent. from 1860 to 1936. Unlike Professor Bowley, Mr. Kuczynski does not reproduce the successive stages of his calculations, so the discrepancy cannot be explained with certainty; but whereas Professor Bowley finds the proportion which total wages form of the total national income, Mr. Kuczynski apparently computes the ratio of his index of net real wages to an index of industrial production, which may, in virtue of an emphasis on capital goods and of increasingly capitalistic methods of production, have an upward bias. In any case, it is doubtful if the concept of relative wages has much significance: a large part of non-wage income is invested, and relative wages must inevitably decline during any period of increasingly capitalistic ("round-about") methods of production—as, for example, in Soviet Russia during the operation of the Five-Year Plan.

But for Mr. Kuczynski the course of relative wages does not, even on the basis of his own figures, tell a story depressing enough. According to him, the apparent rise in real wages was only possible because British capitalists were able to subsidise wages in England out of the profits of exploiting workers abroad, and he would like to bring into the account the wages of all workers everywhere who have been employed by British capital. Unfortunately the data are at present lacking.

The pictures presented by these two books are entirely different. Where Professor Bowley sees ground for optimism, though none for complacency, Mr. Kuczynski sees the horrible results of the inevitable oppression of capitalist exploitation. It is generally possible, by selecting appropriate statistics, to convey any impression consciously or unconsciously desired. If Professor Bowley is biased, it is impossible to convict him of it; for he explains his methods, reproduces the stages in his computations, and defines exactly the meaning of his results, with a

minimum of interpretation or comment, leaving the reader to draw his own conclusions. His book is one which every student of working-class conditions must possess and will repeatedly consult. Mr. Kuczynski's figures are not so easily checked, and it is difficult to believe that any rational system of adjusting published data would give such results as the sharp fall in the cost of living in 1884-5 and again in 1900-1 (pp. 72-3). Nor is confidence in careful preparation of the book induced by references in the index to A. L. Boyley (Bowley), François Siniand (Simiand), and Sydney (Sidney) Webb.

FREDERICK BROWN.

THE POLICY OF SILVER.

JEAN PAUL HÜTTER. *La question de la monnaie d'argent aux États Unis des origines à 1900 : L'incidence économique de la frappe de monnaie d'argent aux États-Unis de 1878 à 1893 interprétations contemporaines et essai d'évaluation quantitative.* (New York : G. E. Steichert ; Paris : Les Éditions des Presses Modernes. 2 vols.)

M. Hütter has produced a study of very great interest and of some novelty, although he has chosen a theme that one might have thought exhausted. But M. Hütter, by a remarkable combination of industry and critical power, has added a good deal to our knowledge and still more to our understanding of the role of silver currency in the economic and political life of the United States. Although it is over forty years since

“ Boy Bryan's defeat.

Defeat of western silver.

Defeat of the wheat,”

the plutocrats have not had it all their own way, and, as China has discovered to her cost, juggling with silver still appeals to many Americans, especially to those from the silver states. M. Hütter tells the story of silver with a good deal of sympathy for the human beings involved, if with critical reserve as to their theories. He is not inclined to take as gospel all the arguments, theoretical or historical, by which such pillars of orthodoxy as J. Lawrence Laughlin buttressed a strong case, but no one can be surprised at the defeat of a cause whose political support was mainly that of those short-winded crusaders, the farmers. But it is not only the general outlines of the problem that are made clear for us, for M. Hütter tells in great detail the story of such technical problems as the running of the mint. Using some valuable manuscript sources, he is able to point out the financial relationship of Henry Villard to such pillars of monetary orthodoxy and public morals as Carl Schurz. He might, in this connection, have stressed Villard's ownership of the *Nation*, which is frequently and aptly quoted here. M. Hütter is fully aware that the mere economic question is hopelessly mixed up with the political and social questions which were behind the indignation aroused, a little late, by the “ crime of '73.” He is, however, sceptical of too simple correlations of farm prices and political revolt. It may be suggested that he sometimes carries that scepticism too far. Thus it is not enough to say that cereal