

EDITORIAL

“SALARIES” AND “WAGES.”

By DANIEL DE LEON

THERE is no great economic subject—whether financial, tariff or otherwise—that comes up in Congress without its acting like a plow, throwing up untold economic issues. It is so again with the tariff now under discussion in Congress. *The People* has, since the discussion arose, considered a number of these issues—indeed, the only practical benefit to be derived by the Socialist Movement from the consideration of the laws proposed by capitalism. Among these special economic issues, or points, on which much confusion exists and clearness should prevail, is that of “salaries” and “wages.”

The tariff reformers in Congress, together with their echoes or prompters out of Congress, ever join the words “salaries” and “wages,” using them as invertible terms. It is the burden of the tariff reformer’s song that the “receivers of salaries and wages” are the consumers most deeply interested in a low tariff. It is quite certain that many a one who uses such phrase knows he is juggling with words. It is equally certain, however, that many more do not. The cultivated ignorance in the capitalist class is extensive and deep enough to free many of its loudest shouters of the stigma of deliberate deception.

“Salary” is one thing; “wages” another. The salary-receiver belongs under a category that is radically different from the category under which the wage-receiver belongs.

There may be small salary-receivers, while there are large salary-receivers, receiving as large as \$25,000, \$50,000, \$100,000. On the other hand, wages may be more or less, but never rise above a certain maximum, which, under the best circumstances, is small. The crass difference in the sizes of possible salaries and of possible wage(s) points to the radical cause of the difference between their respective receivers.

The salary-receiver does not collect his price; the wage receiver does. The salary collected by the salary-receiver *is not* determined in a market—it is determined by “pull.” The wage collected by the wage-receiver *is* determined in a market—the labor market. In other words, the salary-receiver *is not* a merchandise; the wage-receiver *is*.

The economic conclusions that follow from this difference, in so far as they bear upon the tariff, are weighty:—

Seeing that the salary-receiver is not a merchandise, bought and sold in any market, and that “pull” is the determining factor in his earnings, it follows that the lower the price of his necessities of life, the larger must be the amount left over for him to expend in other directions; and, contrariwise, the higher the price of his necessities of life, all the less can he preserve for other purposes.

Seeing, on the other hand, that the wage-receiver is a merchandise, bought and sold in a market, it follows that his wages are his price in the market. Price is determined by supply and demand. Seeing that the supply and the demand for him is the determining factor of his earnings, it follows that, let the price of his necessities of life be high or low, it does not determine his affluence. Be prices high as they may, if the supply of the wage-receiver in the labor market falls below the demand, then (unless the capitalist class is sufficiently organized to bayonet or club him into working cheaply, as is done now in Congo and often among us in rural districts,)—then his earnings will go up; be prices low as they may, if the supply of the wage-receiver is above the demand, down will go his earnings. And *vice versa*.

Obviously, it is juggling with words to bracket “salaries” and “wages,” and declare the two suffer equally from a high tariff, and are equally relieved by a low one. The jugglery with the two terms, now going on in Congress is a favorite one, apart from tariff discussions, with the class of railroad and other Directors and capitalist magnates. Intent upon blurring the class lines, and thereby spreading confusion, these gentlemen are frequently heard, on the one hand, calling themselves “wage earners” and their \$20,000–\$50,000 and even higher salaries “wages,” and, on the other hand calling the wages of their proletarian clerks “salaries.”

“Salaries” are that portion of the wealth plundered from Labor, that the

plunderer bestows upon himself and his menial plunderers for the purpose of reducing, on paper, the amount of the actual plunder, making it appear not quite as large as it actually is, and at the same time decorating himself and his subaltern beneficiaries with a bogus badge of useful service.

“Wages” are the price that the wage earner collects for his merchandise labor-power, in the labor market, where he is sold and bought for a pittance of his own product.

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