WAGE LEVELS*

DISCUSSIONS OF GENERAL PRINCIPLES
AND CRITERIA IN WAGE DETERMINATION


Considers the change in union wage demands as an attempt "to institute a new set of rules for determining wage movements. . . . The new conception demands that labor share not only in the increases in national productivity but also enlarge its share of the national income."


A comprehensive study of all phases of wage determination through collective bargaining. Part II. "Factors Commonly Invoked in Collective Wage Adjustment" is most pertinent to a study of wage levels and considers in detail the goals and criteria of wage determination. The "families of arguments" studied include (1) cost of living, (2) wages as percent of total production cost, (3) production, national income, and wages, (4) wage-paying capacity, sliding scales, profit sharing, (5) comparisons and job evaluation, and (6) wages and industrial fluctuations.


A discussion of the functions of a wage system, a compact review of the facts in regard to wage changes and wage structures, and comment on the increasing importance of patterns in wage changes. The author suggests eight useful principles in wage setting, while stressing his belief that "even the most commonly discussed standards for wage setting . . . cannot yield a definitive and unequivocal figure in the context of a particular case."


* Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.
Primarily an appraisal of the more prominent arguments and slogans used in wage discussions, with a briefer discussion of the appropriate general level of wage rates for the economy as a whole. The appraisal of particular arguments includes (1) comparable wage rates, (2) productivity, (3) cost of living, and (4) ability to pay. The complications involved in the use of each of these standards for wage setting and their limitations are pointed out, and attention called to the need for mature and experienced personnel "skilled in the exercise of judgment in the complex business of wage determination."


In Part IV of his chapter, Professor Clark reviews the theories of wages and prices in relation to employment and in the light of past experience and possible future developments. He concludes that "... associative action on a really broad base seems the most promising approach." Part of Professor Machlup's concluding chapter deals with profits and wages and weighs the question of what constitutes "too high" and "too low" wage rates.

Slichter, Sumner H. Basic criteria used in wage negotiations. Chicago Association of Commerce and Industry (1 North LaSalle St., Chicago 2). 1947. 56 pp. 50 cents.

An analysis of the economic implications of wage criteria with a discussion of the interrelations between wages, prices, employment, and production. A helpful contribution to the "advantage in economic education" which Professor Slichter believes are the new methods of setting wages require.

Seven criteria are considered: minimum necessities of workers, the cost of living, maintenance of take-home pay, changes in productivity of labor, the ability of the employer to pay, the alleged effect of wages upon consumer purchasing power and employment, and wages paid in other industries or places.


Points out the complex forces involved in determining proper wage rates and wage levels, and stresses the value of taking into account minimum budgets as to "recognition of need and justice as well as productive efficiency in the course of a wage bargain."

by J. M. Clark, and "Wages and industrial progress," by George W. Taylor, pp. 22-51. $1.00.

Professor Clark reviews the steps leading up to the present wage crisis, and considers the issues involved in the light of various economic theories. Professor Taylor's discussion revolves about problems of wages in collective bargaining with emphasis on the question of an industry-wide or a plant basis of bargaining.

STUDIES OF SPECIFIC SITUATIONS


An analysis of the budget study made by the Textile Workers Union of America, C.I.O., with reference also to the Heller Committee and the W.P.A. budgets. This author believes that "the budget approach must be treated with serious reservation" primarily because data for the assumed "average" family is usually applicable only to a small proportion of the total wage group.


Finds "that immediate substantial" wage increases are needed and, on the basis of wartime profits, current earnings, and technological developments, can be granted.


An analysis of the reasons for differences in wage-rate levels and in the timing of wage-rate changes in the American and Canadian paper industry from 1929 to 1939.


The much discussed report which formed the principal basis for wage demands of C.I.O. unions in 1947. In addition to the report, charts and tables are given to support the thesis "that not only from the worker's point of view but also for the benefit of the whole economy a further substantial wage increase without a general price increase is possible, justifiable, and essential."

Argues against another general round of wage increases, and emphasizes the need of increased production.


Attempts “to demonstrate that each [of the three lines of argument in the Nathan report] is based on misrepresentations of economic facts and fallacious economic reasoning.”


Commends Mr. Nathan for having brought important questions to the attention of the public, but disagrees both with his diagnosis and his proposed policies.


An analysis of the tactics used by the printing crafts in one city to attain their objectives in wage negotiations and the effect of the union wage policies on employment opportunities.


A series of studies of wage policies and wage rates in six firms, manufacturers of shoes, paper, cotton textiles, and agricultural implements. While “these studies represent an attempt to avoid that over-simplification which often results from the study of summarized over-all data on wages and prices,” the following general observations are made: 1. Changes in wage rates often “follow the leader.” 2. The effect of wage-rate changes upon the average return to workers differed greatly from one plant to another. 3. Wage rate changes were equally unsatisfactory as guides to variations in unit costs. 4. Price changes were not based primarily on wage rate changes. 5. Technological changes were usually made as a routine matter, not immediately stimulated by wage changes.