

EDITORIAL

## THE “MINIMUM WAGE.”

By DANIEL DE LEON

**R**OOSEVELT Republicans; Taft Republicans; Democrats; as a matter of course, Socialist Party spouters also,—all are shouting for the “minimum wage.” And now comes Prof. Ryan, and accentuates the folly, if not crime, with an address delivered “in the name of God” at the Conference of Catholic Leaders at Fordham University.

The theory underlying the demand for a “minimum wage” is that if a certain amount is fixed, below which no employer shall hire an employee, then comfort will be secured to the workingman, and peace between capital and labor affirmed.

The theory proceeds from false economic premises. Were the minimum wage theorickers posted upon the law of value, and its consequence upon prices, and the consequence of prices upon concentration, they would not make of themselves the fools they do with their “minimum wage” twaddle, or justify the suspicion of their being sociologic felons.

The law of value establishes that the amount of labor-power crystallized in a commodity and necessary for its reproduction determines the amount of the other commodities with which it is exchangeable—the commodity gold being the medium of such exchange.

As a consequence of the law of value, the market price, or, price, for short, while it may coincide with value, if supply and demand are equal, is determined by supply and demand—falling with a rise of supply unaccompanied with a proportional rise of demand, and rising with demand, unaccompanied with a proportional rise of supply.

As a consequence of the laws of value and price, whatever manufacturer, or combination of manufacturers, can produce with less amount of labor-power the goods produced by others, thereby depreciates the price of these others, and thereby

bankrupts their producers.

A factor in production, a factor that partakes of the qualities of raw material, is labor-power. The capitalist must and does purchase the commodity labor-power in the labor market. While the capitalist may like to employ chicanery in the purchase of this commodity, and purchase below the price designated by the value, he is not always able to do so. Supposing a capitalist to purchase labor-power for the price designated by its value, it follows that the lower the value of labor-power all the lower will be the value of the goods that labor-power produces. A lowering of the value of goods by improved methods that save on the amount of labor-power consumed, has, accordingly, a depressing effect upon the value of labor-power.

The price of labor-power is the wage. The minimum wage can not choose but be predicated upon a condition of production existing at the time that the minimum wage was fixed. Improved methods of production continuously tend to increase the supply of labor-power above the demand in the labor-market. Thus improved methods of production steadily change the conditions of production under which the minimum wage was at any time fixed.

What to do?

Leave the minimum wage stand, and enforce it?—The consequence would be to defeat its own purpose.

The purpose of the minimum wage is to act as a brake on the workers’ standard of living. Improved methods of production lower the value of goods. The capitalists, whose capital does not allow them to operate with the most improved methods available, can not sell as cheap as the capitalist who operates with improved methods, and they are bankrupted. The bankruptcy of these smaller capitalists lets “free” the labor they employed. That labor is dumped into the labor-market, and swells the army of the unemployed—an army whose wage is away below the minimum, being zero.

The boomerang nature of the “minimum wage” theory arises from its being an attempt to save capitalism from its own consequences—an absurdity.

From capitalist premises none but capitalist conclusions can be legitimately drawn.

Capitalism pushes towards improved methods of production whereby to yield

increased abundance with decreasing effort. The improved methods depress the value of labor-power. The minimum wage is intended as a dam—a desirable thing—to stem the flood of the consequences of an overflowing labor-market that results from improved methods; but the very nature of the flood that the dam is intended to stem operates, in turn, as a dam to keep the overstocked labor-market from thinning down. The lesser capitalists are barred by the minimum wage dam from purchasing labor-power at the cheaper rate that they can afford. The final consequence is that the dammed flood is bound to burst the artificial barrier of the minimum wage.

A “minimum wage” that is not daily adjustable, like the price of bullion, is self-destructive.

A “minimum wage” that is daily adjustable, like the price of gold, would not be self-destructive, but is an impossibility—no mercantile contract would be possible under it.

A “minimum wage,” supposing the economic folly thereof to be extractable therefrom, would check the course of civilization, seeing that it would render improved methods nugatory. No law that bucks the unwritten law which decrees improved methods can stand.

Finally, the only remaining chance of the “minimum wage” would be for the social organism, which enacts the minimum wage, itself to furnish employment as fast as the supply in {the} labor-market would tend to depress wages below the established minimum. Such a process would gradually bring the bulk of the proletariat in the direct employment of the Government of the Political or Class State—the goal consciously aimed at by the Roosevelt party, and unconsciously led to by the so-called Socialist party—a goal known as State Socialism, under which the proletariat would be reduced to the status of feudal serfs, with all the ignominy to the serfs that feudal serfdom implied.

Well may the Taft, Roosevelt and Wilson parties, together with the Professors Ryan, run the “Minimum Wage” up the foremast of their sundry crafts. Well may the so-called Socialist party assume the identical motto. The criminal ignorance of the latter, the criminal purpose of the former, both flow from one head-spring—the bourgeois class blindness; and both flow into one general ocean—proletarian

subjugation.

The emancipation of the Working Class, thereby the redemption of society, knows no motto with the word "Wage" in it, except it be in the combination:

"Down, never more to rise, with the Wage System!"

Transcribed and edited by Robert Bills for the official website of the Socialist Labor Party of America.  
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