

society is the real income, measured not in terms of money, but by the capacity to enjoy, in terms of satisfaction. The number and extent of human desires make up the standard of living set by the individual and by society. A high standard of living indicates a large number of commodities of relatively high utility and closely associated with each other. A low standard indicates few necessities, sparse comforts, and no luxuries.

But how are the different standards of living determined? Primarily, by surplus of utility. By the surplus utility of a commodity we mean the value set upon it above its cost by the individual or by society. It is evident that this differs among individuals. The botanist may sacrifice time, clothing, and energy to secure a plant which has absolutely no utility to the woodsman. A general improvement in the standard of living means an increase in the number of commodities whose surplus of utility is about the same, and such a change in the economic order of consumption that the intenser appetites are limited in favor of the new commodities.

Society sanctions a high standard of living. "Those consumers whose ideals are high, whose tastes are developed harmoniously, and who call for a wide variety of physical, mental, and social resources, will win a commanding place in the unconscious economic struggle which continually goes on. Their income will be larger, their distributions fairer, their productive power greater." Society also has its minimum requirements, below which the individual dare not go. That physician would not be tolerated for a moment whose home, food, clothing and manner were those of the mechanic or the laborer. But while

society establishes the lower, the individual establishes the upper, limit. The teacher, preacher, philosopher, lawyer, physician have varying needs and desires, but, as a class, their standard of living is widely different from that of the producers of material utilities. The teacher's standard of living comprises not only the physical necessities of life, but also books, travel, church, theatre, opera, art galleries. The carpenter is satisfied with fewer of these utilities.

All members of society, whether industrious or idle, get their real income from the same source and in the same way, by consuming enjoyable goods. Whether money is received in the form of salary or wages, interest or rent, all individuals come into possession of their real income in the same way, by spending their money receipts. The money receipts of the teacher, paid for the services he renders to individuals and to society, we term salary, but salary, says Taussig, "is as clearly wages as is the pay of the day laborer," and subject to the same economic laws.

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While the amount of the teacher's salary is controlled by the same fundamental laws as the amount of other wages, he is employed by an institution having quite a different aim from that of the modern commercial enterprise. The maximum wage of the laborer, as determined by the business manager, is his estimate of what the laborer is worth to him, but "the only reason why the employer should pay the maximum is that he can pay it; and this he is not likely to pay until he is forced." But the State administers and maintains the public school system, not for the purpose of "making money," but because the best interests of