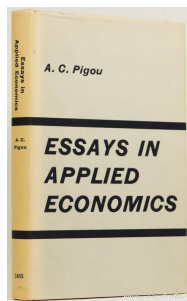


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A MINIMUM WAGE FOR AGRICULTURE¹

I

It is the tradition of English legislation that the State shall not interfere in private industry except with the purpose of remedying some definite abuse. Some persons, of course, approve of and advocate State action on grounds of general principle. The main body of social reformers are not, however, Socialists in that sense. They hold that "the system of natural liberty," for all its faults, works, on the whole, fairly satisfactorily; that interference from outside with the complex and delicate mechanism of a modern industrial community is a matter of such difficulty that mistakes leading to serious consequences may easily be made; and that, therefore, the burden of proof lies always on those who advocate, rather than on those who oppose, such interference. In short, before they will agree that governmental interference is desirable, they require evidence that some definite evil exists, for the combating of which there are no other readily available means. The proposals, which have recently assumed practical importance, for the establishment of Wages Boards instructed to determine minimum rates of wages for agricultural labourers, have been put forward by their authors with a full recognition of this general attitude of Englishmen towards State action. The burden of proof is admitted and has been taken up. There is, the advocates of these proposals declare, a definite evil, urgently crying for a remedy, in the low wages that agricultural labourers in many parts of the country can be proved at the present time to receive. Their wage-

¹ Reproduced with modifications from *The Nineteenth Century*, December, 1913.

rates are in many districts "too low," and it is, for that reason, the business of the State to raise them. Indictment and practical proposal go together. The latter is grounded upon the former, and the two must, therefore, be examined in close connexion with one another.

II

It is plain enough that no problem is likely to be attacked successfully till such ambiguities as may lurk in the statement of it have been removed. With the present problem preliminary work of this kind is urgently needed. For the general notion of a wage-rate that is "too low" is not clear in itself; nor is it interpreted in the same way by all those who make use of it. A moment's reflexion shows that the term carries an implicit reference to some rate of wage, which, if established, would be proper and right, and of which the actual wage falls short. Among those persons, however, who maintain that agricultural wages are frequently "too low," there are two broad groups. The one contend that a considerable number of agricultural labourers receive less than a "fair wage"; the other, that a considerable number receive less than a "living wage." These two conceptions are not equivalent; nor is the practical policy built upon the notion of the fair wage by any means identical with that built upon the rival foundation. Before, therefore, any attempt is made to investigate the effects of current proposals, it is desirable to examine the meaning and validity of the claims that existing agricultural wages frequently fall short of a "fair wage" and of a "living wage" respectively.

III

The exact meaning of the term "fair wage" is by no means easy to define. Dr. Marshall has suggested that the rate of wage prevailing in any occupation may be considered "fair," when it is "about on a level with the average payment for tasks in other trades which are of equal difficulty and disagreeableness, which require equally rare natural abilities and an equally expensive training."¹ A fair wage in this sense is equivalent to what

¹ Preface to Mr. L. L. Price's *Industrial Peace*, p. xiii.

economists call the "normal wage." It is the wage that would prevail in the occupation if economic forces had perfectly free play ; that is to say, if the workpeople had complete knowledge as to the rates of wages prevailing everywhere, and were not hindered in any way from moving from points of relatively low rates to points of relatively high rates. It is, in short, the usual rate of wages that is paid to workpeople of similar efficiency elsewhere. This view of the meaning of fairness conforms roughly to the common understanding of the term. In the abstract it is simple and clear enough. So soon, however, as we attempt to apply the conception to particular problems, a serious difficulty emerges. Within what limits are we to interpret the term "elsewhere" ? The current, or predominant, rate of wages for workpeople of a given degree of efficiency is not necessarily the same in all districts or occupations. I do not mean by this merely that the money rate of wages is not everywhere the same ; for, of course, money differences may be wholly nominal, being offset and balanced by exactly compensating differences in the cost of living in different places and in local or trade customs concerning additional payments in kind. Besides nominal differences, however, there may, and often do, exist real differences between the money's worth of the rate of wages ruling for work of given efficiency in different districts or occupations. About this fact there is no dispute. If, then, the real rate of wages paid to a workman in one district or occupation is equal to the rate current for similar work in that district or occupation, but lower than the rate current for such work in certain other districts or occupations, are we to say that the rate is fair or unfair ? From our present point of view, this question, though it appears at first sight to be of more substantial significance, is really concerned with nothing more than the definition of a term. I propose, therefore, to get over the difficulty which it suggests by a verbal device. When a wage-rate is paid equal to the rate current for similar workmen in the same trade and neighbourhood, I shall call that wage-rate "fair in the narrower sense" ; and, when a rate is paid equal to the predominant rate for similar work throughout the country and in the generality of trades, I shall call it "fair in the wider sense." This distinction is, of course, not precise. It will serve, however, for the purpose at present in view. Let us, with its

help, investigate the charge that the wages of agricultural labourers in England are frequently "unfair."

It is sometimes thought that unfairness in the narrower sense is demonstrated by the fact that real wages (allowance being made for differences in the amount of payments in kind) often differ very considerably as between individual farms in the same county. To what extent variations of this kind exist cannot be definitely determined. It appears from Mr. Wilson Fox's inquiries that, in the purely agricultural counties, such as Norfolk and Suffolk, the difference between the highest and lowest rates paid in the several rural districts is generally in the neighbourhood of 1s. or 2s.¹ The recent Land Inquiry Committee reach the same general conclusion, though their emphasis is different, when they write :

"Again and again we have found two farms, almost side by side, where the total earnings of the labourers varied by as much as 2s. a week."²

In the counties which are not purely agricultural considerably larger differences are found. Thus, Mr. Wilson Fox writes that, in counties

"such as Durham, which contains coal mines, in Essex, which abuts on the metropolis, or Worcester and Warwick, where the agricultural industry in certain parts is considerably affected by the proximity of Birmingham and other manufacturing districts of the Midlands, the differences amount to as much as 7s. or 8s."³

If, therefore, the fact that differences exist between the wages paid to agricultural labourers in the same neighbourhood is a proof of "unfairness in the narrower sense," the prevalence of such unfairness on a considerable scale may be taken as established. And the case is exactly similar with "unfairness in the wider sense." It is well known that the average real wages of agricultural labourers are very much lower in some counties than in others. In 1907 the average weekly earnings of ordinary agricultural labourers (payments in kind and so forth being counted in) were in Derbyshire and Middlesex over 20s. and in Lancashire 19s. 10d., while in Norfolk they amounted only to 15s. 4d., and

¹ *Second Report on Earnings of Agricultural Labourers*, 1905, p. 150.

² *Report of the Land Inquiry Committee*, p. 18.

³ *Second Report on Earnings of Agricultural Labourers*, 1905, p. 150.

in Oxfordshire to 14s. 11d. The remaining counties of England had weekly earnings intermediate between these extreme figures, while in Ireland earnings were everywhere much lower, falling in Mayo, Roscommon, and Sligo below 10s. a week.¹

The common assumption that facts of this kind can be taken to prove the prevalence of unfairness is, however, over-hasty. For the statistics, though, of course, they demonstrate that agricultural workmen in different counties and parts of counties receive widely divergent wage-rates, do not demonstrate that agricultural workmen *of similar efficiency* receive divergent wage-rates. So far as the figures go, no unfairness need exist, but all the divergences recorded in the weekly earnings might exactly correspond to divergences in efficiency. Nor need we stop at the proof that this is *possible*. It is certain that at any rate a considerable part of existing divergences in wages are associated with divergences in efficiency. Agricultural wages in the North of England are, for example, well known to be much higher than in the South. But it is also well known that, in Mr. Wilson Fox's words, the labourers of the North "have been right away through from the beginning of last century a finer race, physically and intellectually, than the Southerners."² Moreover, the knowledge that agricultural wages are higher in some places—in the neighbourhood of mines and factories, for instance—than elsewhere acts as a magnet to attract the more efficient workers there, while the difficulty that less efficient men are likely to experience in finding employment at the higher rate tends to drive these men away. The same sort of obstacle stands in the way of attempts to prove that wages in agriculture generally are unfairly low relatively to wages in other occupations. Statistical argument on such matters can hardly be made conclusive.

We know, however, in a general way, that agricultural workmen are exceedingly ignorant of what is going on outside their immediate neighbourhood, that their poverty is too great to allow them to hold out for long against attempts to break down, or keep down, the price of their labour, and that they are without the support of a trade union organization. These circumstances place them in an exceedingly weak position for

¹ Cd. 5460, pp. xvii. and xxv.

² *Journal of the Royal Statistical Society*, 1903, p. 318.

bargaining with the farmers—a position, too, whose weakness is further emphasized when, as often happens, their employers are also the persons from whom they hire their houses. Conditions of this sort are obviously favourable to the existence of unfairness, both in the narrower and in the wider sense of the term, in the wage-rates which they find it necessary to accept. The substance of the matter is that farmers, if they wish to be unfair, are so situated that their will cannot readily be thwarted. This does not, of course, make it *certain* that unfairness, in fact, prevails. We shall not, however, be libelling human nature if we assume that it makes the prevalence of a considerable mass of unfairness in a high degree probable. With the information at present available it is not possible to say more than this.

IV

The conception of the “living wage” is in some ways even harder than that of the “fair wage” to define precisely. In its most obvious and natural sense, the term seems to mean a wage sufficient to enable the recipient of it to attain, without further help from charity or the Poor Law, to a certain definite standard of life, below which public opinion holds it unreasonable that the estate of any citizen should be allowed to fall. It is plain, however, that, if the conception is to be taken as the corner-stone of a practical policy, it cannot be given so general an interpretation as this. For the sum of money required to provide a living wage in the above sense will clearly be quite different for different work-people. An income that affords more than a “living wage” to a bachelor, or to a man with a grown-up family whose sons and daughters are contributing largely to the expenses of the household, may afford much less than a living wage to the father of a number of children as yet too young to earn anything. In view of this difficulty, those social reformers who aspire to use the conception of the living wage in practice find it necessary to restrict in a somewhat arbitrary manner the meaning they attach to it. A living wage becomes for them a wage sufficient to enable a workman with a family of average size, and experiencing average good fortune in respect of sickness and unemployment, to attain throughout his working life to the standard of living that is deemed to constitute a reasonable

minimum. The Land Inquiry Committee approached the question along these lines, and reached the conclusion that a living wage is

“such a sum as will enable the labourer to keep himself and an average family in a state of physical efficiency and to pay a commercial rent for his cottage.”¹

It is in the light of the term thus defined that they condemn the existing state of agricultural wages in England. Their charge, furthermore—and this is an important point—is not based in any way upon the fact that certain old and infirm labourers are paid at a very low rate. They agree that, as things are, such men often must be paid less than a “living wage,” and they even lay it down that,

“in any legislation dealing with the minimum wage for agricultural labourers, the farmers shall be allowed to pay lower rates to the old and infirm than to the rest of their labourers.”²

When, therefore, they assert that existing wages in agriculture are frequently less than a living wage, their meaning is that the wages, not merely of exceptionally inefficient persons, but of ordinary able-bodied labourers, frequently fall short of this ideal. This is the indictment whose validity we have to investigate.

It is well known that the amount of the weekly earnings which are required to enable a labourer to keep himself and an average family in a state of physical efficiency has been made the subject of study by a number of writers. It is also well known that such calculations are necessarily exposed to much doubt—so much doubt, indeed, that I am unwilling to commit myself, in however guarded and general a way, to any specific figure. Detailed calculations, however, as to the precise earnings which would constitute a living wage are not necessary for our purpose. The facts as to the actual earnings of agricultural labourers are of a kind to make such accuracy superfluous. The most recent official inquiry on the subject refers to the year 1907, and its broad results are embodied in the following table.³ The amounts stated refer exclusively to “adult male agricultural labourers regularly employed,” and they are inclusive of the estimated value of

¹ *Report of the Land Inquiry Committee*, p. 47.

² *Ibid.*, p. 50.

³ Cd. 5460, p. xii.

allowances in kind and of all extra cash earnings such as those paid at harvest.

AVERAGE WEEKLY EARNINGS IN 1907 OF

Country.	Ordinary Labourers.	Horsemen.	Cattlemen.	Shepherds.	All Classes.
	<i>s.</i> <i>d.</i>	<i>s.</i> <i>d.</i>	<i>s.</i> <i>d.</i>	<i>s.</i> <i>d.</i>	<i>s.</i> <i>d.</i>
England	17 6	18 9	19 1	19 7	18 4
Wales and Monmouthshire . .	—	—	—	—	18 0
Scotland	18 11	19 8	19 4	20 5	19 7
Ireland	—	—	—	—	11 3

In addition to the above statement of general averages, detailed information as to the average earnings of all classes of agricultural servants jointly is furnished for each county separately. The counties in which earnings were highest in each of the four countries are shown in the following table :¹

ENGLAND.		WALES AND MONMOUTHSHIRE.		SCOTLAND.		IRELAND.	
County.	Average Weekly Earnings.	County.	Average Weekly Earnings.	County.	Average Weekly Earnings.	County.	Average Weekly Earnings.
	<i>s.</i> <i>d.</i>		<i>s.</i> <i>d.</i>		<i>s.</i> <i>d.</i>		<i>s.</i> <i>d.</i>
Durham .	22 0	Glamorgan	19 3	Dumbarton	21 7	Antrim .	14 0
Northumber- land .	21 6	Flint . .	18 10	Stirling . .	21 6	Dublin . .	13 2
Lancashire .	21 0	Brecknock.	18 9	Lanark . .	21 5	Down . .	13 1
Middlesex .	20 10			Clackmannan	21 4		

The counties in each country in which earnings were lowest are shown in the next table :²

ENGLAND.		WALES AND MONMOUTHSHIRE.		SCOTLAND.		IRELAND.	
County.	Average Weekly Earnings.	County.	Average Weekly Earnings.	County.	Average Weekly Earnings.	County.	Average Weekly Earnings.
	<i>s.</i> <i>d.</i>		<i>s.</i> <i>d.</i>		<i>s.</i> <i>d.</i>		<i>s.</i> <i>d.</i>
Oxford .	16 4	Cardigan .	16 6	Caithness .	14 6	Roscommon	9 8
Dorset .	16 6	Montgomery	16 7	Shetland and		Mayo . .	9 9
Norfolk .	16 6	Radnor . .	16 8	Orkney .	15 4	Sligo . .	9 9
Suffolk .	16 7					Westmeath	9 9

¹ Cd. 5460, p. xii.² *Ibid.*, p. xiii.

These averages for all classes of agricultural labourers are, of course, higher than the corresponding averages—which are only available for England and Scotland—for ordinary agricultural labourers. The figures for these men in the English and Scotch counties of lowest wage are :

	<i>s.</i>	<i>d.</i>
Oxfordshire	14	11
Norfolk	15	4
Suffolk	15	9
Caithness	14	2
Shetland and Orkney	13	10 ¹

The average county earnings shown in the last of these tables are evidently very low ; and it must, furthermore, be recollected that the earnings of a considerable number of individuals are likely to fall some way below the average of their county. In these circumstances it seems to me evident, without any elaborate study of retail prices and food values, that many agricultural labourers must be earning less than is required to maintain the full physical efficiency of themselves and their families. No doubt, their evil estate is mitigated by the fact that those with the largest families, and therefore the largest needs, are often helped by the earnings of some of their children. When all is said, however, weekly earnings of sixteen, fifteen, and fourteen—to say nothing of eleven—shillings for adult able-bodied men can hardly be called living wages, in any sense that will allow humane men to contemplate them with satisfaction.

V

Our inquiry into the indictment levied against the existing state of agricultural wages is now complete. The ground is, therefore, prepared for the question whether a legal system of minimum wages designed to prevent the hiring of labourers (other than old and infirm persons, for whom special provision must be made) for less, on the one hand, than fair wages, on the other hand, than living wages, is likely to prove, on the whole, socially advantageous. In the present section I shall discuss the efficacy of the legal minimum as a remedy for “unfair” wages, and, in this

¹ *Ibid.*, pp. xvii and xxiv.

connection, I shall deal first with the problem of "unfairness in the narrower sense." Thus, it will be presumed that the predominant rate of wages in some district is a fair rate, but that certain individual farmers within the district are paying to men of normal efficiency less than the predominant rate. What would be the effect of a legally imposed minimum wage, so arranged as to prevent them from doing this? We are here, it will be noticed, upon ground which the practice of industry has already often traversed. The idea of compelling all employers in a district to pay a wage not less than that currently paid by reputable employers there lies at the back of the trade union policy of the "standard rate." It is also frequently embodied among the conditions which municipalities and other public bodies impose upon firms tendering for contracts. To such a policy it is often objected that some of the employers—in the particular case we are now considering, some of the farmers—are working under such conditions that to forbid them to pay less than the current ruling rate of wages would mean compelling them to abandon their business, and so, by rendering their former workpeople unemployed, would worsen, instead of bettering, their position. This objection is, however, a short-sighted one. In the first place, such farmers as employ their energies in screwing advantage out of the ignorance and necessities of their labourers, if prevented from engaging in this form of anti-social activity, would be stimulated to divert their energies towards abler management of their business; and so might, in the end, be little worse off than before. In the second place, "bad" employers who beat down their workpeople's wages are often impelled to do this by the fact that they are themselves of inferior capacity as compared with their competitors, and are, therefore, unable, by the employment of legitimate methods only, to maintain their position. It is quite true that the enforcement upon them of the wage-rate current among "reputable employers" would tend to drive such men out of business. That, however, is a desirable, and not an undesirable, result. It does not mean that their place in industry would become vacant, or, in the special case of agriculture, that their farms would remain unoccupied. It means rather that more capable men would take their place, who, just because they were more capable, could afford to pay the current rate of wages. In

fact, the enforcement of this rate upon all farmers, by putting competition upon more equal terms, would strengthen and speed up the socially advantageous tendency towards the suppression of less competent by more competent agriculturists. At the moment when it forced the disappearance of an incompetent farmer, it might, indeed, throw some labourers out of work. This, however, would be a momentary evil. In a very short time a new employer for their labour would take the place of the old. The demand for labour in agriculture, on the whole, would not be diminished, but, on the contrary, would be slightly increased. Labourers upon whom formerly exploitation was practised would now be exploited no longer. Their employment would be as extensive as before; their wages would be rather larger; and there would be no compensating evil to be set against this gain.

In some circumstances a similar optimistic forecast can be given concerning the effect of minimum wage legislation designed to combat unfairness in the wider sense—to prevent, that is to say, the predominant rate of agricultural wages in particular districts from standing below the rate current for work of corresponding efficiency in the generality of districts and in other occupations. There is reason to believe that farm wages are sometimes kept down, in the face of economic forces tending to raise them, by what is, in effect, a species of monopolistic action on the part of a group of local farmers. For the rate of pay to agricultural labourers has become a matter of tradition and custom, and though conditions are now quite different from what they were when this tradition crystallized, nobody ventures to take the initiative in breaking away from it.

“The farmer,” says the *Report of the Land Inquiry Committee*, “has been accustomed to pay a certain wage and to feel that the conditions of farming would not allow him to go beyond that limit, and we have found instances of his going without labour for a time rather than grant a rise in wages. . . . His line of defence is greatly strengthened by the solidarity of interests among farmers. If an employer in the town wishes to make a substantial advance in wages, he can afford to be indifferent to the resentment, if any, among other employers. But the personal bonds between farmers are extremely close, and the best employer of labour is sensitive to social ostracism. From many parts of the country we have heard of cases where farmers would willingly raise wages but for fear of

local opinion. Thus, a farmer told us that, to avoid the appearance of paying higher wages than the farmers round him, he had actually resorted to subterfuge and adopted a bonus method of payment."¹

Now, in so far as the level of wages in particular districts relatively to other districts, or of agriculture as a whole relatively to other industries, is made unfairly low by this type of cause, the enforcement from without of a higher rate is wholly desirable. Under present arrangements some groups of farmers are unconsciously playing the part of a ring of monopolists, paying their workpeople less than the real value of their work, and holding away from agriculture labour that might, with great advantage to the whole community, be employed there. The enforcement of a minimum wage in excess of current local rates, to break down custom, inertia and tacit combination, would not only increase the wages of individual labourers but would also increase, in a way advantageous to the economic interests of the community, at once the number of persons employed in agriculture and the aggregate amount of agricultural production. To set against these advantages there would be no compensating disadvantage.

It would, however, be a mistake to suppose that unfair wage-rates in agriculture, when they prevail, are always due to this class of cause. They may equally well be due to the fact that, for the time being, the supply of agricultural labour in the districts concerned is excessive relatively to the demand. An excessive supply tends naturally to prevail in any occupation in which the demand for labour is falling, whether on account of mechanical inventions or increasing foreign competition, or for any other reason: and, at all events until recently, the demand for labour in agriculture was certainly falling in the United Kingdom as a whole, and was probably falling more markedly in some parts of it than in others. In so far as "unfair" wage-rates prevail from this cause, they tend gradually to be corrected by an outflow of labour from agricultural occupations in all districts, and especially in those districts of more than ordinarily depressed demand. This outflow is economically advantageous, because it transfers men to occupations where their work is more productive; and it is directly promoted by the existence of the abnormally low wage-rates of depressed districts. To force the wage-rate paid in these districts

¹ *Report of the Land Inquiry Committee, p. 40.*

up to the level of that paid to workpeople of similar efficiency in the generality of districts and in other occupations would very probably have the effect of calling back to agriculture—not, be it noted, to *employment in agriculture*, because the amount of employment there would actually be diminished by the higher rate—men whom it should be our object to encourage as speedily as possible to abandon agricultural occupations, possibly altogether, and certainly in the more depressed districts. As a remedy, therefore, for the disease we have diagnosed in this paragraph, minimum wage legislation might well turn out to be the reverse of desirable.

What has been said leads to the following practical conclusions. The establishment of Wages Boards instructed to combat “unfair” wages in the several agricultural districts is likely to lead to good or bad results, according to the manner in which these Boards interpret their functions. First, if they can enforce throughout each of the several districts—the districts being assumed to be fairly small—a wage-rate for men of ordinary efficiency equal to that predominantly paid by reputable employers in the district, they will do unalloyed good. Secondly, if they can force up the predominant rate paid in each district to the rate which farmers would tend to offer if they were not held back by tradition and tacit combination, they will again do unalloyed good. But, thirdly, if in any district the natural economic wage of agricultural labour, when the influence of tradition and combination has been eliminated, is less than the rate paid to similar labour elsewhere because the supply of agricultural labour is unduly large, the element of unfairness which then subsists cannot with advantage be attacked by Wages Boards. External interference with the wage-rate would be more likely to hinder than to assist the healing influence of normal economic forces.

VI

There remains for discussion the efficacy of a legal system of minimum wages as a remedy for the evil circumstance that the earnings of able-bodied agricultural labourers are often less than a “living wage.” Throughout the discussion of this matter one point must be clearly borne in mind. In an earlier section reasons have been advanced for believing that, as things are at present, a

considerable number of agricultural labourers are paid less than a living wage. Nothing that was said, however, enables us to conclude that this state of things would continue to prevail, if the policy of attacking unfair wages, which was discussed in the last section, was effectively carried through. Actual wages in agriculture are often less than living wages, but fair wages in agriculture might not—as regards able-bodied men, for whom alone a “living minimum” is advocated—be open to this charge. It follows that the discussion we have now to undertake must be largely hypothetical in character. We must say, “Suppose that fair wages are everywhere established, and suppose that, in some districts, these wages, in respect of able-bodied labourers of the class and grade at work there, turn out to be less than a living wage; is it desirable, in these circumstances, that the machinery of Wages Boards should be employed to force the rate of wage, which has already, *ex hypothesi*, attained to the ideal of fairness, towards the different and more elevated ideal of a ‘living minimum’?” This problem, and not something simpler and more concrete, is the issue now before us. In the discussion of it so many complications are encountered that we shall be well advised to advance by stages. In the first instance, therefore, the possibility that enhanced wages may react to make the labourers more efficient will be ignored. It will be assumed that no such reactions occur, and it will be asked, on that assumption, what the effect of minimum-wage legislation of the kind contemplated is likely to be.

Let us begin by supposing that, for the class of able-bodied agricultural labourers in most districts, a wage that is fair will also prove to be a living wage, but that in certain districts the so-called able-bodied men are so inefficient that a fair wage to them is not a living wage. If employers are forbidden to pay these men less than a living wage, they will tend to substitute for them other workpeople of a somewhat higher grade, and the main effect produced will be simply a redistribution of workpeople. Thus, when the wages of dock labourers were raised after the great strike of 1889, the dock companies met the new situation, in part, by importing strong men from the country, whose labour was better worth the “tanner” they were obliged to pay. The workmen who were turned out to make way for them may well have gone elsewhere for

wages more or less equivalent to what they were receiving before. It is very important that the possibility of this sort of reaction should not be forgotten ; for, unless it is borne in mind, we shall be in danger of greatly exaggerating the real effect on wages as a whole that legislative interference with the rates paid in particular districts or in occupations of limited range is capable of bringing about.

Next, suppose that in order to secure what is considered a reasonable living wage to agriculture, it is found necessary to fix a legal minimum in excess of what would be fair, not merely in a few districts where able-bodied agricultural labours are exceptionally inefficient, but over a large part of the country. If this were done the situation could not be met by a mere redistribution of workpeople. The presumption is that a substantial reduction in the amount of labour employed in British agriculture would be brought about. For the products of the farmer in England are exposed to competition from enormous foreign sources of supply. Anything, therefore, that increases the cost of production here, even to a small extent, must cause the native supply to shrink before the foreign supply. As a result, grass land would take the place of arable land ; and casual and intermittent engagements would take the place of engagements that were in effect, if not in name, more or less permanent. Moreover, the reduction of employment in agriculture would not be likely to be balanced by an increase of employment elsewhere. For, since people look principally to the rate of wages in judging the comparative attractiveness of different occupations, the increase of agricultural wage-rates brought about by law would tend to make more people than before seek employment there. With diminished posts there would be more candidates, and a number of people who, apart from the new wage policy in agriculture, would somehow have been engaged in productive occupations, would be reduced to idleness, to the injury alike of themselves and of the general productivity of the nation.

It may be suggested that these results could be obviated by coupling the introduction of legislation to enforce a living wage with provisions for throwing the costs involved on landlords' rents. Thus, the Land Inquiry Committee write :

“ It should be laid down, as an essential feature of any legislation dealing

with the minimum wage, that a farmer who is able to prove that the rise in wages has put upon him an increased burden, should have the right to apply to some judicial body for a readjustment of his rent.¹

This plan would provide finance for the new law by the imposition of what is in effect a special tax upon landlords. Whatever may be thought of such an arrangement from the standpoint of equity in taxation, it would evidently remove from farmers the pressure they would otherwise feel to reduce the number of their labourers. The law would compel extra wages to be paid to these labourers, but it would compel a third party to provide the money, thus leaving the farmers in the same position as before. This, however, does not mean that no waste of labour would result. The offer of a rate of wages in excess of the fair rate relatively to other occupations would still tempt more workpeople into agriculture than, at that rate, could find employment there; and we should still see men, who otherwise would have been occupied elsewhere, forced there into unemployment or partial employment, to the injury both of themselves and of national productivity. It is true that, by the adoption of special methods in the engagement of agricultural workers, this result might be, at least in part, avoided. But it would be very rash to bank on this.

What has been said so far is not, however, final. For the preceding discussion has ignored the possibility that enhanced wages may react favourably upon the efficiency of the labourers who receive them. Before any final estimate of the effect of the legal enforcement of a living wage can be framed, this possibility and its bearing upon our general argument must be considered. The problem thus presented is not, however, an easy one. First, there are difficulties in the way of determining the precise relation, if any, which subsists between better pay and better, or more abundant, work. Attempts to draw inferences upon this subject from experience are often subject to fallacy. The fact, for example, that workpeople in high-wage districts are, in general, more efficient than workpeople in low-wage districts, does not prove that high wages cause high efficiency; for there is available the alternative explanation that high efficiency causes high wages. Nor does the fact that workpeople, who have moved from low-wage to high-wage districts, are soon found to be earning the wages

¹ *Report of the Land Inquiry Committee*, p. 62.

proper to these latter districts prove this ; for the people who are likely to undertake such journeys are just those who feel themselves already more efficient and worth a larger wage than their neighbours. Fortunately, however, other considerations are available. It is a matter of common knowledge that better nourishment increases a man's power to work, and it is probable that an increased wage will, at all events in part, be expended in procuring better nourishment. Further, the establishment anywhere of a legal wage in excess of that previously ruling, since it threatens unemployment to those not worth this wage, naturally increases the desire to work on the part of men on the borderline. In this way it stimulates the laggards to exert themselves more energetically—a change for which, in districts where a tradition of slack work prevails, there may sometimes be considerable scope. These considerations warrant the conclusion that improved wages will lead, in some measure, to improved efficiency. There remains, however, a second and different kind of difficulty. Granted that those labourers, for whom the enhanced wage-rate means also enhanced earnings, are rendered more efficient, must it not equally happen that those other labourers, for whom the enhanced rate means diminished employment, will be rendered less efficient ? I can see no satisfactory way of balancing this element of evil against the accompanying element of good. In view of this result it would seem that the unfavourable judgment of the probable effects of a legal living wage, which was reached when the possibility of reactions upon efficiency was ignored, should be held with less assurance when that possibility is taken into account. No considerations, however, have been advanced which can cause that unfavourable judgment to be reversed. The legal enforcement of a living wage in agriculture, in excess of what for most districts would be the fair wage, is, on such evidence as we possess, more likely to injure than to benefit agricultural labour as a whole.

Even this result, however, is not decisive for practice. To the claim for a living wage that is set out by the Land Inquiry Committee it is, indeed, fatal ; for this claim rests wholly on the thesis that the establishment of such a wage would directly benefit the labourers in whose behalf it is demanded. It is possible, however, to advocate the legal establishment of a living

wage (in excess of the fair wage) from quite another standpoint. It is held by some thinkers that all so-called able-bodied work-people, who are too inefficient to be worth such a wage, ought to be removed from private industry and handed over to be cared for and, when that is possible, to be trained by the public authorities to greater industrial competence. The legal prohibition of any wage-payment at less than the living rate, if it were coupled with a law designed to abolish casual methods of hiring labour, would provide an effective means of segregating and revealing these exceptionally inefficient able-bodied workpeople. This is quite a different idea from that underlying the Report of the Land Inquiry Committee. The Committee wishes to establish a legal living wage, in order that workpeople of low quality may be enabled to earn more than they are earning at present. The thinkers, whose attitude I am contrasting with theirs, wish to establish it, in order that such workpeople may be prevented, for the time, from earning anything at all. For this policy, taken as a whole, a fairly strong case can be made out. The legal living wage, however, is only embraced in it as one item of a closely articulated programme, and its enactment, unassociated with the other items, would not fulfil the purpose which the advocates of that programme have in view.