

most, the sweated worker least. The worker earning forty shillings per week gains much more than twice as much as the worker earning twenty shillings from each general cheapening in the cost of production. There are several reasons why this is so.

1. Where there exists a constant over-supply of labour competing for what must be regarded at any particular time as a fixed quantity of employment, wages are determined with tolerably close reference to the lowest standard of living among that class of workers, and not by any fixed or customary money wage. This is particularly the case in the "sweating" trades of large towns. Here such improvements in machinery and methods of industry as lower the price of articles which fall within the "standard of living" of this class are liable to be speedily reflected in a fall of money wages paid for such low-skilled work. In other words, a "bare subsistence wage" does not gain by a fall in the price of the articles which belong to its standard of comfort.

Even in the lowest kinds of work there is no doubt some tendency to stick to the former money wage and thus to raise somewhat the standard of real wages, but where the competition is keenest this *vis inertia* is liable to be overborne, and money wages fall with prices. As we rise to the more highly skilled, paid, and organised grades of labour, we come to workers who are less exposed to the direct constant strain of competition, where there is not a chronic over-supply of labour. Here a fall of retail prices is not necessarily or speedily followed by any corresponding fall of money wages, and the results of the higher real wages enjoyed for a time impress themselves in a higher habitual standard of comfort and strengthen the resistance which is offered to any attempt to lower money wages, even though the attempt may be made at a time when an over-supply of labour does exist.

In proportion as a class of workers is highly paid, educated, and organised, it is able to gain the benefit which improved machinery brings to the consumer, because it is better able to resist the economic tendency to determine wages by reference to a standard of comfort independent of monetary considerations. So far as the lowest waged and most closely competing labourers have gained