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Thomas D. Batty

University of Western Ontario (Assumption College)

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ETHICS THESIS

A LIVING WAGE

THOS. D. BATTY C.S.B.

MAY 1935.



Thesis

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A LIVING WAGE.

In the present article, we shall consider, first of all, various definitions of a Living Wage; then the elements of a decent livelihood; then the grounds of the claim, wherein will be discussed the moral, religious and social basis of the claim, as well as the corresponding duties of the laborer and employer. This will be followed by a consideration of the claim in concrete, which will show computations based upon the special investigation of manufacturing establishments made by the American and Canadian Census taken in various years. Our conclusion will be some suggested remedies.

What do we mean by a living wage? To begin with, there are three things which we do not mean. A living wage is not the same as a subsistence wage, nor a wage adequate for the maintenance of productive efficiency, nor a wage that corresponds to any of the current scales of expenditure. It has some reference to all of these standards, but it is identical with none of them. If it were the equivalent of mere subsistence it could not become the basis of discussion; for even now practically ever worker gets sufficient remuneration to keep him alive. A wage that will maintain the labourer at a normal level of productive efficiency is considerable higher than a subsistence wage, and in the long run would perhaps not fall far below a living wage; yet it is still defective, inasmuch as it regards the labourer primarily as means to national production or social welfare. It applies to a human being the same standard of valuation that is employed in the case of a draught-horse or a locomotive. This point is ably brought out in the Communist Manifesto of Karl Marx, which says, "In proportion as the bourgeoisie, i. e., capital, is developed, in the same proportion is the proletariat, the modern working-class, developed, a class of laborers,

who live only so long as they find work, and who find work only so long as their labor increases capital. These laborers, who must sell themselves piecemeal, are a commodity, like every other article of commerce, and are consequently exposed to all the vicissitudes of competition, to all the fluctuations of the market.

Peter Maurin, in his own inimitable way, discusses this point in an article called The Fallacy of the Wage System. "Capital," says Karl Marx, "is accumulated labor not for the benefit of the laborers, but for the benefit of the accumulators." And the capitalists succeed in accumulating labor for their own benefit by treating labor not as a gift but as a commodity, buying it like any other commodity, at the lowest possible price. And organized labor plays into the hands of the capitalists, or accumulators of labor, by treating their own labor not as a gift but as a commodity, selling it like any other commodity at the highest possible price. But the buyers of labor at the lowest possible price, and the sellers of labor at the highest possible price are nothing but commercializers of labor. When the laborers place their labor on the bargain counter they allow the capitalists or accumulators of labor, to accumulate their labor. And when the capitalists, or accumulators of labor, have accumulated so much of the laborers' labor, they no longer find it profitable to buy the laborers' labor. And when the capitalists no longer find it profitable to buy the laborers' labor, then the laborers can no longer sell their labor to the capitalists or the accumulators of labor. And when the laborers can no longer sell their labor to the capitalists, or accumulators of labor, they can no longer buy the products of their labor. And that is what the laborers get for selling their labor to the capitalists or accumulators of labor. They just get left, and they get what is owing to them, for selling their labor to the capitalists or accumulators of labor.

A further demonstration of this point can be seen in the work called *The Theory of Wages* by Hicks, who says that the theory of the determination of wages in a free market is simply a special case of theory of value. Wages are the price of labor; and thus, in the absence of control, they are determined, like all prices, by supply and demand. The need for a special theory of wages only arises because both the supply of labor, and the demand for it, and the way in which demand and supply interact on the labor market, have certain peculiar properties, which make it impossible to apply to labor the ordinary theory of commodity value without some further consideration. He goes on to say that the demand for labor is only peculiar to this extent: that labor is a factor of production, and is thus demanded (as a general rule) not because the work to be done is desired for and by itself, but because it is to be used in the production of some other thing which is directly desired. Personal services are indeed an exception to this rule: but apart from this exception, the demand for labor is a derived demand, and the special properties of derived demand may thus reasonably be considered a part of the general theory of wages.

Briefly defined, a living wage is a wage adequate to a livelihood. It is that amount of remuneration which will provide the laborer with a livelihood becoming to, worthy of, proper for a human being. Hence the ideas of a living wage and a decent livelihood are fundamentally moral rather than physical or economic. They regard the laborer as a person, as a quasi-sacred being, as one possessed of intrinsic worth, as "an end in himself". The laborer is not conceived as a mere means to any other individual, or to any social purpose or interest. He is a person, morally obliged and morally privileged to pursue self-perfection, to develop his personality, to live a reasonable human life. For this purpose he must have the means of exercising and developing

all his faculties, physical, mental, moral and spiritual. To what degree? Well, to some degree; to a reasonable degree; to that degree at least which is necessary in order that he may live as a human being and not as a horse or a pig. So much at least is embraced in the idea of a decent livelihood.

In searching for explicit and precise rules for determining what is a fair remuneration for labor in medieval times, medieval writers are, indeed, disappointing. St. Thomas Aquinas says that, as justice demands that a fair price be paid for a material commodity, so it demands that a fair price should be given for human labor. Other writers likewise content themselves with the general declaration that wages should be in accordance with justice. Their failure to be more specific seems to be explained by the industrial conditions of the time. During the greater part of the Middle Ages there was, properly speaking, no such thing as a wage system; for there was no class of laborers, either in town or country, depending solely on employers to whom they sold their labor. Later on, when the wage-earning class assumed greater proportions, we find the ethics of their remuneration explicitly discussed by theological writers, at least to some extent. Molina, De Lugo and Bosscino, writing about the beginning of the seventeenth century, declare that in general that wage is just which is customary for a given service in a given place. The only general standard of just remuneration that they lay down is custom. Whether the customary wages of those days complied with the requirements of a living wage, as then understood, is not easily determined. However, since wages remained stable during long periods of time, and since the direct influence of religious and moral teaching on economic life was very considerable—much greater than at present—it may well be that the essentials of a

reasonable wage were fairly well realized. From the time of the writers just mentioned down to the year 1891, the theological and canonist doctrine on the ethics of wages seems to have undergone no important development. The old phrases about customary wages and just wages are constantly recurring.

In the year 1891, the late Pope Leo XIII formulated the doctrine of a minimum Living Wage in his celebrated encyclical, "Rerum Novarum", better known by the title, "On the Condition of Labor." Undoubtedly, the most important of all the doctrines proclaimed in the encyclical is that concerning wages.

Let us recall that when it appeared, the prevailing opinion, not only among employers but in the professional classes, in the halls of legislatures, and in the theories of economists, was that the wage contract fell under no other regulative principle than supply and demand. Outside of the working classes themselves, it was almost universally held that the wages fixed in the market by the forces of unlimited competition were always fair and just. No matter how low the remuneration of labor descended, it was ethically right if it was determined by a free contract. This immortal doctrine Pope Leo flatly repudiated. "There is," he declared, "a dictate of nature more imperious and more ancient than any bargain between man and man, namely, that the remuneration must be sufficient to support the wage-earner in reasonable and frugal comfort. If through necessity or fear of worse evil, the workman accepts harder conditions because an employer will give him no better, he is made the victim of force and injustice . "

At the present time, almost everyone renders at least lip service to this principle of the living wage. It is formally embodied in the

codes of fair practice set up by the National Recovery Administration. President Roosevelt has declared that "no business which depends for existence on paying less than living wages to its workers has any right to continue in this country," and he explains that by "living wages" he means "the wages of a decent living." The government of Canada is similarly inclined as is seen from the following quotation taken from The Border Cities Star. ..An appointment of a commission to inquire into living costs in various parts of the Dominion and to recommend what it believes would be adequate minimum wages for men and women is being considered by the government. Passage of a minimum wage law was forecast in the Speech from the Throne and it was the original intention of Prime Minister R.B.Bennett to have this law uniform throughout the Dominion, the schedules varying only between male and female.

The principle of a living wage as laid down by Pope Leo is peculiarly appropriate and necessary in our present situation. Until labor obtains higher wages, a larger amount of purchasing power and a greater share of the product, we shall not make much progress in our attempts to get out of the existing depression. Nor shall we be able to prevent the coming of another and even more destructive collapse unless we give labor more and capital less. Our experiences of the last few years have proved to a demonstration that a living wage is not only right ethically, but wise economically.

The President said he meant by a living wage, "the wages of a decent living." Pope Leo said "the remuneration must be sufficient to support the wage-earner in reasonable and frugal comfort. It is this aspect of our topic that we shall consider now. What comprises the elements of a decent livelihood?

When Pope Leo XIII, in his encyclical, "On the Condition of Labor," declared that the remuneration of the workman ought to be at least sufficient "to support him in reasonable and frugal comfort," a discussion immediately arose among Catholic moralists as to whether the phrase just quoted was intended to cover the conditions and requisites of family life. Those who held to the affirmative cited in confirmation of their position the following paragraph of the passage, which occurs in the next paragraph of the encyclical: "If a workman's wages be sufficient to maintain himself, his wife, and his children in reasonable comfort, he will not find it difficult.....to put by a little property." At present all Catholic writers on the subject hold that the employer is under moral obligation to give the workman a wage that will maintain his family as well as himself, in food, clothing and housing sufficient in quantity and quality to maintain the worker in normal health, in elementary comfort, and in an environment in which morality and religion can be safeguarded with a reasonable amount of effort. It embraces moreover, that quantity of provision for the future which is necessary for elementary security and contentment; and sufficient opportunities of recreation, amusement, social intercourse, education, reading matter and church-membership to conserve health and strength and to exercise in some degree the higher faculties. Although these statements may still seem to be somewhat vague, their meaning could be readily put into more definite and satisfactory terms, in any community, by any committee of intelligent persons. However, difficulties will be encountered.

In the recent wage adjustments in the coal industry and in the railroad industry, it was quite evident that there was much confusion in the mind of the public over the standard-of-living budgets. This confusion arose from the fact that there are several different levels of living and not just one standard of living. Two of these levels of

of living have been particularly well studied. They are the minimum-subsistence and the minimum-comfort level. The former is supposed to provide just a bare existence. It can be determined in terms of death-rates, sickness rates, and calorie needs. It is that wage that is thought of when we speak of requiring industry to pay a living wage and say that otherwise it is parasitic and ought not to be permitted to exist.

So drastic a policy has never been urged for the minimum-comfort wage, however desirable it may be socially to raise the standard of living. Condemning an industry for not paying a living wage depends upon what living wage, whether the minimum-subsistence wage or some higher level, is meant. Very frequently the minimum-comfort wage has been erroneously called the minimum-subsistence wage.

Another use of standard of living figures that has made it seem impractical is the tendency to apply standards worked out in one locality to another and different locality. It is frequently said that it costs a certain sum for a family of five to live in Canada or the United States today. There is, of course, not just one single cost for the States and Canada. There are many, varying from locality to locality. Just how great a variation there is between different regions cannot be told without a special investigation. Data already collected shows that there is very little difference in cost of living according to sections of the continent. Perhaps it is a little lower on the Pacific Coast.

The variability is somewhat greater, however, by size of the particular locality. The cost of living in the very large city is not greatly different from the cost of living of the large city. But there seems to be a good deal of difference between the cost of living in the large city and in the small town or village. We have very little statistical data concerning cost of living standards on the farm.

but whatever these differences may be, it should be remembered that there are these variations.

Having defined what is understood by a decent livelihood, the question naturally arises, what precisely does this imply in terms of goods or money? Evidently the question before us cannot be answered with absolute precision. The needs of men and their powers of making an effective use of a given amount of goods or money, are too dissimilar to find a perfectly exact expression in any common denominator. And even if a common rate of wages would bring precisely the same degree of comfort to all the families depending upon it, there remains the extreme difficulty of translating "reasonable comfort" into more concrete terms. In all probability the individual estimates of no body of men, however competent and well-meaning, would be in entire agreement. And no prudent person would assert that a slight deduction from the amount that he regarded as certainly sufficient for a decent livelihood would render the remainder certainly insufficient. Nevertheless, the question can be answered with sufficient definiteness to safeguard the human dignity of the laborer and his family, and that is all that anyone cares to know.

A decent livelihood may be understood either absolutely or relatively. In the former sense it is an unvarying standard that is applicable to all conditions of human existence. It takes no account of needs based on custom or on any subjective appreciation of the requisites of welfare, nor does it make any allowance for the possibilities of progress. It is measured solely by man's essential and universal needs, and describes in general terms the requisites of normal and reasonable human life. And it may obviously be either below or above what is known as the conventional standard of a community. For example, the men and women of America could live decent and becoming lives, ab-

slately speaking, without wearing shoes during the summer season. On the other hand, a conventional standard of living, though satisfactory to the people with whom it obtains, may fall short of the absolute norm. If the description given in Dicey's "Peasant State" is correct a large class of the inhabitants of Bulgaria, apparently contented, do not live reasonable human lives. They have not the means of exercising that minimum of activity, physical, intellectual, and moral, which would differentiate the life of men from that of beasts.

While the conditions of existence indicated by the absolute standard constitute a minimum below which it is wrong for men to descend, they are not sufficient for decent living in the case of most civilized communities. Man is everywhere affected by two classes of needs: objective, or natural; and subjective, or acquired.

Through the influence of habit or custom he comes to regard certain of these acquired needs as essential elements of a decent standard of living. They differ relatively to different races, communities, ranks and classes of men, but to the persons among whom they have been developed they are of vital importance. Hence a decent livelihood, or a living wage, must conform in a reasonable degree to the conventional standard of life that prevails in any community or group. For, in order to live becomingly, men must possess not only those goods that are objectively necessary, but in some measure those that they think are necessary. Indeed, the latter may become more indispensable to decent living than some of the things that are objective and primary; for all men will sometimes procure them at the expense of the others. Thus, many persons, men as well as women, will deprive themselves of necessary food rather than appear among their neighbors in garments that are not in accordance with the conventional modes. At any rate, the inability to satisfy the

more important of the conventional needs always involves a grave injury to self-respect, and therefore subjects human beings to hardships that are incompatible with normal and reasonable living. Finally, owing to the development of new wants, a decent livelihood now may be below the standard of decency that will prevail ten years hence. To ignore the newly developed wants then would be as harmful as to ignore existing wants now; hence a living wage is relative only to the community or class and to its different stages of development.

The content of a living wage for laborers of America will be described first as a certain quantity of goods and conditions of living, and then in terms of money.

"Undoubtedly the first moral charge on the national income is such a sum as is necessary to bring up a family, providing for health, education, efficiency of work, and the conditions generally of a moral life. Anything below such a level subjects human beings to hardships and temptations to which they should not be exposed, and to conditions in which men and women are not free but in bondage to physical wants. If the present system, or any system, did not promise this at some not distant period, we should have today, like Mill, that, if this or communism were the alternative, "all the difficulties, great or small, of communism would be but as dust in the balance."

Mr. Devas summarizes the minimum livelihood that should be guaranteed to all workers thus: the means of physical existence; practical possibility of marriage; separate homes; insurance against sickness, old age, and industrial accidents; and some access to the treasures of literature, art and culture.

According to President Gompers of the American Federation of Labor, a living wage is, "a wage which, when expended in the most economical manner, shall be sufficient to maintain an average sized

family in a manner consistent with whatever the contemporary local civilization recognizes as indispensable to physical and mental health, or, as required by rational self-respect of human beings."

"In cities of from five thousand to one hundred thousand inhabitants," says Past President Mitchell of the United Mine Workers, "the American standard of living should mean, to the ordinary unskilled workman with an average family, a comfortable house of at least six rooms. It should mean a bathroom, good sanitary plumbing, a parlor, diningroom, kitchen, and sufficient sleeping-room that decency may be preserved and a reasonable degree of comfort maintained. The American standard of living should mean, to the unskilled workman, carpets, pictures, books, and furniture with which to make his home bright, comfortable, and attractive for himself and his family, an ample supply of clothing suitable for winter and summer, and above all a sufficient quantity of good, wholesome, nourishing food at all times of the year. The American standard of living, moreover, should mean to the unskilled workman, that his children be kept in school until they have reached the age of sixteen at least, and that he be enabled to lay by sufficient to maintain himself and his family in times of illness, or at the close of his industrial life, when age and weakness render further work impossible, and to make provision for his family against premature death from accident or otherwise.

"This, or something like this, is the American standard of living, as it exists in the ideals of the unskilled workingman.... For the great majority of men, who are willing to work and are not incapacitated by physical, mental, or moral defects, the manner of living above described is an approximate statement of what their standard should be and with the great productivity of American labor, I believe

it not unreasonable to say that these things should now be possessed by every workman, however unskilled.

These different opinions, however various the terms in which they are formulated, are in tolerably close agreement, except in the matter of provision for sickness, disability and old age. The cause of this discrepancy lies in the different viewpoints from which the problem is regarded. Writers who have in mind the social welfare, consider the living wage primarily in relation to the laborer's industrial efficiency. They do not take into account his needs during the time when he is unable to work because they are not describing what he ought to have as a man, but what he requires as an instrument of production. The question that we are concerned with is not what a man must have in order to be a profitable producer, but what he ought to have as a human being.

The following is submitted as a rough estimate of the minimum amount of goods and opportunities that will suffice for decent living and the rearing of a family:

1. Food, clothing and shelter for the laborer and his family until his children are old enough to become wage earners.

(a) The Children: Except possible during school vacation, no child of either sex should be employed as a wage earner under the age of sixteen years. Below that age they are, as a rule, not sufficiently strong to work day after day under the direction of an employer. Besides, if they are taken out of school earlier they get less than a fair share of education, and of the industrial opportunities depending upon it.

(b) The Wife: The welfare of the whole family, and that of society likewise, renders it imperative that the wife and mother should not

engage in any labor except that of the household. When she works for hire she can neither care properly for her own health, rear her children right, nor make her home what it should be for her husband, her children and herself.

(c) Food: The laborer should have food sufficient in quantity, quality and variety to maintain himself and the members of his family in a normal condition of health and vitality.

(d) Clothing: He should be able to provide himself and family with clothing adapted in quantity and quality to the reasonable requirements of comfort. In addition to being protected against the inclemency of the climate, they ought to have the means of appearing in becoming attire on "social" occasions, in school, in church, and in public gatherings. It is impossible to state precisely the minimum that is reasonable for this purpose, but speaking generally we may say that the laborer and his family should possess an outfit of "holiday" apparel, distinct from their ordinary or "everyday" garments. This is essential to enable them to appear among their fellows without hurt to that self-respect and natural pride which are indispensable to decent living.

(e) Shelter: Under this head it is sufficient to say that the dwelling occupied by the laborer and his family ought to consist of at least five rooms, and in general conform to the requirements of reasonable comfort. Three rooms (one for the parents, one for the male and one for the female children) are the minimum for sleeping accommodations, and it would seem that at least two rooms are required for all other purposes. As to equipment, the house must, of course, be provided with a reasonable stock of furniture and utensils, and with the amount of heat, light and drainage essential to health and comfort.

The material requisites of a decent living may, therefore, be summed up as a reasonable amount of food, clothing and shelter for himself and his wife as long as they live; and for four or five children until these have reached the age of sixteen years.

2. Besides the needs that are constant, actually existent, there are others that are intermittent, and still others that will be felt only in the future. The laborer's remuneration ought to be sufficiently large to enable him to provide against accidents, sickness and old age. If it does not he will, when temporarily or permanently incapacitated for work, become a burden on the community or on his children. In the latter case the wages received by the children would have to be increased beyond their own requirements. This is not in accord with the order of things, which suggests that a man's life toil should bring him sufficient provision for his life needs.

3. Finally, the laborer and his family have certain mental and spiritual needs, the satisfaction of which is essential to right living. The chief among them are: a moderate amount of amusement and recreation; education in the primary branches of instruction for the children; some periodical and other literature; membership in certain organizations, such as benefit societies and Labor Unions; and last, but by no means least, the means of fulfilling in a becoming manner the obligations imposed by charity and religion.

Food, clothing, shelter, insurance, and mental and spiritual culture- all in a reasonable degree- are, therefore, the essential conditions of a decent livelihood. Remuneration inadequate to secure all of these things to the laborer and his family falls below the level of a Living Wage.

How shall we express these requisites in terms of money? The varying cost of living at different times and in different sections of the country is alone sufficient to render a single general answer exceedingly difficult. Nevertheless, an approximation can be made that will appeal to all fair-minded men as conservative and just, and will indicate with considerable definiteness an ideal of practical and practicable justice that, alas! is yet very far from being realized.

Various studies have been made to determine the income required to maintain a necessary minimum plane. There is, of course, a variation in the wisdom with which an income is expended. But no amount of wisdom can make an exceedingly low income cover family needs adequately. These studies have generally had in mind the ordinary care and intelligence which might be expected. In some cases they have presumed an even higher level of wisdom than generally prevails even in families of education.

In 1926 the National Industrial Conference Board reached the conclusion that a wage of \$1,907 per year, or \$36.68 per week, was required for a family of five in New York City to maintain a decent plane of living. And such an income would permit only a very simple life. It would allow but \$44 per year for recreation; \$50 for medical and dental care; \$18 for reading material, stationery, postage, telephones etc. Rent was estimated at \$34 per month, which would secure three or four rooms in the older type of house. No margin was left for savings, old age, college tuition for children, and very little for the ordinary comforts of life.

Other studies have brought estimates from \$1,650 to \$3,000 as

essential for a family of five per year, all of them far above the average wage of the workers in the United States. In 1921 and 1922 the United States Department of Labor produced what was called a Minimum Health and Decency Budget. It was not intended as an ideal budget but as the minimum required to maintain health and decency for a family of five for one year. It did not include many comforts which should be included in the proper American Standard of Living. The budget, worked out for ten cities varied from a little above \$2,000 to somewhat above \$2,500 depending on the city.

The charitable agencies of Chicago a number of years ago worked out a standard budget for families under their care. This was the lowest amount that they estimated should be provided for a family of five with children of about thirteen, ten, seven, if they were to be maintained without physical or mental deterioration. The amount was \$1,548.84 without rent. When rent is added this will be near the amounts set by the Industrial Conference Board and the United States Labor Bureau.

It has frequently been asserted that the standard budgets are too high, that families can and do live on a smaller amount. This assertion is in part due to the fact that a minimum-comfort standard is compared with a minimum-of -subsistence plane of living. One is inclined to think that there is more danger of a minimum-of-subsistence standard being set too low rather than too high.

The reason is this. Framers of standard budgets at the minimum-of-subsistence level tend to estimate standards for each separate segment of a budget, as for instance, for food, for clothing, for rent,

for fuel and light, and for certain miscellaneous expenditures. They then add up these standards. If this is done, the separate standards add up to some sum, say \$1300. But does it follow that \$1300 will actually be spent by the wage-earner's family in the same proportions that the framers allow? There is a tendency for standard budgets so made to minimize the miscellaneous expenditures. There is much evidence to show that worker's families will go without the necessary food, clothing, and warmth in order to get recreation or purchase services or goods that have to do with social standing.

Of course in setting wages according to standards of living, we must not assume the families to possess superhuman will power or extraordinary rationality. We must take human nature as we find it. We should not forget that desires for recreation and social approval are just as integral a part of our legitimate desires as is the desire for bread. For these reasons, it is thought, any error that may be found in minimum-subsistence standards is likely to make the standard too low rather than too high.

The grounds upon which the claim to a living wage may be based are moral, religious, social and popular. First we shall consider the moral basis. Like all other persons the labourer has a natural right to live from the bounty of the earth; for, on the one hand, all men are of equal moral or intrinsic value, and, on the other hand, God has made the earth the common heritage of all his children, whereby they are to live. Furthermore, men have equal rights to live human lives, to a decent livelihood, from this undivided heritage. To withhold from some persons the means of living decently, as befits human beings, is no more reasonable than to withhold from them the means of their subsistence; to deprive them of their subsistence is no more justifiable than to take away their liberty or their lives. While

These rights differ in degree of importance, they are all essential, all necessary to the perfection and development of personality. If the intrinsic worth of the human being does not imply a moral claim like that worthy of a human being, it is a mere form of words, and affords no moral protection against any sort of physical aggression, maiming or murder.

Like all other rights, however, the right to a decent livelihood from the goods of the earth is limited and conditioned. It is valid only on condition that are reasonable. Of these, two are especially to be considered: the labourer must normally perform a reasonable amount of work, and the product must be sufficiently large to afford a decent livelihood for all that share in causing it. Assuming that both these conditions are verified in the present system, we see that the labourer's right to a decent livelihood under the capitalist regime takes the form of a right to a living wage. In the present social organisation, there is no other way by which this right can become effectual. In these circumstances, the right to a living wage is as valid as the right to liberty, and the social organization is just as unwarranted in depriving him of the one as of the other, both are necessary to life and welfare, and all that is implied in both is essentially a free gift of God to all persons.

It ought not to be necessary to remark that the doctrine of man's equal rights to a decent livelihood does not imply rights to equal amounts of the earth's goods or products. In some respects men are equal; in others they are unequal. Justice demands that with regard to the former they should be treated equally, but with regard to the latter unequally. Since they are equal as persons, they have equal claims to the means of safeguarding personality; since they are unequal in the degrees of their capacities and needs, they have no claim

Whether equality of personal dignity requires that, in a civilisation as rich as ours, all men should have more than the minimum decent livelihood above described, is a question that does not call for discussion in this paper. Our present concern is merely with the minimum that is compatible with the dignity of personality. Deny to the labourer this minimum, and you treat him no longer as an end in himself, but as a mere means to the welfare of his fellows. You make an unreasonable and unjust distribution of the undivided gifts of God.

The religious argument for a living wage rests upon Christ's precept of Brotherly Love and His Golden Rule. ("All things, therefore, whatsoever you would that men should do to you, do you also to them: for this is the Law and the Prophets.") No interpretation of the former which does not assure the labourer at least a decent livelihood can be defended for a moment; while the Golden Rule, implying as it does the essential sacredness and equality of men, contains the germ of the moral argument outlined in the preceding paragraphs. Historically, the concept of a living wage is ultimately traceable to these two Christian principles, while its formulation and development have been the work of the Catholic Church. Ever since the Middle Ages, the living-wage principle has been an implicit element of Catholic moral teaching. It was expressed in most definite and unconditional form in the Encyclical of Pope Leo XIII as above quoted. Within recent years representative bodies of many of the Protestant denominations have given the living wage a prominent place in their programmes of social reform.

If clergymen would give as much attention to preaching and expounding the duty of paying a Living Wage as they do the explanation of other duties that are no more important, and if they would use all the power of their ecclesiastical position to deprive recalcitrant employers of the church privileges that are ordinarily denied to

persistently disobedient members; and if public speakers and writers who discuss questions of industrial justice would, in concrete terms, hold up to public denunciation those employers who can pay a Living Wage and will not, the results would constitute an ample refutation of the libelous assertion that employers cannot be got to act justly by moral suasion.

The social argument for a living wage is that the injury to society resulting from underpaid labour is not offset by the saving made outlay for wages. In summary form the injury may be described as diminished power of production by the underpaid workers owing to weakened strength and vitality; abnormal sickness and unemployment and premature death; expenditures by society for the relief of all sorts of unnecessary distress—for example, lack of the necessaries of life, sickness and funeral expenses; various forms of outlay in connection with such crime as is ultimately traceable to innumerable causes of living and low wages; and finally, the progressive degeneration of that large section of the population which is composed of the underpaid workers and their descendants—a phenomenon which has become alarmingly prevalent and manifest in Great Britain. Owing to the lack of detailed and comprehensive statistics, the foregoing statements are not susceptible of proof in terms of mathematics, but the evidence is sufficiently clear and extensive to generate practical certainty in the mind of any honest and competent student. Indeed, there is good reason to think that the saving effected through the payment of less than living wages is all lost to the nation through diminished productive efficiency of the underpaid workers. In other words, if the latter were to receive a living wage they would in conjunction with the improved methods of production which would inevitably follow, make good their increased remuneration. At any rate, it is almost a truism to say that underpaid labor is not cheap labor.

the Living Wage problem is, therefore, sufficiently grave and sufficiently difficult. It cannot be solved by any quick, easy or simple means, or by any one method whatever. Its solution can be brought about only through the co-operation of many agencies, individual and social. In the first place, a large proportion of the underpaid labourers could very materially raise their wages by the practice of greater industry, efficiency, thrift, sobriety and courage in their everyday lives, but especially by becoming faithful and active members of labour organizations. On the other hand, probably a majority of those employers who now pay less than living wages could increase these rates of remuneration without being driven out of business, and without being compelled to reduce their own standards of living notably or unreasonably. After all, it is upon the employer that the moral responsibility of paying a living wage primarily falls. Only in case of default does the obligation revert to society or the State. Nevertheless, it is improbable that the private efforts either of the labourers or of their employers will raise to the plane of a living wage more than a minority of those who are now below the level. Hence the necessity and the duty of the State to intervene through legislation discouraging any employer from paying any labourer less than the regularly determined minimum.

It must not, however, be forgotten that, in an essentially oligarchical community like our own, there is grave danger lest any State regulation of wages for the non-possessing classes should involve State compulsion to labour in the interests of the possessing classes; that is to say, the reduction of labour again from conditions of free contract to conditions of legal serfdom. There are already not a few disturbing indications of a tendency in this direction, deliberately (or, at least, half consciously) fostered by some non-Christian economists

social theorists. A less dangerous and more Catholic method of assuring the remuneration of the labourer would be by the transformation of trade unions or labour organizations into State-recognized, (except in cases of abuse), autonomous guilds, regulating the various occupations, accompanied by greatly extended distribution of private property among all classes of the population. State action is sometimes useful or necessary, but not where voluntary and co-operative action would be possible and effective. Also; it is not possible to argue validly from the conditions of one country to those of another, when considering how far State action is, in any instance, possible or desirable.

At the outset the legal minimum may be lower than the measure of living wage given in this paper, but it should be raised gradually, in accordance with the conditions of industry and the growth of favorable public opinion. In principle, legislation of this kind prevailed extensively in the Catholic Middle Ages. It has recently begun to be introduced in Australia and in Great Britain through the device of Minimum Wage Boards. This action has in more recent years also been introduced in Canada and the United States. The results have on the whole been very satisfactory. Against wise legislation on these lines there is no valid objection either from the side of morals, politics, justice or business. For the State ought to protect the labourer's blood as well as his life, his limb or his pocket-book; raising any law will produce no economic effects different from those which result from an increase through the action of a trade union; an indecent employer will be injured by a law which compels all employers to conform to a certain minimum standard of wages. The sweated employer who succeeds because he reduces wages to a level which is ribal, would have any reason to object, and his case calls for neither sympathy nor special consideration.

As has been said, the securing of a living wage all round cannot be effected all at once, nor by any one method. Suggestions as to its gradual accomplishment have been given.

Meanwhile, what of the conscientious employer who is anxious to do his duty, but who finds himself simply unable to pay the living wage above indicated as the minimum for decent living? His rival employers, it may be are keeping wages down; or the conditions of the country are such that it cannot be carried on if a living wage is paid to the workers, at least during a certain period. Is our conscientious employer bound to pay a living wage when it involves carrying his business at a loss?

Two cases may be considered. The first is that of a man who manages his own business and employs (at least mainly) his own capital. The second is that of the responsible manager of a joint-stock company. In the first case he will have two kinds of claim upon the business: (a) to the wages of management; (b) to such interest upon capital as the proper conduct of the business will fairly allow.

(a) His claim to wages of management is at least as valid as that of his employees to a living wage. Father Lehmkühl, whom (together with another leading authority) says:-

"The industrial labour of the employer himself has a claim to recompense. If, therefore, the total profits are not sufficient to pay to the workman an ex se just wage, and to the employer a minimum for management, then justice only requires that the wages of both employer and workman be proportionately reduced below the figure which would normally constitute a just wage in each case. But charity may require the employer to waive his own just claim in such a case, when the workman is reduced to extreme poverty."

As regards this point Mr. Slater writes:-

"Occasionally in bad times the employer may be bound out of charity to give employment without profit to himself or even at personal loss."

The employer's second claim, viz. that to the interest upon his capital, is valid, but of comparatively minor importance: it is inferior to that of the labourer to gain a decent living by means of his skill.

Our second case was that in which the employer was but the responsible manager of a company. In this case the responsibility for giving the workman a living wage may rest upon directors and shareholders. He himself, however, is bound to make every effort to secure payment of such a wage.

In particular cases, it is generally agreed, employers may pay something less than a living wage without violating justice. Whether to violate charity will depend upon further circumstances. Even when an employer who pays less than a living wage makes no profit, he may still cause harm to others by the general depression of wages which his action tends to produce.

But, one further point should be noted. Businesses that cannot afford to pay the employees living wages are parasitic on the whole community. For it is impossible for the State to neglect the effects of insufficient wages- the half-starved children, the premature old age, the destitution that necessarily ensues on sickness or old age, the mortality caused by overcrowding, the epidemics resulting from filth and insanitary dwellings etc. All these things are chiefly due to the lack of a decent remuneration of labour, and all these things are a continual and heavy charge on the whole community. Therefore the community has a right to protect itself against the cause of these things (i.e. too low wages), by making and encouraging such social

agreements as shall ensure that every worker shall receive proper remuneration for his labour.

Those of us who do not believe in Socialism, or in any other high and simple solution of the social question, ought to do our utmost to promote the movement for a universal living wage. If all the workers who are now compelled to accept wages inadequate to a decent livelihood had their remuneration raised to that level, all the remaining particular industrial problems would be within measurable distance of solution, and the menace of Socialism would be relatively negligible. With a living wage assured to all workers, even the weaker members of the labouring classes would be able to organize and to act effectively for further advantages; whilst the Socialist spirit would have lost ninety per cent. of its force. For we must remember that the practical strength of Socialism lies for the most part not in its peculiar social philosophy nor in its specific economic aims, but in its lurid description and denunciation of the evils of the present system, evils of which at least three-fourths are due wholly or indirectly to insufficient rates of wages.