

## CHAPTER XXIII

### THE MINIMUM OF JUSTICE: A LIVING WAGE

ALTHOUGH the principle of needs is somewhat prominent among the theories of wage justice, it received only incidental mention in the last chapter. Considered as a comprehensive rule, this principle has been defended with less energy and definiteness than most of the other canons. Considered as a partial rule, it is sound and fundamental, and therefore could not have been classed among theories that are unacceptable.

#### *The Principle of Needs*

Many of the early French Socialists of the Utopian school advanced this formula of distribution: "From each according to his powers; to each according to his needs." It was also put forward by the German Socialists in the Gotha Program in 1875. While they have not given to this standard formal recognition in their more recent platforms, Socialists generally regard it as the ideal rule for the distant future.<sup>1</sup> The difficulties confronting it are so great and so obvious that they would defer the introduction of it to a time when the operation of their system will, they hope, have eradicated the historical human qualities of laziness and selfishness. To adopt needs as the sole rule of distribution would mean, of course, that each person should be rewarded in proportion to his wants and desires, regardless of his efforts or of the amount that he had produced. The mere statement of the proposal is sufficient to refute it as regards the men and women of whom we have any

<sup>1</sup> Cf. Skelton, "Socialism: A Critical Analysis," p. 202; Menger, "The Right to the Whole Produce of Labor," pp. 8, sq.

knowledge. In addition to this objection, there is the insuperable difficulty of measuring fairly or accurately the relative needs of any group composed of men, women, and children. Were the members' own estimates of their needs accepted by the distributing authority, the social product would no doubt fall far short of supplying all. If the measurement were made by some official person or persons, "the prospect of jobbery and tyranny opened up must give the most fanatical pause." Indeed, the standard of needs should be regarded as a canon of Communism rather than of Socialism; for it implies a large measure of common life as well as of common ownership, and paternalistic supervision of consumption as well as collectivist management of production.

While the formula of needs must be flatly rejected as a complete rule of distributive justice, or of wage justice, it is valid and indispensable as a partial standard. It is a partial measure of justice in two senses: first, inasmuch as it is consistent with the admission and operation of other principles, such as productivity and sacrifice; second, inasmuch as it can be restricted to certain fundamental requisites of life, instead of being applied to all possible human needs. It can be made to safeguard the minimum demands of reasonable life, and therefore to function as a minimum standard of wage justice.

Human needs constitute the primary title or claim to material goods. None of the other recognized titles, such as productivity, effort, sacrifice, purchase, gift, inheritance, or first occupancy, is a fundamental reason or justification of either rewards or possessions. They all assume the existence of needs as a prerequisite to their validity. If men did not need goods they could not reasonably lay claim to them by any of the specific titles just enumerated. First comes the general claim or fact of needs; then the particular title or method by which the needs may be conveniently supplied. While these statements may seem elementary and platitudinous, their practical value will be quite evident

when we come to consider the conflicting claims that sometimes arise out of the clash between needs and some of the other titles. We shall see that needs are not merely a physical reason or impulse toward acquisition and possession, but a moral title which rationalizes the claim to a certain amount of goods.

### *Three Fundamental Principles*

The validity of needs as a partial rule of wage justice rests ultimately upon three fundamental principles regarding man's position in the universe. The first is that God created the earth for the sustenance of *all* His children; therefore, that all persons are equal in their inherent claims upon the bounty of nature. As it is impossible to demonstrate that any class of persons is less important than another in the eyes of God, it is logically impossible for any believer in Divine Providence to reject this proposition. The man who denies God or Providence can refuse assent to the second part of the proposition only by refusing to acknowledge the personal dignity of the human individual, and the equal dignity of all persons. Inasmuch as the human person is intrinsically sacred and morally independent, he is endowed with those inherent prerogatives, immunities, and claims that we call rights. Every person is an end in himself; none is a mere instrument to the convenience or welfare of any other human being. The worth of a person is something intrinsic, derived from within, not determined or measurable by reference to any earthly object or purpose without. In this respect the human being differs infinitely from, is infinitely superior to, a stone, a rose, or a horse. While these statements help to illustrate what is meant by the dignity of personality, by the intrinsic worth, importance, sacredness of the human being, they do not prove the existence of this inherent juridical quality. Proof in the strict sense is irrelevant and impossible. If the intrinsic and equal moral worth of all persons be not self evident to a man, it will not approve

itself to him through any process of argumentation. Whoever denies it can also logically deny men's equal claims of access to the bounty of the earth; but he cannot escape the alternative conclusion that brute force, exercised either by the State or by individuals, is the only proper determinant of possessions and of property. Against this contention it is not worth while to offer formal argument.

The second fundamental principle is that the inherent right of access to the earth is conditioned upon, and becomes actually valid through, the expenditure of useful labor. Generally speaking the fruits and potentialities of the earth do not become available to men without previous exertion. "In the sweat of thy brow thou shalt eat thy bread," is a physical no less than a moral commandment. There are, indeed, exceptions: the very young, the infirm, and the possessors of a sufficient amount of property. The two former classes have claims to a livelihood through piety and charity, while the third group has at least a presumptive claim of justice to rent and interest, and a certain claim of justice to the money value of their goods. Nevertheless, the general condition is that men must work in order to live. "If a man will not work neither shall he eat." For those who refuse to comply with this condition the inherent right of access to the earth remains suspended.

The two foregoing principles involve as a corollary a third principle: the men who are in present control of the opportunities of the earth are obliged to permit reasonable access to these opportunities by persons who are willing to work. In other words, possessors must so administer the common beauty of nature that non-owners will not find it unreasonably difficult to get a livelihood. To put it still in other terms, the right to subsist from the earth implies the right of access thereto on reasonable terms. When any man who is willing to work is denied the exercise of this right, he is no longer treated as the moral and juridical equal of his fellows. He is regarded as inherently inferior to them, as a mere instrument to their convenience;

and those who exclude him are virtually taking the position that their rights to the common gifts of the Creator are inherently superior to his birthright. Obviously this position cannot be defended on grounds of reason. Possessors are no more justified in excluding a man from reasonable access to the goods of the earth than they would be in depriving him of the liberty to move from place to place. The community that should arbitrarily shut a man up in prison would not violate his rights more fundamentally than the community or the proprietors who should shut him out from the opportunity of getting a livelihood from the bounty of the earth. In both cases the man demands and has a right to a common gift of God. His moral claim is as valid to the one good as to the other, and it is as valid to both goods as is the claim of any of his fellows.

#### *The Right to a Decent Livelihood*

Every man who is willing to work has, therefore, an inborn right to sustenance from the earth on reasonable terms or conditions. This cannot mean that all persons have a right to equal amounts of sustenance or income; for we have seen on a preceding page that men's needs, the primary title to property, are not equal, and that other canons and factors of distribution have to be allowed some weight in determining the division of goods and opportunities. Nevertheless, there is a certain minimum of goods to which every worker is entitled by reason of his inherent right of access to the earth. He has a right to at least a *decent* livelihood. That is; he has a right to so much of the requisites of sustenance as will enable him to live in a manner worthy of a human being. The elements of a decent livelihood may be summarily described as: food, clothing, and housing sufficient in quantity and quality to maintain the worker in normal health, in elementary comfort, and in an environment suitable to the protection of morality and religion; sufficient provision for the future to bring elementary contentment, and security against sick-

ness, accident, and invalidity; and sufficient opportunities of recreation, social intercourse, education, and church-membership to conserve health and strength and to render possible in some degree the exercise of the higher faculties.

On what ground is it contended that a worker has a right to a decent livelihood, as thus defined, rather than to a bare subsistence? On the same ground that validates his right to life, marriage, or any of the other fundamental goods of human existence. On the dignity of personality. Why is it wrong and unjust to kill or maim an innocent man? Because human life and the human person possess intrinsic worth; because personality is sacred. But the intrinsic worth and sacredness of personality imply something more than security of life and limb and the material means of bare existence. The man who is not provided with the requisites of normal health, efficiency and contentment lives a maimed life, not a reasonable life. His physical condition is not worthy of a human being. Furthermore, man's personal dignity demands not merely the conditions of reasonable physical existence, but the opportunity of pursuing self-perfection through the harmonious development of all his faculties. Unlike the brutes, he is endowed with a rational soul, and the capacity of indefinite self-improvement. A due regard to these endowments requires that man shall have the opportunity of becoming not only physically stronger, but intellectually wiser, morally better, and spiritually nearer to God. If he is deprived of these opportunities he cannot realize the potentialities of his nature nor attain the divinely appointed end of his nature. He remains on the plane of the lower animals. His personality is violated quite as fundamentally as when his body is injured or his life destroyed.

While it is impossible to define with mathematical precision the degree of personal development that is necessary to satisfy the claims of personal dignity, it is entirely practicable to state with sufficient definiteness the minimum conditions of such development. They are that quantity

of goods and opportunities which fair-minded men would regard as indispensable to humane, efficient, and reasonable life. The summary description of a decent livelihood at the end of the second last paragraph, would probably be accepted by all men who really believe in the intrinsic worth of personality.

*The Laborer's Right to a Living Wage*

The wage earner's right to a decent livelihood in the abstract means in the concrete a right to a living wage. To present the matter in its simplest terms, let us consider first the adult male laborer of average physical and mental ability who is charged with the support of no one but himself, and let us assume that the industrial resources are adequate to such a wage for all the members of his class. Those who are in control of the resources of the community are morally bound to give such a laborer a living wage. If they fail to do so they are unreasonably hindering his access to a livelihood on reasonable terms, and his right to a livelihood on reasonable terms is violated. The central consideration here is evidently the *reasonableness* of the process. Unlike the business man, the rent receiver, and the interest receiver, the laborer has ordinarily no other means of livelihood than his wages. If these do not furnish him with a decent subsistence he is deprived of a decent subsistence. When he has performed an average day's work, he has done all that is within his power to make good his claim to a decent livelihood. On the other hand, the community is the beneficiary of his labor, and desires his services. If, indeed, the community would rather do without the services of an individual laborer than pay him a living wage, it is morally free to choose the former alternative, precisely as it is justified in refusing to pay a price for groceries that will enable an inefficient grocer to obtain living profits. Whatever concrete form the right of such persons to a decent livelihood may take, it is not the right to living wages or living profits from the occupations

in question. Here, however, we are discussing the laborer to whom the community would rather pay a living wage than not employ him at all. To refuse such a one a living wage merely because he can be constrained by economic pressure to work for less, is to treat him unreasonably, is to deprive him of access to a livelihood on reasonable terms. Such treatment regards the laborer as inferior to his fellows in personal worth, as a mere instrument to their convenience. It is an unreasonable distribution of the goods and opportunities of the earth.

Obviously there is no formula by which such conduct can be mathematically demonstrated as unreasonable; but the proposition is as certain morally as any other proposition that is susceptible of rational defense in the field of distribution. No man who accepts the three fundamental principles stated some pages back, can deny the right of the laborer to a living wage. The man who does not accept them must hold that all property rights are the arbitrary creation of the State, or that there is no such thing as a moral right to material goods. In either supposition the distribution and possession of the earth's bounty are subject entirely to the arbitrament of might. There is nothing to be gained by a formal criticism of this assumption.

What persons, or group, or authority is charged with the obligation which corresponds to the right to a living wage? We have referred to "the community" in this connection, but we do not mean the community in its corporate capacity, *i.e.*, the State. As regards private employment, the State is not obliged to pay a living wage, nor any other kind of wage, since it has not assumed the wage-paying function with respect to these laborers. As protector of natural rights, and as the fundamental determiner of industrial institutions, the State is obliged to enact laws which will enable the laborer to obtain a living wage; but the duty of actually providing this measure of remuneration rests upon that class which has assumed the wage-paying function. This is the employers. In our present



industrial system, the employer is society's paymaster. He, not the State, receives the product out of which all the agents of production must be rewarded. Where the laborer is engaged in rendering personal services to his employer, the latter is the only beneficiary of the laborer's activity. In either case the employer is the only person upon whom the obligation of paying a living wage can primarily fall.

If the State were in receipt of the product of industry, the wage-paying fund, it would naturally be charged with the obligation that now rests immediately upon the employer. If any other class in the community were the owners of the product that class would be under this specific obligation. As things are, the employer is in possession of the product, and discharges the function of wage payer; consequently he is the person who is required to perform this function in a reasonable manner.

*When the Employer is Unable to Pay a Living Wage*

Evidently the employer who cannot pay a living wage is not obliged to do so, since moral duties suppose a corresponding physical capacity. In such circumstances the laborer's right to a living wage becomes suspended and hypothetical, just as the claim of a creditor when the debtor becomes insolvent. Let us see, however, precisely what meaning should reasonably be given to the phrase, "inability to pay a living wage."

An employer is not obliged to pay a full living wage to all his employees so long as that action would deprive himself and his family of a decent livelihood. As active director of a business, the employer has quite as good a right as the laborer to a decent livelihood from the product, and in case of conflict between the two rights, the employer may take advantage of that principle of charity which permits a man to prefer himself to his neighbor, when the choice refers to goods of the same order of importance. Moreover, the employer is justified in taking from the product sufficient to support a somewhat higher scale of

living than generally prevails among his employees; for he has become accustomed to this higher standard, and would suffer a considerable hardship if compelled to fall notably below it. It is reasonable, therefore, that he should have the means of maintaining himself and family in moderate conformity with their customary standard of living; but it is unreasonable that they should indulge in anything like luxurious expenditure, so long as any of the employees fail to receive living wages.

Suppose that an employer cannot pay all his employees living wages and at the same time provide the normal rate of interest on the capital in the business. So far as the borrowed capital is concerned, the business man has no choice; he must pay the stipulated rate of interest, even though it prevents him from giving a living wage to all his employees. Nor can it be reasonably contended that the loan capitalist in that case is obliged to forego the interest due him. He cannot be certain that this interest payment, or any part of it, is really necessary to make up what is wanting to a complete scale of living wages. The employer would be under great temptation to defraud the loan capitalist on the pretext of doing justice to the laborer, or to conduct his business inefficiently at the expense of the loan capitalist. Anyhow, the latter is under no obligation to leave his money in a concern that is unable to pay him interest regularly. The general rule, then, is that the loan capitalist is not obliged to refrain from taking interest in order that the employees may have living wages.

Is the employer justified in withholding the full living wage from his employees to provide himself with the normal rate of interest on the capital that he has invested in the enterprise? Speaking generally, he is not. In the first place, the right to any interest at all, except as a return for genuine sacrifices in saving, is not certain but only presumptive.<sup>1</sup> Consequently it has no such firm and definite basis as the right to a living wage. In the second place,

<sup>1</sup> See chapters xii and xiii.

the right to interest, be it ever so definite and certain, is greatly inferior in force and urgency. It is an axiom of ethics that when two rights conflict, the less important must give way to the more important. Since all property rights are but means to the satisfaction of human needs, their relative importance is determined by the relative importance of the ends that they serve; that is, by the relative importance of the dependent needs. Now the needs that are supplied through interest on the employer's capital are slight and not essential to his welfare; the needs that are supplied through a living wage are essential to a reasonable life for the laborer. On the assumption that the employer has already taken from the product sufficient to provide a decent livelihood, interest on his capital will be expended for luxuries or converted into new investments; a living wage for the laborer will all be required for the fundamental goods of life, physical, mental, or moral. Evidently, then, the right to interest is inferior to the right to a living wage. To proceed on the contrary theory is to reverse the order of nature and reason, and to subordinate essential needs and welfare to unessential needs and welfare.

Nor can it be maintained that the capitalist-employer's claim to interest is a claim upon the product prior to and independent of the claim of the laborer to a living wage. That would be begging the question. The product is in a fundamental sense the common property of employer and employees. Both parties have coöperated in turning it out, and they have equal claims upon it, in so far as it is necessary to yield them a decent livelihood. Having taken therefrom the requisites of a decent livelihood for himself, the employer who appropriates interest at the expense of a decent livelihood for his employees, in effect treats their claims upon the common and joint product as essentially inferior to his own. If this assumption were correct it would mean that the primary and essential needs of the employees are of less intrinsic importance than the superficial needs of the employer, and that the employees them-

selves are a lower order of being. The incontestable fact is that such an employer deprives the laborers of access to the goods of the earth on reasonable terms, and gives himself an access thereto that is unreasonable.

Suppose that all employers who found themselves unable to pay full living wages and obtain the normal rate of interest, should dispose of their businesses and become mere loan capitalists, would the condition of the underpaid workers be improved? Two effects would be certain: an increase in the supply of loan capital relatively to the demand, and a decrease in the number of active business men. The first would probably lead to a decline in the rate of interest, while the second might or might not result in a diminution of the volume of products. If the rate of interest were lowered the employing business men would be able to raise wages; if the prices of products rose a further increase of wages would become possible. However, it is not certain that prices would rise; for the business men who remained would be the more efficient in their respective classes, and might well be capable of producing all the goods that had previously been supplied by their eliminated competitors. Owing to their superior efficiency and their larger output, the existing business men would be able to pay considerably higher wages than those who had disappeared from the field of industrial direction. As things are to-day, it is the less efficient business men who are unable to pay living wages and at the same time obtain the prevailing rate of interest on their capital. The ultimate result, therefore, of the withdrawal from business of those who could not pay a living wage, would probably be the universal establishment of a living wage.

Of course, this supposition is purely fanciful. Only a small minority of the business men of to-day are likely to be driven by their consciences either to pay a living wage at the cost of interest on their capital, or to withdraw from business when they are confronted with such a situation. Is this small minority under moral obligation to adopt

either of these alternatives, when the effect of such action upon the great mass of the underpaid workers is likely to be very slight? The question would seem to demand an answer in the affirmative. Those employers who paid a living wage at the expense of interest would confer a concrete benefit of great value upon a group of human beings. Those who shrank from this sacrifice, and preferred to go out of business, would at least have ceased to coöperate in an unjust distribution of wealth, and their example would not be entirely without effect upon the views of their fellow employers.

#### *An Objection and Some Difficulties*

Against the foregoing argument it may be objected that the employer does his full duty when he pays the laborer the full value of the product or service. Labor is a commodity of which wages are the price; and the price is just if it is the fair equivalent of the labor. Like any other onerous contract, the sale of labor is governed by the requirements of commutative justice; and these are satisfied when labor is sold for its moral equivalent. What the employer is interested in and pays for, is the laborer's activity. There is no reason why he should take into account the laborer's livelihood.

Most of these assertions are correct, platitudinously correct, but they yield us no specific guidance because they use language vaguely and even ambiguously. The contention underlying them was adequately refuted in the last chapter, under the heads of theories of value and theories of exchange-equivalence. At present it will be sufficient to repeat summarily the following points: if the value of labor is to be understood in a purely economic sense it means market value, which is obviously not a universal measure of justice; if by the value of labor we mean its ethical value we cannot determine it in any particular case merely by comparing labor and compensation; we are compelled to have recourse to some extrinsic ethical prin-

principle; such an extrinsic principle is found in the proposition that the personal dignity of the laborer entitles him to a wage adequate to a decent livelihood; therefore, the ethical value of labor is always equivalent to at least a living wage, and the employer is morally bound to give this much remuneration.

Moreover, the habit of looking at the wage contract as a matter of commutative justice in the mere sense of contractual justice, is radically defective. The transaction between employee and employer involves other questions of justice than that which arises immediately out of the relation between the things exchanged. When a borrower repays a loan of ten dollars, he fulfills the obligation of justice because he returns the full equivalent of the article that he received. Nothing else is pertinent to the question of justice in this transaction. Neither the wealth nor the poverty, the goodness nor the badness, nor any other quality of either lender or borrower, has a bearing on the justice of the act of repayment. In the wage contract, and in every other contract that involves the distribution of the common bounty of nature, or of the social product, the juridical situation is vitally different from the transaction that we have just considered. The employer has obligations of justice, not merely as the receiver of a valuable thing through an onerous contract, but as the *distributor* of the common heritage of nature. His duty is not merely contractual, but social. He fulfills not only an individual contract, but a social function. Unless he performs this social and distributive function in accordance with justice, he does not adequately discharge the obligation of the wage contract. For the product out of which he pays wages is not his in the same sense as the personal income out of which he repays a loan. His claim upon the product is subject to the obligation of just distribution; the obligation of so distributing the product that the laborers who have contributed to the product shall not be denied their right

to a decent livelihood on reasonable terms from the bounty of the earth. On the other hand, the activity of the laborer is not a mere commodity, as money or pork; it is the output of a person, and a *person* who has no other means of realizing his inherent right to a livelihood. Consequently, both terms of the contract, the labor and the compensation, involve other elements of justice than that which arises out of their assumed mutual equivalence.

In a word, justice requires the employer not merely to give an equivalent for labor (an equivalent which is determined by some arbitrary, conventional, fantastic, or impossible attempt to compare work and pay) but to fulfill his obligation of justly distributing that part of the common bounty of the earth which comes into his hands by virtue of his social function in the industrial process. How futile, then, to endeavor to describe the employer's obligation in terms of mere equivalence and contractual justice! It is governed by distributive justice also.

Some difficulties occur in connection with the wage rights of adult males whose ability is below the average, and female and child workers. Since the dignity and the needs of personality constitute the moral basis of the claim to a decent livelihood, it would seem that the inefficient worker who does his best is entitled to a living wage. Undoubtedly he has such a right if it can be effectuated in the existing industrial organization. As already noted, the right of the workman of average ability to a living wage does not become actual until he finds an employer who would rather give him that much pay than do without his services. Since the obligation of paying a living wage is not an obligation to employ any particular worker, an employer may refrain from hiring or may discharge any laborer who does not add to the product sufficient value to provide his wages. For the employer cannot reasonably be expected to employ any one at a positive loss to himself. Whence it follows that he may pay less than living wages to any worker

whose services he would rather dispense with than remunerate at that figure.<sup>1</sup>

Women and young persons who regularly perform a full day's work, have a right to compensation adequate to a decent livelihood. In the case of minors, this means living at home, since this is the normal condition of all, and the actual condition of almost all. Adult females have a right to a wage sufficient to maintain them away from home, because a considerable proportion of them live in this condition. If employers were morally free to pay home-dwelling women less than those adrift, they would endeavor to employ only the former. This would create a very undesirable social situation. The number of women away from home who are forced to earn their own living is sufficiently large (20 to 25 per cent of the whole) to make it reasonable that for their sakes the wage of all working women should be determined by the cost of living outside the parental precincts. This is one of the social obligations that reasonably falls upon the employer on account of his function in the present industrial system. In all the American minimum wage laws, the standard of payment is determined by the cost of living away from home. Besides, the difference between the living costs of women in the two conditions is not nearly as great as is commonly assumed. Probably it never amounts to a dollar a week.

### *The Family Living Wage*

Up to the present we have been considering the right of the laborer to a wage adequate to a decent livelihood for himself as an individual. In the case of an adult male,

<sup>1</sup> While the statement in the text applies to *all* laborers of less than average ability, it obviously is applicable only to individual cases among those who are up to the average. These are the workers at the "margin" of the labor force in an establishment, those who could be discharged without causing the industry to shut down. If an employer would rather go out of business than pay a living wage to all his necessary laborers of average ability, he is morally free to do so; but he may not employ them at less than living wages in order to obtain interest on his capital.



however, this is not sufficient for normal life, nor for the reasonable development of personality. The great majority of men cannot live well-balanced lives, cannot attain a reasonable degree of self-development outside the married state. Therefore, family life is among the essential needs of a normal and reasonable existence. It is not, indeed, so vitally necessary as the primary requisites of individual life, such as food, clothing, and shelter, but it is second only to these. Outside the family, man cannot, as a rule, command that degree of contentment, moral strength, and moral safety which are necessary for reasonable and efficient living. It is unnecessary to labor this point further, as very few would assert that the average man can live a normal and complete human life without marriage.

Now, the support of the family falls properly upon the husband and father, not upon the wife and mother. The obligation of the father to provide a livelihood for the wife and young children is quite as definite as his obligation to maintain himself. If he has not the means to discharge this obligation he is not justified in getting married. Yet, as we have just seen, marriage is essential to normal life for the great majority of men. Therefore, the material requisites of normal life for the average adult male include provision for his family. In other words, his decent livelihood means a family livelihood. Consequently, he has a right to obtain such a livelihood on reasonable terms from the bounty of the earth. In the case of the wage earner, this right can be effectuated only through wages; therefore, the adult male laborer has a right to a family living wage. If he does not get this measure of remuneration his personal dignity is violated, and he is deprived of access to the goods of the earth quite as certainly as when his wage is inadequate to personal maintenance. The difference between family needs and personal needs is a difference only of degree. The satisfaction of both is indispensable to his reasonable life.

Just as the woman worker who lives with her parents

has a right to a wage sufficient to maintain her away from home, so the unmarried adult male has a right to a family living wage. If only married men get the latter wage they will be discriminated against in the matter of employment. To prevent this obviously undesirable condition, it is necessary that a family living wage be recognized as the right of all adult male workers. No other arrangement is reasonable in our present industrial system.<sup>1</sup> In a competitive régime the standard wage for both the married and the unmarried men is necessarily the same. It will be determined by the living costs of either the one class or the other. At present the wage of the unskilled is unfortunately adjusted to the subsistence cost of the man who is not married. Since two prevailing scales of wages are impossible, the remuneration of the unmarried must in the interests of justice to the married be raised to the living costs of the latter. Moreover, the unmarried laborer needs more than an individual wage in order to save sufficient money to enter upon the responsibilities of matrimony. He must have the opportunity to save.

Only two objections of any importance can be brought against the male laborer's claim to a family living wage. The first is that just wages are to be measured by the value of the labor performed, and not by such an extrinsic consideration as the needs of a family. It has already been answered in this and the preceding chapters. Not the economic but the ethical value of the service rendered, is the proper determinant of justice in the matter of wages; and this ethical value is always the equivalent of at least a decent livelihood for the laborer and his family. According to the second objection, the members of the laborer's family have no claim upon the employer, since they do not participate in the work that is remunerated. This contention is valid, but it is also irrelevant. The claim of the laborer's family to sustenance is directly upon him, not upon his employer; but the laborer has a just claim upon

<sup>1</sup> See, however, the discussion under the next sub-heading.

the employer for the means of meeting the claims of his family. His right to this amount of remuneration is directly based neither upon the needs nor the rights of his family, but upon his own needs, upon the fact that family conditions are indispensable to his own normal life. If the wife and young children were self-supporting, or were maintained by the State, the wage rights of the father would not include provision for the family. Since, however, family life involves support by the father, the laborer's right to such a life necessarily includes the right to a wage adequate to family support.

#### *Family Allowances*

Within the last ten years a new method of establishing, or at least approximating, the family living wage has been introduced in France, Belgium, Holland, Germany, and, to a smaller extent, in several other European countries. In France it received the name, "sur-salaire," while its common designation in English is the "Family Allowance System." It is a voluntary arrangement formed by a group of employers and employees, according to which married male wage earners are remunerated in proportion to the number of their children. At the birth of each child, the wage of the father is increased and the total amount of extra compensation is determined by the number of children who are below the fixed maximum age. In order to make it a matter of indifference to the employer whether he has many or few married men on his pay roll, the allowances are derived from a general fund. To this fund each employer contributes in proportion either to the amount of his wage payments or the number of his employees. Hence, the individual employer is no more disturbed when new births occur in the families of his own employees than when they take place in other families.

Three arguments are advanced for this method, as against the method of paying every adult male a wage adequate to the support of the "standard family," that is, husband, wife

and three children under fourteen. The first is based upon equity: the man who has more than three small children is not adequately compensated by the "standard" rate, while the man with less than three receives more than is necessary. Undoubtedly, this contention is in accord with the ethical principle of needs and of proportional justice. It is actual, concrete needs, not hypothetical or average needs that are really felt and that require satisfaction. The second argument is mainly valuable as a confirmation of the first. It points out that the "standard" family is not typical. Professor Paul H. Douglas maintains that in France, Belgium, Great Britain and the United States only a small minority of families exhibit three children under fourteen years of age.<sup>1</sup> In 1920, the entire population of the United States was less than 106,000,000; but a uniform family wage to each of the 28,200,000 gainfully employed males would have provided for 141,000,000 persons.

According to the third argument, the national income of a country might be adequate to a universal family living wage under the Allowance System but inadequate to the uniform rate. Professor Douglas contends that this is the case even in the United States.<sup>2</sup> Whether or not we agree with the latter contention, we have to admit that the Allowance System offers the only solid hope of establishing a family living wage in Europe.

One of the principal advantages of the Allowance System is that it can be established by voluntary action, without either coercion or help from the state. This fact is of decisive importance in our own country, since minimum wage legislation has been declared unconstitutional. To be sure, the arrangement might well be established by law in those countries which have requisite legislative and economic freedom; that is, all countries other than the United States. At any rate, it should be less difficult for employers and employees to put this plan into operation than it has

<sup>1</sup> "Wages and the Family," ch. iii.

<sup>2</sup> *Idem*, ch. ii.

been for them to agree upon any other measure for the benefit of the worker.

An important question in the operation of the system relates to the basic wage upon which the extra compensation is built. Should it suffice for the support of a man and wife, or be merely adequate to that of the adult male? In the former case single men would obtain more than enough for their present maintenance. In the latter case, they would begin to share in the allowance fund as soon as they married. The wife, as well as each child, would be the occasion of an increase in the husband's wages. If this method included provision for saving in the single man's wages, it would probably be more conducive to matrimony than the other, and would call for a smaller total outlay for wages. On the other hand, it would involve considerably greater administrative costs and friction.

In view of the very large number of women wage earners who have to support dependents, they ought to be included in any family allowance system. The objections drawn from the integrity of the family, the normal place of the mother, and the responsibility of the father, seem insufficient to outweigh the actual human needs of so many thousands of working women and their children. At any rate, it is not probable that the number of husbands who desert or die would be materially increased on account of this arrangement.<sup>1</sup>

#### *Other Arguments in Favor of a Living Wage*

Thus far, the argument has been based upon individual natural rights. If we give up the doctrine of natural rights, and assume that all the rights of the individual come to him from the State, we must admit that the State has the power to withhold and withdraw all rights from any and all persons. Its grant of rights will be determined solely by considerations of social utility. In the concrete this

<sup>1</sup> Waggaman, "Family Allowances in Foreign Countries," Bulletin 401, U. S. Bureau of Labor Statistics.

means that some citizens may be regarded as essentially inferior to other citizens, that some may properly be treated as mere instruments to the convenience of others. Or it means that all citizens may be completely subordinated to the aggrandizement of an abstract entity, called the State. Neither of these positions is logically defensible. No group of persons has less intrinsic worth than another; and the State has no rational significance apart from its members.

Nevertheless, a valid argument for the living wage can be set up on grounds of social welfare. A careful and comprehensive examination of the evil consequences to society and the State from the underpayment of any group of laborers, would show that a universal living wage is the only sound social policy. Among competent social students, this proposition has become a commonplace. It will not be denied by any intelligent person who considers seriously the influence of low wages in diminishing the efficiency, physical, mental, and moral, of the workers; in increasing the volume of crime, and the social cost of meeting it; in the immense social outlay for the relief of unnecessary poverty, sickness, and other forms of distress; and in the formation of a large and discontented proletariat.<sup>1</sup>

The living wage doctrine also receives strong support from various kinds of authority. Of these the most important and best known is the famous Encyclical, "On the Condition of Labor," May 15, 1891, by Pope Leo XIII. "Let it then be granted that workman and employer should, as a rule, make free agreements, and in particular should agree freely as to wages; nevertheless, there is a dictate of natural justice more imperious and ancient than any bargain between man and man; namely, that the remuneration should be sufficient to maintain the wage earner in reasonable and frugal comfort." Although the Pope refrained from specifying whether the living wage that he had in mind was one adequate merely to an individual livelihood, or sufficient

<sup>1</sup> One of the best statements of the evil social result of low wages will be found in Webb's "Industrial Democracy," vol. II, pp. 749-766.

to support a family, other passages in the Encyclical leave no room for doubt that he regarded the latter as the normal and equitable measure of remuneration. Within a dozen lines of the sentence quoted above, he made this statement: "If the workman's wages be sufficient to maintain himself, his wife, and his children in reasonable comfort, he will not find it difficult, if he be a sensible man, to practice thrift; and he will not fail, by cutting down expenses, to put by some little savings and thus secure a small income."

All lesser Catholic authorities hold that the adult male laborer has some kind of moral claim to a family living wage. In all probability the majority of them regard this claim as one of strict justice, while the minority would put it under the head of legal justice, or natural equity, or charity. The differences between their views are not as important as the agreements; for all the Catholic writers maintain that the worker's claim is strictly moral in its nature, and that the corresponding obligation upon the employer is likewise of a moral character.

During and since the Great War the living wage principle obtained a considerable increase both of recognition and of application. The National War Labor Board formally adopted it as a rule of procedure in adjusting and preventing wage disputes. In the Pastoral Letter of the Catholic Hierarchy of the United States (1920) we read: "The right of labor to a living wage, authoritatively and eloquently reasserted more than a quarter of a century ago by Pope Leo XIII, is happily no longer denied by any considerable number of persons. What is principally needed now is that its content should be adequately defined, and that it should be made universal in practice, through whatever means will be at once legitimate and effective. In particular, it is to be kept in mind that a living wage includes not merely decent maintenance for the present, but also a reasonable provision for such future needs as sickness, invalidity and old age." In 1919 the Federal Council of the Churches of Christ in America, representing the

principal Protestant denominations, declared that, "the living wage should be the first charge upon industry, before dividends are considered."

Indeed, it would be difficult to find any important person who to-day would have the temerity to deny that the laborer is entitled to a wage sufficient for decent family life. Even employers rarely give public utterance to the assertion that the wage contract is merely an economic transaction, or that the living wage principle is without rational and ethical force. Although a majority of the members of the Supreme Court declared the legal minimum wage unconstitutional, they said: "The ethical right of every worker, man or woman, to a living wage may be conceded."

The money measure of a living wage in the United States is susceptible of definition sufficiently precise for all practical purposes. Between 1905 and 1923, no less than thirty-seven studies and estimates were made in twenty different cities and industrial regions, from Boston to San Francisco. Despite variations in details and viewpoints, they exhibit a considerable measure of agreement. In any large city, the minimum cost of decent living (January, 1927) for a single woman worker is between fifteen and eighteen dollars a week; for a single male worker, between eight hundred and eight hundred and fifty dollars a year, and for the "standard" family of five, between fifteen hundred and seventeen hundred dollars per annum.<sup>1</sup> A very large proportion of female and of male wage earners do not receive, respectively, fifteen dollars a week and fifteen hundred dollars a year.

<sup>1</sup> Cf. Douglas, *op. cit.*, chs., i and xii.