plicit than we possess is conceivable, and we should be very glad to have it. The question is which is the greater paradox, to deny that the highest development of the rational and moral nature is pointing to a truth at all, or to assume that it must be, and acting on that assumption to adopt the best clue we can find towards its further explanation.

WILFRID WARD.

London, Eng.

WAGES AND THE PRINCIPLES OF JUSTICE.

- 1. The title which heads this article brings us face to face with the most important problem of the social question. It is, we may say, the pivot on which a sound system of economics turns, and is in fact the cause of the existence of a social question at all. The strikes with which we are all familiar, during the last few years, arose from the unsatisfactory condition of the wage-earner, and it is the aim of all reformers to readjust in some way the unstable condition of the toiler. Whether their efforts are rightly directed or opportune, it is beyond the scope of this paper to inquire. We shall merely consider wages from the standpoint of justice, leaving aside all minor issues that properly belong to the domain of the Economist. Neither is it our intention to discuss the fluctuations to which wages are subject, nor to establish a law, which might be calculated to determine the amount which the labourer is entitled to in the different phases of the labour market, which the economist is bound to face; but by a study of the stable principles of justice, it will be our aim to formulate some conclusions which these principles abundantly justify.
- 2. The question of wages may be approached in two ways; for it is one thing to consider what is expedient for the welfare of society and its individual members, another what, according to the principles of strict justice, is due to the labourer for the work he does for his employer. An essay on wages studied under the latter aspect, must be more or less abstract, but as the principles of justice are stable and permanent, much useful and practical knowledge may be derived from a thorough mastery of them in their relations

¹ In speaking of wages we shall take the term in its widest signification, and it shall include industrial and non-industrial wages and all those other divisions which economists make use of for the sake of clearness. It shall also include what is commonly called salary, as distinguished from wages, and we may define this broad acceptation of wages—The remuneration received by him who hires out his services, of whatever kind, to an employer who is willing to pay a just recompense.

with wages. We shall take the principles of justice as expounded by S. Thomas, and shall not broach any conclusion that does not follow logically from their enunciation.

Wages, according to S. Thomas, are "A due recompense for a service rendered," or in other words, wages are the recompense to which the labourer is entitled for services which he places at the disposal of his employer. If we analyze this definition it is clear that wages are not to be determined by the probable dividend that the industry in which the labour is expended yields, but by the principles of strict-justice to which the toiler has an inalienable right, which remains intact, whether the industry fail or prosper. If a workman were forced to accept wages altogether incommensurate with his labour, or an employer to pay a wage in excess of the work done, in both cases the principles of justice are violated. In the first case the wage is inadequate, in the second, it is excessive.

In order to avoid ambiguity we must have recourse to the old distinction, formulated by Aristotle, adopted by S. Thomas and all theologians, of commutative and distributive justice, which has its foundations in the very nature of society. There is a species of justice, says S. Thomas,4 which the individuals of society must observe, in their relations one with another, and this is called commutative justice; and there is also another kind of justice which society, as a moral unit, is bound to observe in transactions with the individual members of which it is composed, and this is called distributive justice. To discuss adequately the labour problem, we must study it in its relations to both commutative and distributive justice; for we can conceive—and in fact it happens—a workman tendering his services freely for a sum insufficient to supply his own wants, and incommensurate with the energies he expends and the amount of work he does: though we should have here a material injustice, because the recompense is not in proportion to the workit is not a due recompense-yet we cannot say there is in the relations of the employer and the workman any formal injustice, since the latter entered into a free and formal contract. It is manifest that in such a case commutative justice is at fault, and no extension of its principles will enable us to wipe out the material injustice to which the labourer is subjected.

3. As we said commutative justice governs the mutual transactions of the individual members of society, and the object of justice is equality. "That," says S. Thomas, "is said to be just in our transactions with another which corresponds in the relation of equality, as a due recompense for a service rendered," and the just

³ 20. 200, Q. 57, B. I. ⁵ Eth. l. S, C. 3. ⁴ 20. 200, Q. 61, a. 1. ⁵ 20. 200, Q. 57, B. I, C.



mean at which commutative justice arises is equality or proportion, not moral nor geometrical, but arithmetical proportion. Each of the contracting parties should receive what is his due, as much as he has given away, or as much as has been taken from him: if he has received less than he has given, justice is violated, because equality has disappeared and the object and the mean of justice are no longer observed.

It is evident that the question of wages is a question principally of justice, as it is primarily concerned with buying and selling transactions, from which every kind of exchange originates. Two individual members of society are brought into relation in some exchange transaction; one desires to sell, the other wishes to buy; the labourer hires out his energy and skill to the employer, for a definite purpose, at a fixed sum, which the employer binds himself to pay when the work is executed. Here we have an exchange transaction, and it has all the elements of a commutative and bilateral contract: there is on the one hand the labourer who sells what belongs to him-his energies and skill-freely, for a definite sum, and on the other the employer who accepts his conditions and promises to pay the sum stipulated for, when the work shall be completed. The contract which is entered into between the employer and the labourer justifies the latter in exacting only the sum that was agreed upon, but it by no means settles the amount of wages to which the labourer is entitled in strict justice. Free will entering into a contract makes it a formally just transaction, while materially its elements may be altogether inconsistent with the principles of commutative justice. It is well to keep this distinction in mind, as its neglect is often the fruitful source of error and misunderstanding. If strict justice is to be observed, it is not sufficient that the labourer receive wages, it is besides absolutely necessary that these shall not fall below a certain standard. Though in practice, it is very difficult to determine this standard and complications arise on every side, still, in theory, the principles on which wages are based are comparatively clear.

4. What then is the supreme criterion which shall act as a guide in determining the amount of wages to which the labourer is entitled, and which the employer, objectively speaking, is in strict justice bound to pay? In other words according to the principles of commutative justice, what is the supreme criterion which is to guide

Accipitur medium in commutationis justitia secundum arithmetican proportionem, 2a. 2ac. Q. 61, a. 1.

Wages, in the opinion of S. Thomas, are so evidently connected with justice, that he mentions them as a typical example in treating of the object of justice, 20. 201. q. 57, a. 1.

the employer and the labourer as such in their relations one with another? As we have already said, commutative justice strikes a medium or equality not moral but arithmetical. "But the just," says Aristotle, "which exists in transactions is something equal, and the unjust something unequal; but not according to geometrical but arithmetical proportion."8 And since the just is found in the medium, the guiding light in all labour contracts is to be looked for in the mean of commutative justice, or, in more explicit terms, in the equality which exists between the energy expended and the wages received, between the value of the one and that of the other. Whatever the labourer receives above what he has a strict right to cannot be called wages; it must be classed under some such heading as liberality, since it is, accurately speaking, an act of liberality on the part of the employer; and in the same way, if the labourer ceded to the employer a portion of what is justly the labourer's due, the transaction passes from the domain of justice to that of liberality; for although liberality is considered by some a potential part of justice, it is not a species of justice. "Liberality," says S. Thomas, "is not a species of justice, because justice gives to another what is his, while liberality gives what belongs to the giver."

Just wages then are those that are in strict equality with the value of the work done. Now the question arises, how are we to determine the value of labour. Here economists confront us with an endless array of laws-formulated to guide the inquirer in solving this difficult question.10 It is not our intention to discuss them, since the almost infinite fluctuations to which values are subject present a difficulty which it is not easy to grapple with, and which it is not always easy even to determine. There is, however, a value arising from the very nature of things, that is more stable, and which suffices for our present purpose—not a value which may actually exist, but a value which should exist. Every human being is bound by the law of labour, and it is the source from which the means of preserving life are derived directly or indirectly; hence we are justified on a priori grounds in holding that labour has a value, independently of the enactments of society, that is commensurate with the needs of man. We must remember in defending this doc-

⁸ Eth l. 5, c. 4, Cf. S. Thom. in hunc loc. ⁹ 2a. 2ae. q. 117, a. 5, c., Aristotle, Eth. b. 4, c. 2.

¹⁰ Following Adam Smith, economists distinguish between value in use and value in exchange. Air has great value in use, but none in exchange, while precious stones have great value in exchange, but little in use. Marx is of opinion that value in exchange is not value strictly speaking, and value in use should rather be called utility; but as we are living in a society whose transactions are carried on by exchange, it is only through exchange that we can form an exact idea of the nature of value. See Rae, Contemporary Socialism, p. 161. Devas—Political Economy, b. 1, pp. 4, 5, 117, 192.

trine that the political and economic aspect of the social question can never be separated from the moral aspect, as Leo XIII, in his Encyclical on Labour, has clearly pointed out; they are interdependent one on the other and the summary dismissal of one means the ruin of the other.

5. If labour were always paid in labour, it would be comparatively easy to settle the labour question, but this primitive and patriarchal mode of exchange has long since disappeared, and now work is paid in money, which, though in itself unstable as a standard of value, is more likely to remain stationary than any other commodity, and is more convenient as a means of exchange. S. Thomas defines economic value, "The quantity of a thing which serves for man's use, measured by the price which is given for it, and which is expressed in money."11 From this definition we can gather that the value of a thing, according to the Angelic Doctor, depends on its utility, and this is expressed more forcibly by him where he says that, "the price of saleable commodities is not considered according to the grade of their nature, since a horse is sometimes sold at a higher price than a slave, but according to the measure in which they are useful to man."12 S. Thomas, in estimating value, avoids the subjective hypothesis into which so many, following the subjectivism of Kant, fall. He lays aside human dignity altogether, takes the question on its own merits and solves it according to the sound principles of economics. If we examine this statement of S. Thomas carefully, we shall find that it contains, in theory at least, the key to the solution of the wage problem. When we compare the work done by a horse in a day with that executed by a man, it at once appears that in point of utility, the latter is far surpassed by the former; and we are inclined to believe that no one will dispute the justice of the comparison, since the sensus communis of mankind measures the value of a thing by its utility. In order to avoid misapprehension and confusion of ideas, it is well to distinguish here specific value, from what we shall call individual or numeric value.18 For instance, the specific value of air and water is very great, while the numeric value is very small, from the fact that every individual has an abundant supply, and hence they are sometimes styled by economists free goods, because the facility with which they are procured renders their numeric value scarcely ap-

¹¹ 2a. 2ae. q. 77, a. 1. ¹² Ibidem ad 3, Cf. S. Aug. De Civitate Dei, c. 16.

¹³ We understand by specific value, the capacity which anything possesses to be estimated as desirable for the support and continuance of life. It does not follow that everything which has a specific value has an exchange value, but everything that has an exchange value must have some specific value. Numeric or individual value is sometimes called by economists value in personal use.

preciable, and their utility is hardly apparent. Value is always in proportion to utility, and though this statement may seem a paradox, yet if we examine it, we shall find that it is perfectly true. The measure of utility itself is the good or gratification it procures the individual, and though things in themselves have scarcely any specific utility, their numeric value may be very great, inasmuch as they procure some gratification which enhances their worth in the estimation of those who desire them. A rare plant has no perceptible specific value, as its objective utility is hardly measurable, but it has a value in the estimation of the botanist who is willing to purchase it at a large sum.

Marx is of opinion that utility should be excluded from the right estimation of value. Exchange value, according to him, is the ratio in which one kind of useful commodity exchanges against another kind of useful commodity; but as he remarks this ratio does not in the least depend on the usefulness of the respective commodities or their capacity of gratifying any particular want. seeks for one attribute which all values possess in common, and that attribute is labour. Diversity thus vanishes, and the labour itself is not discriminated; it is merely human labour in the abstract, incorporated, absorbed, congealed in exchangeable commodities. This labour is measured by the duration of the exertion, and consequently by the time expended in producing it. Marx accordingly defines value to be an immanent relation of a commodity to time of labour, and the secret of exchange is that, "a day's labour of given length always turns out a product of the same value." Such is the theory of value which Marx proposes: but strange to say though he excludes all consideration of utility from his notion of value, he introduces it, as Rae remarks,14 under a disguised form. If value is independent of utility and dependent on time, the value of the output, be this great or small, is still the same, though one workman may turn out five times as much as another in a given space. Marx makes several distinctions, strikes averages, distinguishes value and price, to defend his theory, but he is compelled in the end to introduce utility as the principal element in determining value. Hence we are not surprised to find him saying that, "Nothing can have value without being useful." Value then is not the inherent relation of a commodity to labour; it is rather a social estimate of the relative importance of commodities to the society that uses them, and this estimate is determined precisely by their utility.15

6. These principles are of great service in ascertaining the eco-

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Contemporary Socialism, p. 162.
 Cf. Rae, Contemporary Socialism, passim.

nomic value of labour. It does not matter what energy is expended nor what time is spent, if the labour is not productive of utility, its value is very small, for it is not the time, the energy, nor the skill employed that gives commodities their economic value, but the utility and benefits they procure, either for the labourer or the employer.

What then is the utility of human labour? If we consider labour in its widest sense it is evident that it is of immense value, and combined with the gifts of the Creator, is the universal source from which proceed all riches and material prosperity, and it has moreover a priori claims to be considered as the principal factor in the production of wealth. It is of its nature renumerative and should repay its agent for the expenditure of the energies employed in its production. If a machine has cost \$200, it is natrual to suppose, if we are to escape the law of diminishing returns, that the output of which it is capable shall compensate the buyer for his outlay; shall recoup him for the incidental expenses necessary to keep it in a state of efficiency, and supply the wages of those employed in driving it. The same economic law applies when there is question of what is frequently too truly called the human machine, for man surely should not be in a worse position than a mere mechanical contrivance. His lot is cast upon the earth through no fault of his; the Creator has made him a social being with all the wants of a rational creature; he requires society, food, clothing and all those other necessaries that become his high dignity as the noblest creature on earth; his labours should repay him for all the initial expenses required for his years of apprenticeship, which was necessary for the right production of labour, should provide his keep, supply him with clothing, and enable him to exercise all his rights as a member of society. From these principles based on the natural constitution of man, it is but just to conclude that the utility of his labour should be respectively equal and proportioned to his support and dignity.¹⁶ This law of equality between the utility and consequently value of labour and the requirements of the labourer is a fundamental law, prior to the existence of society, universal and founded on the principles of our nature. The Creator has supplied every other creature with the necessaries of life, the means of propagating and preserving their several kinds, and we must neces-

¹⁶ In speaking of human dignity we would not be understood to mean that the value of labour is to be estimated according to the dignity of its agent. Human labour has it itself a moral value far superior to that of any other creature in as much as man leaves the impress of his mind on whatever he does, and his work is thereby enhanced in the eyes of the Christian and the Philosopher; but this is a seductive theory which can be traced to the erroneous doctrine of subjectivism, which makes man the source and measure of all truth. In speaking of value we must set aside, to a certain extent, man's dignity and examine his work solely from the point of its utility.

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sarily infer that man is created in a no worse condition than they. The fact that man has fulfilled the command of his Creator—"In the sweat of thy face shalt thou eat bread"—proves abundantly that labour is remunerative, since he was placed on the earth without any other resource than labour, and he has increased and multiplied and filled the earth, in spite of every opposing influence he has had to contend against; while from this fact we are further authorized in supposing that the remuneration of labor must be sufficient to supplying all his needs.

7. As we said above man is a social being,17 and there devolves upon him the office of propagating the human species—crescite et multiplicamini et replete terram-consequently he has the right independently of all social institutions, of bringing up a family which, by his labour, he is bound to nourish and support; and hence the fruits of his toil should be adequate to the due fulfilment of this office. In solving the wage problem we must not consider man in the abstract, nor separate him from those to whom, in accordance with a law of nature, he has united himself, but as he is in realityin rerum naturae. The law of labour is binding on every individual of the human species, but we must not infer from the principles we have been enunciating that the wages of the labourer should be sufficient to support the whole family, if the conclusion is to contain only what the premises warrants. In propagating the human species both man and woman are employed, and their conjoint labour should, in strict justice, be sufficient to supply their own needs and those of their children, at least during the years that these are unable to work for themselves: for since there has been imposed on man an office, it is but lawful to infer that the means of fulfilling it have not been denied him.—"Quod dat alicui aliquod principale, dat eidam omnia quas consequuntur ad illud."18 We shall speak of this point more fully in treating of wages in their relation to distributive justice. This conclusion founded on the utility which nature has given to labour rests upon two foundations already pointed out. The first is the equality between labour, which has a priori claims to utility, and the cost of its production, and this cost is estimated at as much as is necessary for the support of life and strength, and for the provision of all those accessories that are in keeping with human dignity. The second is the law of labour imposed on the human species in its struggle for existence and propagation-Crescite et multiplicamini . . . In sudore vultus tui vesceris pane.

Cf. S. Thom. De reg. Princip. l. 1, c. 1.
 S. Thom. Cont. Gent. l. 3, c. 59.

Though this doctrine is based on a solid foundation, it does not follow that it is realized in fact; for it often happens that the wage is altogether insufficient for personal needs, and wholly inadequate for the maintenance of the family: while on the other hand it is sometimes in excess of personal and even family wants, and not only supplies a competency, but even enables the earner to accumulate riches, though the work is comparatively easy and the amount of energy expended is reduced to a minimum. The theory of utility explains this fact; for the recovery of health by medical skill-to use an apposite illustration-or success in litigation through the ability of an eminent lawyer, are generally considered as of maximum utility, without a violation of justice, a recompense out of all proutility, and consequently doctors and lawyers can demand, without a violation of justice, a recompense out of all proportion with the labour which their actual efforts entail.19 The supreme criterion then of wages which can be approximately traced, from the aspect of commutative justice is that, the wages shall equal the utility and the advantages which the work procures.

As things have a utility and consequently a value, antecedently to the existence of any exchange transaction whatever, there must be some objective standard to which every contract should conform, if it is to be in itself just. S. Thomas seems to refer to this object standard when he says, "If the price exceeds the quantity of the value, or conversely if the commodity exceeds the price, the equality of justice disappears."20 But as this objective value is fluctuating, a certain latitude is allowed to the buyer and the seller to fix the conditions of their exchange transaction by a contract which should be shaped, however, in accordance with the objective criterion formulated above. The employer is not bound to give wages in excess of the certain or probable profits which the labourer's work is likely to realize, or, as Walker expresses it, "It is the value of the product such as it is likely to prove which determines the amount of the wages that are to be paid."21 To avoid an error into which socialists fall, we must distinguish between the profits of labour as such, and the profits of the total enterprise, which includes the capital, the time, anxieties and abilities of the employer, since

¹⁸ Advocato licet vendere justum patrocinium, medico consilium sanitatis et magistro officium doctrinae.—20. 201. q. 100, a. 2, ad 3.
²⁰ 20. 201. q. 78, a. c.

²¹ Political Economy, p. 88. Rae in his splendid work on Contemporary Socialism says, that value in every object is constituted by its possession of two qualities—s, its social utility, and h, that it costs lahour or trouble to procure it. Every object that lacks either of these two characteristics has no value, and no commodity which possesses them lacks value. The social utility of any commodity turns on two considerations, first the importance of the want the commodity satisfies, and secondly the number of persons who share the want. See pp. 165 and 166.

it would be absurd to suppose that labour, though it is an important factor in the production of wealth, is the complete cause of it. Wages are therefore not to be reckoned by the profits of the whole enterprise, but by the profits of the labour as such.

8. So far we have considered the principles on which fair wages are based from an objective standpoint; we shall now briefly consider them in their subjective aspect. As we hinted in the beginning of this paper, wages can be just in two ways, objectively and subjectively—secundum aequalitatem rei, and ex libera acceptatione dantis. If a contract be unjust it must be against the will of either of the contracting parties, because "nullus patitur injustum nisi nolens."22 If the labourer consents to work for a remuneration incommensurate with the work he does, since its utility is in excess of the wage, his acceptance of the terms by no means renders the contract unjust: but it would be in case the employer deceived him, or in case he entered into the contract through ignorance of the utility of his work, and consequently stipulated for a sum under the measure of its true value. An ordinary cause of wage-depression is the abundant supply of labour, and employers not unfrequently take advantage of this position to lower the wages of those they employ. This is clearly an injustice. Labour in itself has a high specific utility, and where the employer finds a market for its productions, he does the labourer an injustice, if the work done is paid below its true value: for since labour has a high specific utility, its value is rather enhanced than diminished by its abundance. The capital of the employer is rendered productive by the exertions of the workman, and the former pockets the returns of the industrial capital plus the amount of which he defrauds the latter. Here equality is destroyed and commutative justice violated. There is another cause of wage-depression—the superabundant supply of labour on the one hand, and on the other a proportionate scarcity of employment, due to trade depression or some other cause. In this case the labour of the individual becomes less useful; for though its specific value is not diminished, its numeric or individual value decreases. since from the superabundance of proffered labour, the work of the individual loses in utility in relation to the employer, who is not bound in justice, no matter what number of men he employs, to pay a wage in excess of the aggregate of utility which their labour produces, and if he takes advantage of the congested state of the labour market to pay a lower wage, he violates no principle of justice, nor would he be, in any way, bound to restitution. We can conceive a third case of wage-depression, which is the free accept-

^{22 2}a. 2ae. q. 59, a. 3, c.

ance by the labourer of the conditions of the employer, in order to obtain the preference, in a congested state of labour. Here there can be no formal justice, as the employer is not bound to consult the interests of those he does not employ, nor is he the cause of the conditions from which he gains the advantage. The wages he pays, though materially unjust, are just formally, according to the recognised principle, scienti et volenti non fit injuria.

9. It would be an error to suppose that an employer is justified in making the most of this state of things we have been describing. There is a minimum wage below which he cannot go. This doctrine is clearly laid down by Leo XIII, in his encyclical on labour, in which he states that there is a natural limit to the lowering of wages, even with the consent of the labourer, and this limit the toiler himself has no right to overstep. Every man is bound to provide for his personal wants, and also to fulfil his personal obligations; when therefore there is the accomplishment of a rigorous duty dependent on his reception of a fair and just wage, he is strictly bound as far as it is in his power to enforce its payment. A father is bound to support his children in their tender years; this is a law of nature that he may not transgress, and if by omitting lawful means, he cedes to the employer a portion of the wages to which he is justly entitled, he violates a law of nature and sins against justice. S. Thomas does not hesitate to condemn an alms given to those who are in great need, if this act of liberality entailed 2 serious personal injury to the giver. "If," he says, "any one, in case of necessity, having only sufficient wherewith to support himself, his children and those dependent on him, should give an alms, he would take away his own life and the lives of those he is bound to support."28 If the employer knowing the circumstances in which the labourer is placed and the obligations he is bound to fulfil, should accept his services at a price far below their true value, he would be strictly bound to restitution—secundum aequalitatem rei.

These remarks suggest another possible case. Let us suppose the employer, in order to avoid the payment of a fair wage to labourers, on whom needy families are dependent, hires others who have no such obligation to meet, and who are willing to work for a wage inferior to the value of their labour, either because they have some other source of income or have their domestic wants supplied by their families. Examining this hypothesis by the principles of commutative justice, it does not appear that the employer is bound to restitution, however he may offend against charity; for on the one hand he owes nothing to those who do not work for him, and

^{22 2}a. 2ar. q. 32, 2. 6, c.

on the other those who do work for him, in the given case, have a right to sell their labour at a figure below its true value, and the preference they obtain compensates them for the low wages. Such conduct on the part of an employer, should be stigmatized. It is prompted by avarice, and is opposed to every law of charity, and since great enterprises are rendered possible only by an abundance of proffered labour, such a selection would sooner or later render industry on an extensive scale impossible.

10. It is a strange fact that employers and labourers persist in pursuing a short sighted policy one with the other. The labourer is determined that he shall do as little as he can, while the employer is as determined that he shall have as much as he can out of the labourer at the lowest possible cost. Present advantage blinds both of them to prospective gain. If the labourer would only realize the fact that the greater his output, the greater in the end will be his remuneration, and that by limiting the general rate of production he reduces the general rate of wages, he would be acting most wisely for himself and his class generally. In labour requiring physical strength, as that in which navvies are engaged an extra dollar or two will make a material difference in the output, as better food can be procured, and a state of efficiency and fitness maintained. When a workman has a prospect of a decent remuneration for his labour, he works with greater cheerfulness and requires less superintendence; he is in a better condition to develop his intelligence and resourcefulness and consequently his efficiency increases, and this will be, generally speaking, in precise ratio with the comfort his wages procure. It can hardly be expected that men can take an interest in their work when they live from hand to mouth, when they are unable to provide any of those enjoyments on which habits of intelligence, in a great measure, depend, or to participate in the culture that is going on around them. If the sordid greed of capitalists were less and Christian charity greater, the wage problem would be well on the way to a satisfactory solution.

MICHAEL M. O'KANE, O. P. S. T. L.

Dublin.