

CHAPTER VIII.

Remedies—1. Regulation and Trade Unionism.

Canst thou draw out leviathan with a hook, or his tongue with a cord which thou lettest down? Canst thou put a hook into his nose, or bore his jaw through with a thorn?—Job, 41:1-2.

What must be done to stem the tide of plutocracy, issuing with ever increasing volume from the source of monopoly, and sweeping away with its flood an ever growing portion of the earnings of a people? How can we bring to bear the first principles of our religious and political faiths, and secure at least a decent degree of equal treatment and fair play? There are some, indeed, who would leave things as they are, and accept the permanent substitution of libraries for justice; but they are not many, and if they were, we have had reason during our survey of the situation to consider the probability of a crisis due to the condition of industry and altogether independent of agitation of any kind. "The rights and interests of the laboring man," said Mr. Baer, the head of the anthracite coal monopoly, during the great strike of 1902, "will be protected and cared for, not by the labor agitators, but by the Christian men to whom God in His infinite wisdom has given the control of the property interests of the country." But two months later this favorite of the Creator was obliged to bow his head before the blast, and since that time he has ceased to give forth the law from Sinai. Even he must have learned that the people do not propose to leave the property interests of the country in a few hands, whether they be Christian, Jew or pagan. That strike taught a lesson to many who had never questioned the divine

right of absolute property. Anthracite was necessary to the welfare of some of the principal cities of the country, and it was all owned or controlled by a small ring of operators who acted in unison. This ring was composed of the coal-hauling railways, whose managers were mining coal in virtual contravention of the law of Pennsylvania (where the coal fields lay), forbidding railway companies to engage in mining. The miners of this region, 147,000 in all, under the lead of John Mitchell, struck for better conditions, and held out against the operators from the month of May until late in the autumn. The stock of coal on hand was almost exhausted, and cold weather came. The poor began to suffer and the rich were seriously inconvenienced. Mutterings of discontent were heard from the cities, and for a time it seemed as if some great social upheaval might result. It was the general belief that the miners deserved better treatment and that the operators were unreasonable and stubborn, and conservative men and conservative journals began to make assertions, involving the public right in these private mines, which a few months before they would have condemned as anarchistic. The Democratic party in the State of New York went so far as to declare itself in favor of the national ownership of the mines. The strike was at last settled by the intervention of the President, who appointed a commission which allowed a considerable increase of wages to the men, thus deciding that they had had substantial grievance. But the effect of the strike was not a mere local matter, for it had demonstrated that the people of a country have of necessity an interest in its raw material, and that a few "owners" cannot presume to use it as they please.

Granted, then, the right of the public to protection, it is not likely that the people will leave the present situation unchanged. Mr. Baer demanded soldiers from the President, but notwithstanding the folly of the militia bill, the Ameri-

can people will hardly consent to govern itself by its own soldiery. Some other method of preserving an equilibrium must be found. Many believe that the evils caused by trusts and combinations can be prevented by positive legislation prohibiting preferential rates, providing for full annual reports and greater publicity, and prescribing a little governmental supervision. Unfortunately experience shows the futility of these remedies. Acts passed by Congress to control the trusts have proved ineffective against them, but have actually been used against trade unions instead. We have to-day sufficient publicity. Committee after committee of Congress, commission after commission, have examined and cross-examined the great capitalists of the country, and these witnesses have admitted with the greatest sang-froid the most damaging facts. Scores of citations of this kind will be found in Mr. Lloyd's "Wealth Against Commonwealth." The annual reports of the great "combines" could indeed be made more interesting. If in the balance sheet the assets were enumerated under such headings as "Unearned increment," "Water," "Tariff privileges," "Public franchises," "Influence with legislatures," and so on, and if in the account of annual expenses all the details were given of contributions to the treasuries of political parties, subscriptions to the election funds of individual friends of the money power, not forgetting the judges, a full list of bribes of all kinds whether paid directly or under the guise of "counsel fees"—if reports were drawn in this way they would indeed be more entertaining, but they would hardly inform the public of anything essential which it does not already know. As for central supervision by the government, the Interstate Commerce Commission has been conducting that experiment for many years, and it has signally failed. It has often done all that it could, and no stronger denunciations of the proceedings of the plutocracy exist than are found in its re-

ports*, but it only exists by permission of monopoly, and a Congress dominated by monopoly

*Read, for instance, the report of this Commission upon the Meat Trust and its connection with the railways. Here is a paragraph from it: "The facts developed upon that investigation [of the packing-houses of Chicago] and upon a previous investigation into the movements of grain and grain products, are of such a character that no thoughtful person can contemplate them with indifference. That the leading traffic officials of many of the principal railway lines, men occupying high positions and charged with the most important duties, should deliberately violate the statute law of the land, and agree with each other to do so; that it should be thought by them necessary to destroy vouchers and to so manipulate bookkeeping as to obliterate evidence of transactions; that hundreds of thousands of dollars should be paid in unlawful rebates to a few great packing-houses, . . . must be surprising and offensive to all right-minded persons. Equally startling, at least, is the fact that the owners of these packing-houses, men whose names are known throughout the commercial world, should seemingly be willing to augment their gains with the enormous amount of these rebates, which they receive in plain defiance of a Federal statute." And the chairman, Mr. Knapp, adds: "If we could unearth the secrets of these modern trusts, whose quick gotten wealth dwarfs the riches of Solomon, and whose impudent exactions put tyranny to shame, we should find the explanation of their menacing growth in the systematic and heartless methods by which they have evaded the common burdens of transportation."

Mr. Knox, the attorney-general of the United States, and well-known as a "trust lawyer," speaks as follows of similar arrangements with railways: "In the early part of this year (1903) it came to the knowledge of the President that great railway systems in the middle West, upon which every section of the country is dependent for the movement of breadstuffs, had entered into unlawful agreements to transport the shipments of a few favored grain buyers at rates much below the tariff charges imposed upon small dealers and the general public. This injustice prevailed to such an extent and for so long a time that most of the small shippers had been driven from the field. . . . In a word, there was practically only one buyer on each railway system, and the illegal advantages he secured from the carrier gave him a monopoly of the grain trade on the line with which the secret compact was made. It was an odious condition." And the attorney general shows how all classes suffered from the resulting unnatural diversion of trade.

The classic case of rebates is that which built up the Standard Oil Trust. Miss Tarbell gives the figures in her

can scarcely be expected to pass effective laws for clipping monopoly's wings. Only one suggestion of value has been made in the line of governmental control, and that is that when commissions are appointed to bring about peace in labor troubles, they should be named before the trouble becomes acute, and not afterwards, when their intervention comes too late. Thus in the great strike at Chicago in 1894, President Cleveland first ordered out the army, thus accentuating the tension of the crisis, and afterwards, when the men were defeated by their employers, appointed a commission which showed that the original strike of the employes of the Pullman Company was entirely justifiable. If the commission had been placed in the field at first instead of the army, all disturbance would have been avoided. Commissions are in the end much more effective than armies, and it is wiser to make use of public opinion than of gunpowder in cases of industrial strife.

A much more effective curb to the power of aggregated wealth than those which we have mentioned, is the power of the trade unions, whose main object it is by combining employes to obtain for them better conditions, shorter hours of labor and higher wages. If we admit

history. In 1871 Mr. John D. Rockefeller and his associates made special contracts with the railways. These contracts, "which the railroad managers secretly signed, fixed rates of freight from all the leading shipping points within the oil regions to all the great refining centers,—New York, Philadelphia, Baltimore, Pittsburg and Cleveland. . . . For example, the open rate on crude oil to New York was put at \$2.56 a barrel. On this price the South Improvement Company [the Rockefeller interest] was allowed a rebate of \$1.06. But it got not only this rebate, it was given in cash a like amount on each barrel of crude oil shipped by parties outside the combination." This seems hardly credible but it is historical fact. It is upon such clear breaches of trust that the fortunes of our trust magnates are erected. The facts have been published again and again, but they do not seem to object to publicity. So long as they attain their ends, public officials are allowed a wide discretion in condemning their proceedings.

that the injustice of present conditions arises from the absorption of wages by employers, it is clear that the labor unions are trying to effect precisely the thing which should be effected. If they could combine all employes and insist upon precisely the right measure of justice for each, they would inaugurate the Golden Age, but it is just at this point that we perceive their inherent weakness, for they have no way of measuring justice except by pitting their strength against the strength of their employers, and justice can hardly be expected to emerge from such a conflict. They simply set up a monopoly of labor against the other monopolies, and it is the principle of monopoly itself which is wrong. It is undoubtedly better for the public to watch the contest for supremacy of two hostile monopolies than to suffer the unquestioned domination of a single one, and so long as labor is the under dog we may well sympathize with its side of the struggle and help it as best we can. But there is no finality in trade unionism—no solution of the problems which vex us, and its complete triumph would be as obnoxious as that of its opponents, for it would be the triumph of monopoly, and we cannot trust our liberties to any group of men, employing or employed. There is also one danger to be feared, short of the complete victory of unionism, and that is a treaty offensive and defensive between trust and trade union, which might make the lot of the consumer harder than ever. It is distinctly contrary to the public interest for capital and labor, under conditions of monopoly, to be too friendly. It is better that they should eye each other with a little distrust, than that they should come together for the division of the spoils. It is a wise policy to play them off against each other (as statesmen in the Middle Ages used to set off pope against emperor), and to favor the feebler so long as there is no question of an alliance. Meanwhile the leaders of the labor movement deserve praise for the fact that they are practically the only men in the com-

munity who make a stand against the exactions of the money power. Where legislatures have succumbed and courts humbled themselves, where universities have been silenced and churches won over, where the press has deserted the cause of the people and the people have forgotten their own interest and honor, it has remained for the leaders of labor, alone and unsupported, to assert the rights of man, and it is a noble achievement—among the most noble of recent times. Those who remember with gratitude John Hampden and Patrick Henry, show little consistency when they withhold their commendation from the chiefs of organized labor. It will be written in history that at a time when the whole nation was prostrate before plutocracy, they alone refused to bend the knee.

It is easy to criticise the methods of trade unionism. They are the methods of monopoly, and monopoly is not beautiful. They are the tactics of warfare, and war is of all things the most unlovely. The boycott is not a pretty thing and can only be excused when compared with the blacklist. Nor is the waylaying of "scabs" an edifying exercise, and dishonesty and self-seeking are perhaps as common among labor leaders as among other men. But it hardly lies in the mouth of monopolists to condemn unionism as monopoly, and we must not forget that the behavior of men engaged in a quarrel does not alter the original merits of the dispute. This is one of the commonest of mistakes. The Episcopal Bishop of Central Pennsylvania leaped into the arena during the coal strike of 1902, called attention to acts of violence committed by sympathizers with the strikers, and seemed to think that such deeds were sufficient to settle the case in favor of the mine owners. It is a clear case of confusion of mind. Let us condemn violence by all means, but let us not forget that the very savagery of the men who commit the violence may be the result of the economic position in which they are kept. And those who are shocked

at the violence might well indulge in the sensation of putting themselves in the places of the strikers. Fancy yourself engaged in a great struggle for the improvement of the condition of your class, and convinced of the justice of your case and the unreasonableness of your employers. You are apparently upon the point of success, when other men of your own class are led in and bring to naught all your endeavors, which in a large sense were for their benefit as well as for yours. Perhaps you would not throw a brick at them, and if you did I would certainly call it a criminal act, but of all violent acts it seems to me one of the most natural. On the other hand, the workman who (unless his family is actually starving) is willing to take the bread out of your mouth and dash to the ground the hopes of his fellowworkmen, is surely one of the meanest and most contemptible of men. "Strike-breaking" has become a recognized business, and workmen now go about from place to place as they are needed, to take the situations of strikers. The business is in the hands of managers who, I am told, advertise the trade publicly in the press. These very strike-breakers receive higher wages on account of the work of labor unions, supported by the monthly contributions of their members. President Eliot of Harvard University, finds all the qualities of heroism in the "scab." I cannot agree with him, and I regret that the teachers of the land should express such class judgments. It is no wonder that in a recent street car strike at New Haven, Yale students took the places of the strikers, thus siding with the monopoly of wealth against the monopoly of labor. Is it wise to widen the gulf between the classes in this way? And let us remember, too, that the whole "scab" industry depends upon the perpetuation of a class of unemployed men, the primary injustice of excluding men from an opportunity to labor providing the means for further arbitrary action. The monopolist talks feelingly of the danger to a "free mar-

ket" of permitting labor to organize and strike, forgetting that it is he himself who has already destroyed the free market, and that labor is merely trying to counterbalance his advantage. The employer wishes to have an "open shop" free from the dictation of the union, but he could insist upon it with better grace if he came forward with an open world, free from the exclusive privileges which he and his class possess.

There are many features of trade unionism which do not involve struggle with employers. The union is a kind of insurance company and pays sick, death and out-of-work benefits. It is a debating society at which its members often learn more economics than their employers have mastered. Above all it is a school in co-operation, and it is difficult to limit the possibilities of its usefulness in this line. By such devices as the "union label," a mark placed on goods made in "union shops," it provides its members with a simple, practical and peaceful way of helping themselves by patronizing firms who favor it.

Arbitration is only a matter of method and not of principle, but it is a great improvement upon strikes and lockouts. It is to the trade union that we must ascribe the credit for introducing and extending it. Employers as a rule have opposed the idea of arbitration as long as they could, and, as is usually the case with stronger parties, they are fond of asserting that there is "nothing to arbitrate." Some draw a distinction between questions which may be arbitrated and those which may not. Thus, it has been said, If a man comes into your house and offers to arbitrate the title to it with you, you are bound in honor to refuse. But, it so happens that this very question is one which the present law requires you to arbitrate with any plaintiff who chooses to raise it. Any one can serve you with a writ of ejectment, and you are obliged to try the question of the title of your house in court, and if you have a good title the prospect does not frighten you. The people who object to arbi-

tration are usually those who are aware of some defect in their title. There are various ways in which a man can force you to arbitrate your right to your wife or your children before judge and jury, as the law now stands. What then are the cases which a man cannot honorably arbitrate? The idea seems to be that we cannot arbitrate when we are sure we are right. But these are precisely the questions which a man can arbitrate with the least risk, for if he is certainly right, it will be easy to convince the judge of it. It is when we fear we are wrong that we have most reason for rejecting arbitration. Compulsory arbitration is advocated by some writers, and it has been tried in New Zealand. In America, however, employers and employed seem to be opposed to the suggestion. At best, arbitration is a temporary make-shift, for it does not involve a determination of the true principles upon which disputes should be decided, and until those principles are settled it is hardly wise to make arbitration compulsory.

Trade unionism will be a great factor in the settlement of future economic conditions, and it has great merits of its own. It represents the laboring class, it acts in the field of industry, it is co-operative, and free from the taint of charity. It has won its way to recognition, and it is foolish to disregard its claims. It has already secured the admission of its right to organize, a right which was long opposed by penal statutes. The right of labor to select its own spokesman must also soon be generally allowed. Why should not the employees of a concern choose an agent to represent them? Before long employers will have to yield the untenable position that "they will only deal with their own employees." It is well known that when under such circumstances employees send a committee of their own number to present grievances, these men are usually soon discharged. It is therefore important that employees should be allowed to select a spokesman from outside, and the unions have done a service

to the cause of justice in providing agents for this work. Many economists call for the incorporation of trade unions, but I fail to see upon what principle we can force any body of men to incorporate who do not wish to. The idea of involuntary incorporation is a new idea in law, and I think we shall have to wait until the unions desire to form corporations. It is quite likely that in the future they may take this course, but there is as yet no sign of it. At present each individual member is responsible to a great extent for the acts of the union. When that liability has been enforced a few times unionists will incorporate to avoid it. When they are once incorporated and rank with other business corporations, they may undertake on a large scale to furnish workmen for capitalists, striking the best bargain that they can for their members, a system which would be excellent until, as we have predicted, they join forces with their employers against the consumer. But that event seems yet a long way off. When trade unions make common cause with the trusts, when they name senators and judges, when they control the national parties through their treasuries, and subsidize the press, then indeed we may begin to fear the monopoly of labor, but not till then.