

A Day's Wage for a Silver Dime: *Fact or Fiction?*

David Zurbuchen

This purpose of this article is to examine the veracity of the claim made in the first line of my debut article "Silver: A Rare Opportunity"

First, **Some Helpful Conversion Factors**, all of which I have made use of in my calculations below:

1 troy ounce = 480 grains

1 troy ounce = 31.1 grams (grams not grains)

1 dollar (*the original at least*) = 371.25 grains pure silver*

Meaning that \$1 was equivalent to 0.77 troy ounces and 23.9 grams

*Coinage Act of 1792 Sec. 9

It is perfectly understandable that those who read that a mere dime used to be equivalent to a day's wage are skeptical of the claim. I certainly was, and that is why I have set out to prove my previous assertion either right, wrong, or somewhere in between.

I may have had a bias when I began this article, but I inevitably had to compromise and submit to historical data rather than the hearsay that I had previously relied upon.

What follows are 4 sources of information, all of which present different wage rates for skilled and unskilled workmen around the year 1900. I have included all the links so that you can easily verify the information, together with my calculations.

First Source(s):

www.digitalhistory.uh.edu/historyonline/us26.cfm

www.statcan.ca/english/freepub/11-516-XIE/sectione/sectione.htm

(See section E248-267)

Both sources confirm that the average wage of an American in 1900 was around \$.22/hour, or in other words, about \$2/day.

Second Source:

From: www.wsharvey.dial.pipex.com/leadandlabour/chapter4.htm

"The market recovered a decade later and a report of wage levels at

Wanlockhead in 1844 indicated that some miners had 12/- (60p) a week and the smelters about 14/- (70p). **In the second half of the century average wages rose to a nominal 20/- (£1) per week, and stayed around this figure into the 1900s."**

Conversions:

p = pence

/- = shilling

12 pence = 1 shilling

20 shillings = 1 pound

1 British Pound was equivalent to about \$4.50 US at the time.

Dividing 4.5 by 6 (workdays) equals \$0.75, or about 7 dimes/day for a British miner in 1900. Keep in mind that this was an average wage.

Women, young men, and unskilled workers made much less in comparison.

Third Source:

www.econ.ucdavis.edu/faculty/gclark/papers/farm_wages_&_living_standards.pdf

Look on page 18 for the following:

An Average wage in 1850 was about 18 pence. Despite the 50 year gap, this nevertheless seems to be a relatively accurate gauge of wages in 1900 based upon this line taken from the quoted portion of Source 2 (above):

"In the second half of the century average wages rose to a nominal 20/- (£1) per week, and stayed around this figure into the 1900s."

Dividing 18 pence by 240 (the number of pence in one pound) = 0.075 pounds/day. Multiply 0.075 by 4.5 (rate of exchange between British pounds and dollars) to get \$0.33/day, or about 3 dimes per day.

Fourth Source, which to me appears the most comprehensive:

www.economics.ox.ac.uk/Members/robert.allen/WagesFiles/wages

Look at the charts on pages 36-37 and the graphs on pages 44-50.

My own summary of the data:

Average wage paid building craftsmen 1850-1899=**24 grams silver**
Average wage paid to laborers 1850-1899=**13.8 grams silver**
Average wage paid Building craftsmen 1900-1913=**63.9 grams silver**
Average wage paid to laborers 1900-1913=**39.5 grams silver**

The calculations above are based upon the wage rates (in grams of silver/day) of the following cities in the years between 1850-1913: Antwerp, London, Milan, Naples, Venice, Amsterdam, Florence, Valencia, Madrid, Paris, Vienna, Warsaw, Leipzig, Stockholm, Hamburg, and several others.

The combined average equals 35.3 grams of silver/day which is equivalent to about 1.5 troy ounces, or about 1.5 silver dollars. Though this is certainly greater than 1 silver dime, it is a mean, not an absolute measurement. Many of the workers in certain cities of the world made much less than 39.5 grams of silver a day, just take a look at the data if you are curious.

Challenges

It must be understood that calculating an *average* daily wage 100 years ago is quite difficult because of the fundamental changes that our modern economy has undergone. We no longer operate on a Gold or Silver Standard. Our coins have been debased, our paper bills are essentially worthless, debt is expected, and saving is thoroughly discouraged.

It seems the financial world has been turned upside down, almost as if it had been dunked in a carnival dunk tank, not yet able bring its head above the water.

Furthermore, just think about the tremendous difference today between a minimum wage worker earning about \$5/hr and the lawyer who earns upwards of \$150/hr. Greater still is the gap between that same lawyer and the many movie stars and professional athletes who can make upwards of \$1,000/hr! Needless to say, such comparisons are relative. Though they do not seem to be so imbalanced when compared to their near equivalents, the entire situation changes when the whole lot is represented. Now I certainly do not mean to say that there is anything wrong with this tremendous difference in wage rates. My point, rather, is that this task of imagined simplicity, that of determining an average wage one hundred years ago, is really quite difficult. **Nevertheless, the numbers I discovered indicate that an average wage consisted of between 3-15 dimes/day in or around the year 1900.**

As it stands, even if the average day's wage is assumed to be closer to one dollar than

one dime, it is nevertheless **indicative of a silver price that is undervalued by a factor of about 30 times since 1900, and by a factor of 100-300 times in all centuries prior for well over 2,000 years of recorded history.**

As an aside, it appears that the Comstock Lode discovery in 1850 together with the worldwide move towards a gold standard was what caused the sharp inflationary effect in the silver market in the latter half of the 19th century. This in turn would have eventually caused wages to rise beyond their previously stable level in terms of silver, explaining, at least in part, why a silver dime was no longer the 'standard' by the turn of the 20th century.

That being the case, I apologize for what now appears to be an exaggeration, that one dime could pay for one day of labor just one hundred years ago. I therefore amend my previous assertion, now maintaining that an average day's wage 100 years ago was closer to \$1.

Note: My purpose in this article was not to prove that a silver dime was a day's wage in the Ancient Mesopotamian, Greek, Roman (pre-debasement), and Byzantium empires. This is assumed to be readily accepted, as it is proven easily enough. For further study of this issue see:

www.gold-eagle.com/editorials_00/mbutler031900.html
(Ancient Mesopotamia, Greece, and Rome)

www.abu.nb.ca/ecm/products/topics2.htm
(Biblical Times)

www.econ.iastate.edu/classes
(Excellent Photographs of the Actual Coins)

www.economics.ox.ac.uk/Members
(Deals w/India, China, Japan, and Europe 1500-1900, showing daily wages in several places to actually be lower than one silver dime, pp. 23-26)

www.doaks.org/EconHist/EHB39.pdf
(Wages all over the world 500-1500AD, especially pp.46-55)

Example of a calculation using the above source:

A carpenter in Egypt in 709AD made 16 nomismata annually. 1 nomismata = 1 dinar, which = approx. 3.9 grams *pure* gold, which = 58.5

grams of silver (using 1:15 conversion), which = \$2.45 in American silver coins.

Multiply this number by 16 (number of nomismata per year), and one finds that an annual salary was equivalent to about \$39 in silver coin, or about \$0.16/day (using 250 workdays/year). This is well within the range of an *average* 1 dime-a-day wage.

The Conclusion

Regardless of whether it was 100 or 200 years ago that a dime paid a worker for a day's worth of labor, **it certainly is amazing that now, when silver is more important to the world than ever before, it remains depressed at an historically low price.** The opportunity presented to each one of us is almost too good to be true. Do you believe it, or will you choose instead to wait until the whole world catches on before you take advantage of what is today staring you in the face?

Recently, talks of the possible formation of the silver ETF (Exchange Traded Fund) have reinvigorated the already robust market, as the SUA (Silver Users Association) have petitioned the SEC to deny its formation for the simple reason that **there is inadequate supply to support such a venture.** Heaven forbid that the silver users would have to pay a higher price for their precious silver! Never mind that gold already has several Exchange Traded Funds and that the American financial markets are supposed to be *free*!

Also, just a *minor* side note: **Silver just hit an 18 year high!**

The good news just won't seem to let up. You better not wait, or tomorrow will turn into tomorrow will turn into tomorrow. Look skyward. The dawn is already here, and a new age is upon us. **It is the age of Silver**, and it comes bearing gifts to all those who are kind enough to welcome it back to earth.

Forgive the hyperbole, I simply mean to pass on some of my overflowing exuberance to those who might otherwise lack it.

Corrections to my Previous Article "Silver: A Rare Opportunity"

1. In paragraph 4, I mistakenly said that the US silver stockpile was 6 billion in 1930, when it should have been 5.9 Billion ounces in 1942 (look on pg.2)

2. With regards to the last statement I made about tax responsibility, I spoke a little too hastily, and would like to qualify what I said with the following:

*Keep in mind that this reasoning should only be applied to cash transactions, and even then the legality of such a matter must be considered by the individual investor. I simply make the point because I consider silver to be the monetary standard set forth by both the Constitution and the Coinage Act of 1792. And since no one is required to pay taxes if they hoard cash and the dollar goes up in value, then neither *should* they be required to pay capital gains taxes on silver, since technically speaking, silver is the definition of a dollar. But each one still needs to use his own judgment since the dollar is no longer defined in terms of silver anywhere the United States Code (http://www.gold-eagle.com/gold_digest_02/hein111302.html). As for me I'll probably play it safe and pay Uncle Sam his dues.

If you enjoy the added volatility and leverage that silver mining stocks have to offer, I invite you to subscribe to the FREE Silver Stock Investment Newsletter.

**Just Visit www.silverinscripture.com
and Subscribe Today.**

David Zurbuchen

This essay is not copyrighted, and to anyone who would like to reprint it, I give them full permission. All I ask is that I am acknowledged as the author, and that a link be provided to my website.