

A Municipal Wage Floor

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Quote - - - The shockingly low wages earned by many workers in this city have long been a disgrace. Now Mayor Wagner is under intense labor pressure to eliminate such wages through a municipal law establishing a minimum wage of \$1.50 an hour for all workers in the five boroughs. The only thing wrong with the 'remedy' is that it would eliminate jobs as well as low wages. The apparel trades lost 70,000 manufacturing jobs in the last decade."

What is wages?

Wages are the return for mental and physical exertion in the production of wealth and services. If a person goes on a fishing or hunting trip, the game taken is his wages. What one produces in any endeavor is his wages. Neither city, state nor nation can legislate wages, wealth. Money is not wealth, it is a medium of exchange and (supposed to be) a measure of value.

Adam Smith (often called the father of political economy) tells us that there are two forms of value—value in use and value in exchange. The sun has excellent value in use but no value in exchange. A one hundred dollar

bill has no value in use but it has a hundred dollars worth of value in exchange.

The newspapers tell us that a gang of robbers took \$1,551,277 from a mail truck, but that money has no value for them until they can exchange it for food, shelter, clothing, transportation or some other product of labor.

Mayor Wagner may establish a municipal wage floor but what relation will that have to wealth produced? The things we live by are produced by labor, mental and physical, not legislation. Let us hope that in the near future our officials will provide ways and means for our people to produce and enjoy the necessities of life instead of inflationary money.

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