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EDITORIAL

## THE WAGE INCREASES.

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**F**ROM all sides come reports of wage increases. Every big iron and steel mill in the Pittsburg district will raise wages 10 per cent on January 1. Twenty-six thousand woolen mill operatives in Connecticut are down for a like addition. The Pennsylvania Railroad Company's employes are to have an increase of 7 per cent. So it goes all along the line. Business is booming and wages are going up. From all appearances prosperity is rampant and indications for a bright new year were never better.

Under such circumstances it would seem paradoxical to sound a note of warning of approaching danger, or to venture a prophecy of panic. Yet the circumstances require it. These wage increases are prognostic of industrial storms. J.J. Hill has repeatedly said that prices must come down if foreign markets are to be secured; and, as the clamors of the various commercial bodies show, they must be secured. But as Hill in the same breath wants decreased wages, how can these markets be secured with wages rising? In 1902, the increasing prices and wages—the “unprecedented prosperity”—reacted on capitalist industry, increasing production and preventing export, thus shutting down factories right and left. So in 1906, we will see another spurt in production, great increases in wages, prices and output, that will end in bad foreign markets, “overproduction,” and collapse.

Rockefeller has predicted the panic. A Boston banker is quoted in the financial section of the *Evening Post* of Oct. 8 as follows:

“I think we shall come through the fall and winter all right; but in a few weeks from now the stock market will be boomed and general business will be on a large scale, and some time inside the next twelve months the country will suddenly wake up and find that the money is all gone.”

which means that it will find panic instead of prosperity.

This certainly will be the fate of the country, if the history of the past few years and the predictions of its leading capitalists, permit it to be taken in by these deceptive wage increases.

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