

Labor Unions and Strikes

By HENRY WARE ALLEN

In the opening chapter, "The Spirit of the Times" in "Public Relations for Business" by Milton Wright, published by Whittlesey House, New York, occurs the following, "Henry Ware Allen, writing for The New York Times on the plight of the businessman, has this to say, "His income is guaranteed by no one, his enterprise is based upon faith that square dealing and hard work will provide the necessary funds with which to take care of his weekly pay roll, his other expenses, and a modest living for himself. Yet this most useful member of society is continuously treated by social reformers, by legislators, and by the law itself, as though he were an enemy of society, and he is penalized accordingly.

"The average businessman is denounced as greedy for not paying higher wages and salaries; he is condemned by the social reformer as an expensive middleman whom state socialism would dispense with; he is stigmatized by the politician as an economic royalist who is getting more than his share of the nation's wealth; he is penalized with heavy taxes upon his merchandise, his sales, his profits, his income and for his occupation.

"He is put to heavy expense for the advice of specialists in saving as much as possible of his property from robbery by the complicated income tax; he is made to collect and to remit without compensation the heavy state income tax with which his business is penalized, while, by a combination of labor agitators and politicians, he is subjected to labor strikes and his hours of labor and his scale of wages are regulated."

The increasing frequency in recent years of labor strikes together with unreasonable demands upon employers makes the calling of strikes a serious matter. In the year 1941 more than 4,000 strikes are reported to have been imposed upon the public. In the early days of labor unions the sole object was to protect the members from unjust treatment by employers upon the principle that "the injury to one is the concern of all." And this involved an admirable loyalty of union members to one another. In nearly every instance public sentiment was naturally with the strikers.

In recent times, however, labor unions have made use of new sources of power and have become aggressive rather than defensive in character. By the establishment of powerful lobbies at Washington the voting strength of labor unions combined with huge campaign contributions has been bartered to politicians for such legislative favors as the Wagner Act and the National Labor Relations Board. In this way

a new era of class antagonism has been engendered.

The working man has had good reason to believe that he was not getting the wages to which he was justly entitled. He has observed that with the great increase in the power to produce wealth resulting from labor-saving machinery and improved methods of transportation his income has not been correspondingly increased while the army of unemployed has steadily grown.

In most cases where strikes have been called it has been assumed that the employer was getting more than his share of industrial profits and that therefore he could afford to pay higher wages if forced to do so; and where strikes have been successful, this contention has been sustained. When it has been possible, the prices of manufactured articles have been advanced to correspond with this increased cost. But it must be remembered that by the force of competition the manufacturer's profit is, as a rule, reduced to the minimum and that this result of competition

forces many bankruptcies. In other words, it may be stated as a general truth that the beneficent effect of competition provides the sale of manufactured products to the public at actual cost, the manufacturer's or merchant's profits amounting to nothing more than reasonable salaries.

Wages are fixed by the inexorable law of supply and demand. If there are more jobs than workers, wages tend upward; if there are more workers than jobs, wages tend downward. The only legitimate way to secure higher wages is, therefore, to produce those conditions wherein there are more jobs than workers. This will satisfactorily solve the wage question and without strikes. Wages are not fixed by employers, labor unions, or properly by legislation. When the principles of political economy are understood and made use of by our legislators, the problem should be solved. To secure an increase in the wage scale by means of labor strikes involves the use of force in the place of reason and with consequent injustice to all those workers who are not organized and to the consuming public.

Working men are not to be criticized for the favors which have been handed to them by politicians. The blame for this rests squarely upon those members of Congress who have voted for the unsavory legislation. It has come to be the practice of Congressmen to exchange favors with one another by voting for measures of doubtful character in order to secure support for similar legislation demanded in their own districts. By that method bills providing special privileges have been passed that would never have been adopted on their merits. It is possible that this evil might be remedied if Congressmen were enabled to vote on such matters by secret ballot.

We have applied the time honored adage, "The king can do no wrong"

to our own government, confusing in that way man-made law with natural law. In consequence of this assumption, the power of union labor has been greatly increased. The placard exhibited in a recent strike in Detroit which carried the legend, "Three departments of the Government are with us," indicated the increased power which labor unions were able to exert.

It will be remembered that labor unions were given complete authority in the fixing of wage scales at the recently held World's Fair in New York City. Foreign exhibitors were not permitted to make use of the men whom they brought here to erect their exhibits but were compelled to engage union labor men to do the work at excessive rates of pay while their own men stood idly by. This put an unnecessary expense upon foreign exhibitors of many hundreds of thousands of dollars, and the fact that this outrage has provoked so little protest is an indication of how thoroughly we have been blinded to considerations of justice in such matters.

Irregular practices of union labor men which can only be classed as racketeering, frequently legalized by Congressional action and enforced by federal officers, have taken place in practically every American town and city and have been amply recorded by newspaper and magazine articles. Most serious of all have been the maritime strikes on the Pacific coast causing losses of upwards one hundred million dollars, which losses, if resulting from bombardment of San Francisco by an enemy, would have caused instant retaliation, but which were complacently accepted by the American public without protest. One of the commonest and most outrageous forms of legalized racketeering has been the compelling of employers to rehire undesirable men who had been discharged and to pay them wages for the intervening time of idleness, from the date of their discharge of reemployment.

Another law which violates a principle of constitutional rights has been heavy fines upon employers for providing employment in excess of the

legal limit of 40 hours per week. The blame for these outrages rests primarily with the Congressional legislation which made them legal. The closed shop, which prohibits the employment of any excepting members of a certain union, which compels the employer to collect labor union dues from every man and to discharge from employment any man who objects to such deduction from his wages, is essentially at variance with the liberty which is supposed to be guaranteed by the Constitution and therefore not to be tolerated in a free country. Nevertheless it is a matter of record that when the Federal Ship Building and Dry Dock Corporation refused agreement to the closed shop for their plant the government compelled surrender of its management to federal officials. The Ford Motor Company while agreeing to the closed shop did so under protest and by compulsion of the National Labor Relations Board.

The suggestion has been made that where profits are exceptionally large, as may be the case with the manufacturer of munitions at the present time, this extra profit should be shared with employees as extra wages, but this suggestion is not a valid one based upon sound reasoning. There is no legitimate relation between wages and profits. In a mining camp the same wages are paid by a company which is making a profit of thousands of dollars weekly as are paid by the unsuccessful company which may be losing a similar amount, and in the oil fields a certain scale of wages is paid to oil drillers regardless of whether the well proves to be a producer or a dry hole. If labor is to share in profits, then, to be consistent, labor should work without wages when there are no profits and should contribute its proportionate share toward any loss sustained. When a business of any kind finds that it has had a specially profitable year it may decide to pay bonuses to its employees purely as a gesture of good will, but this cannot be mandatory. It is purely a gratuity, a generous gift.

All history proves that it is futile

to attempt to provide prosperity by legislative fiat, also that the granting of special legislative favors to one class of citizens at the expense of all other classes violates the foundation principles of democracy and is certain to lead to trouble. Rates of wages and hours of labor can be properly controlled only by compliance with natural law in harmony with correct principles of government. In fact, as was well stated by Buckle in his History of Civilization, every true reform is secured not by the enactment of any new law but by the repeal of bad legislation previously enacted.

When a man now joins a labor union he dons the cloak of special privileges at the expense of all non-members. Of course, he may do this with the best of motives. The very fact that he is a working man indicates that he is a good citizen. He is animated by the right kind of selfishness. He wants to get ahead in the world, he wants to provide the best possible income for his family, and he wants to provide for his own old age. He follows the line of least resistance in adopting the usual method to secure these things to his best advantage. But he is mistaken when he assumes that capital is the enemy of labor, that the employer is the enemy of the employee. However he is as wise as the average citizen.

Political economy is as exact a science as is any other science, current assertion to the contrary notwithstanding. In every public library and in the library of every college and university may be found textbooks which demonstrate precisely how all of the advantages of labor-saving machinery and improved methods of transportation may be translated into commensurately increased wages together with complete absorption of unemployed labor into industry. Fortunately those who have given the problem thorough consideration know that by simple compliance with natural law and the repeal of bad man-made laws the future is full of promise for the wage earner.