

A LIVING WAGE

To guide us through the maze of conflicting charges of injustice and unreasonableness, of rights and duties, presented by Capital and Labor to justify their positions regarding wages we have certain clear Christian principles of Justice and Charity. There is a network of conflicting claims presented by the two classes. The extreme view of the autocratic element of capital is: "Labor is a commodity which I may go on the market and buy for the lowest possible price, just as I do my raw material. The law of supply and demand governs it." These would determine wages and the conditions of labor according to their own pleasure. Labor's extreme view is equally emphatic: "I am an integral part of the production without which capital would be idle and profitless. I claim a share in the profits accruing from our combination and a voice in the management." These are the two extreme views, but there is a variety of intermediate ones more moderate in their statements, but conflicting in their demands. The Catholic Church supplies the principles which, if applied by the sociologists and economists in their plans for social peace, will light the way to a solution of this intricate problem. These principles are few and fundamental. We shall consider them.

Among God's gifts to man there are two which bear on this question: the right to life, liberty and the pursuit of happiness; and the right to choose his state of life. These gifts are inalienable. They are born with man. Neither state nor society can confer them or take them away. They are personal and natural rights enjoyed by rich and poor, capitalist and laborer. If, then, the laborer exercising his God-given right selects the married state and obeys the divine injunction: "Increase and multiply" (Gen. 1-28) he assumes the duty, as head of the family, to provide food, clothing, shelter and all necessities for his wife and children.

How are these duties to self and dependents to be discharged? We have the divine command: through labor: "In the sweat of thy face thou shalt eat bread" (Gen. 3-19). Just as God has given common rights to all so He has imposed labor on all. Neither the capitalist nor the laborer is freed from this obligation. While manual labor may be spared the rich, they

must discharge their stewardship. "If any man will not work, neither let him eat" (2 Thess. 3-10). God has so ordained things that we must exercise either brain or muscle to preserve life. "The preservation of life is the bounden duty of each and all, and to fail therein is a crime. It follows that each one has the right to procure what is required in order to live; the poor can procure it in no other way than by work and wages." (Rerum Novarum).

Frequently when the laborer seeks to discharge his duty to family, he is compelled to accept the actual conditions that surround him. He finds that the vast majority of mankind are working for a few of their fellow men. The tools of production are owned by a small group. The majority must engage to use these tools as the only means available to earn a livelihood. When Capital offers these tools of production and Labor accepts them the diversity of interests is emphasized. What return is the laborer justly entitled to? Is labor the commodity that the autocratic element among capitalists says it is? What is the nature of the agreement whereby man engages to work for his fellow man?

Here is where our principles receive practical application. When man agrees to work for his fellow man he enters upon what is termed a "labor contract." This has certain definite characteristics, based on man's native rights and the nature of the agreement. When one hires out his service he does not bind himself as a slave, but offers the use of his strength and intellect for a certain consideration. The employer secures thereby only a right to the laborer's skill; he does not buy it outright. This distinction is important. It becomes clearer by an example. I may either buy a house or rent it. If I buy it, then it becomes mine upon a single payment; or what amounts to a single payment, a mortgage, etc. I may then do as I please with that house. I may use it, permit it to remain vacant or sell it. I may do any of these things because I own the house. But, if instead of buying, I rent the house from a real estate company, then my rights are not the same as they would be if I owned it. I can secure the use of the house for a term and my continued use of it is dependent upon subsequent payments. I may not do as I please with the house, for it is not mine. I cannot trade it, change it, or damage it. I have only the right to the use of it. So with labor. One does not buy labor.

He, so to speak, rents it. He secures thereby the same rights and privileges that the tenant has and he retains these rights only so long as he continues his payments, that is, wages. Thus we see that labor does not fall under the same classification as a straight buying and selling contract. In other words, it is not a commodity as the more despotic employers would have it.

This distinction between labor and commodities becomes more patent when we consider the nature of labor itself. It has a certain dignity. Christ sanctified labor. He was Himself a laborer. He selected His first followers from the working class. He made honest toil respectable; He made the worker respected. The laborer is not a machine nor a beast of burden. Hence he is not a commodity to be bargained for at the lowest price. He has an immortal soul. The desire for a comfortable life, for happiness and a legacy to his children burns just as naturally and just as violently in the breast of the laboring man as in the heart of the capitalist. The only means offered to the worker to satisfy this natural desire is through his honest toil. Using this means he may rightfully expect to maintain his native dignity and to fulfill his desires for a comfortable life. Therefore he who contracts to hire labor has the obligation of not impeding the workers' rights. In other words, he has the obligation to pay a "living wage."

Of course, the question at once suggests itself; "What is a living wage?" This question has been the subject of much discussion. Different interests have given different answers. Pope Leo relegated the idea of a living wage, as an amount barely sufficient to keep the wolf from the door, to the scrap heap of archaic and abandoned ideas when he gave his famous definition: "The remuneration must be enough to support the wage-earner in reasonable and frugal comfort." (*Rerum Novarum*). This definition has exercised marked influence, for practically every subsequent one, on what constitutes a living wage, has included this idea of "reasonable and frugal comfort." President Harding in a recent speech, touching on this question, said: "The workman's lowest wage must be enough for comfort, enough to make his house a home, enough to insure that the struggle for existence shall not crowd out the things worth existing for" (Address at the One Hundred and Twenty-fifth Anniversary of the Founding of the New York Commercial, May 23rd, 1922). Secretary of Labor Davis thus defines it: "A

pay envelope that will permit him (the laborer) to do a little more than merely meet the day-to-day cost of his necessities and to enjoy something of life in addition" (Washington Post, June 4th, 1922). Mr. E. K. Hall, Vice-president of the American Telephone and Telegraph Co., speaking before the Baltimore Telephone Society recently, said: "You hear a lot these days about a living wage. We want in the Bell System something better than a *Living* wage. We want a *Saving* wage" (Transmitter, June, 1922). On this question the Archbishops and Bishops of the United States made this pronouncement: "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" (Pastoral Letter, September, 1919). The American people as a whole have accepted this principle and a host of economists and sociologists are now directing their efforts to translate into dollars and cents this declaration of "reasonable and frugal comfort."

That this idea of a living wage seems new-born is due to a popular misconception of the relations of workers and capitalists. The impression was current that justice was rendered the laborer when the labor contract was free from fraud or force; that no matter how low a wage the laborer agreed to accept, if he actually accepted it, a fair contract was enacted. Thus the employer thought that he had a moral sanction covering his offer; that labor could be purchased, like a commodity, at the market rate. This theory overlooked an important point, namely, that so-called free contract may not be *free* at all. "When a laborer is compelled by dire necessity to accept a wage that is insufficient for a decent livelihood, his consent to the contract is free only in a limited and relative way. It is vitiated to a substantial extent by the element of fear, by the apprehension of a cruelly evil alternative. The laborer does not agree to this wage because he prefers it to any other, but merely because he prefers it to unemployment, hunger, and starvation. The agreement to which he submits in these circumstances is no more free than the contract by which the helpless wayfarer gives up

his purse to escape the pistol of the robber" (Ryan, *Distributive Justice*, p. 329).

One of the most powerful statements made on this subject was the clear concise expression of Pope Leo XIII: "If through necessity or fear of a worse evil the worker accepts less than this measure of remuneration (sufficient to enable him to live in reasonable and frugal comfort) he is the victim of force and injustice" (*Rerum Novarum*). It is true, as Dr. Ryan points out in commenting on this point: "that, generally speaking, a free contract ought to govern, determine and fix wages, but that there is a limit to the moral lawfulness of a free contract in this matter; that the contract must be of such a nature that it will not deprive the worker of at least that amount which will enable him to live in reasonable and frugal comfort" (*Social Reconstruction*, p. 64).

The idea of a "free" contract whereby the employer has the moral right to pay starvation wages is no longer defended by any considerable class. We have reached a point in our social and economic life where the right to a living wage is generally conceded. The important question now is how shall the living wage be brought about universally? Under present conditions it appears that the only method by which this can be done is by legislation. The State has two functions to perform: To protect natural rights and to promote the general welfare. The State then has the right to enact such legislation, because it would protect the natural right of the worker and thereby promote the general welfare of the community. This intervention of the State is in accordance with the Catholic principles of political ethics. "When the general interest or any particular class suffers or is threatened with mischief which can in no other way be met or prevented, the public authority must step in and deal with it" (*Rerum Novarum*). In a measure the State has already exercised this authority. In many of our States we have today legal minimum wage laws for women and children. There is no fundamental reason why it should not be extended to man.

There appears to be no other method by which a living wage can be guaranteed to the worker. Economic conditions of themselves, the justice or benevolence of the employers, the power of the labor unions are all unable to bring it about. Legislation seems to be the only solution. The Bishops' Program of Reconstruction made this recommendation: "The sev-

eral States should enact laws providing for the establishment of wage rates that will be at least sufficient for the decent maintenance of a family, in the case of male adults, and adequate to the decent individual support of female workers. In the beginning the minimum wages for male workers should suffice only for the present needs of the family, but they should be gradually raised until they are adequate to future needs as well. That is, they should be ultimately high enough to make possible that amount of saving which is necessary to protect the worker and his family against sickness, invalidity and old age" (Bishops' Program of Social Reconstruction, 1919).

That legislation is the only practical means of guaranteeing the living wage is emphasized by a recent denial of this principle that has raised a storm of protest. The Railroad Labor Board, in a majority report given to the public on October 29th, 1922, waved this principle aside as "a bit of mellifluous phraseology." It substituted for it the commercial and pagan measure of expediency, basing laborers' wages, not on any Christian and human standard, but on a comparison with what some other industries were paying for similar work. So complete was the Board's rejection of the principle involved that it refused to consider estimates of the minimum cost of decent living according to our American standards, even though these estimates were furnished by labor organizations, by employers and the Department of Labor. The Board attempted to justify its action by interpreting its award as "a just and reasonable" wage—terms which appear in the Transportation Act under which the Board functions. So insistent are the demands of the American people for the facts in the matter that the whole question may be thrashed out in the present Congress. Unquestionably the discussion will result in at least a clearer definition in the Transportation Act of what constitutes a living wage.

The improvement in our social and industrial life that would flow from the universal application of the living wage almost staggers the imagination. Thousands now eking out a bare existence would rise to a plane of decent living; the meaning and blessing of moderate comfort, desirable home, and social life would be realized by many who have never known them; child labor, as we now have it, would be abolished; education made more accessible and extensive; men would become more tolerant and kind; the whole social order would reflect the Chris-

tian teachings of Justice and Charity towards all. No other industrial reform would be followed by such stupendous and beneficial results as the universal adoption of the living wage. It would be a fitting legacy to posterity.

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