

CHAPTER I

ORGANIZATION OF LABORERS

WHEN men find themselves subject to a common danger, they unite for common defense. Hence it was that when the monopolization of natural opportunities in the United States cut off laborers in the primary occupations from free access to land and forced them to compete for employment with laborers in the cities, combative trade unions began to appear.

This did not have its real beginning until the commencement of the second quarter of the nineteenth century. Before that, trade organizations were almost solely benevolent. Later they began to be militant. Yet as late as 1833 they still retained a more or less clear perception of the law of wages. The Central Trade Union of New York, composed of delegates from various trade organizations, formulated political demands, but said nothing about such collateral questions as the length of working day and immigration. They boldly attacked the primary question of the monopoly of natural agencies.

For when working on free land — on land that had no price, that yielded no rent — all the produce could be retained by labor as wages, save the part that went to capital as interest; capital being matter fitted by labor to be used by labor in the production of wealth. But as free land became scarce or difficult to reach, all other land came to have a higher and higher value. That is to say, labor and capital had to pay more and more for the use of land, which left less and less of the produce for division between them

as wages and interest. And while the introduction of labor-saving methods and inventions greatly increased the volume of production, land values, forced up by growing population and speculation, tended not only to absorb the whole increase, but it tended to press labor and capital to take lower wages and interest as the price of using land.

Thus, as free land became scarcer and all other land dearer, laborers began to congregate in cities and compete there for employment under others. They lost hope and even thought of obtaining land for themselves and becoming their own employers. They lost sight of the relation of wages to free land. The law of wages became, to their changed view, not one of natural relations, but one of human relations; not one that based wages upon what the laborer could earn for himself at the margin of cultivation, that is, upon land for which he had to pay no rent, but one that fixed wages by the ratio of applicants to the number of places employers had to offer.

Reaching that point, it was but a step further to the notion that the way to keep wages up was artificially to make "more work," which meant, to make more opportunities for employment in manufacturing lines.

Self-interest is ever on the alert for occasion. Here was the occasion for the manufacturing interests which had up to 1850 been nurtured more or less strongly by a tariff. But the old idea of levying a tariff upon imports for the sake of building up home manufacturing plants had lost favor. During the decade following 1850, the tariff had been reduced so low as to cause the period to be called the "free trade era." It was marked by much commercial and manufacturing activity, and the policy of a low tariff would probably have continued had not the Civil War intervened. The war, making heavy demands for revenue, brought a return of heavy customs duties. Manufacturing concentrated, and at the close of the war powerful lobbies went to Washington to influence Congress to continue the high tariff taxes. They gave out for public consumption

the old argument of protecting "our infant industries," although many of the latter had grown to be giants. To that argument they added a new one.— one in behalf of the American workingman's wages. The argument ran thus: "European manufactures can undersell American manufactures because of the lower rate of wages paid in Europe. The United States must therefore impose a tariff on imports of European manufactures at least equal to the difference between wages here and abroad. If we do not do this, the foreigner will undersell us. We shall be deluged with the pauper-made goods of Europe. Our manufacturing plants will close down and fail. American workmen in tens and scores of thousands will be thrown out of employment."

Foolish, transparently foolish, as this plea was, it sounded rational to the body of workmen in the cities. They did not stop to reason that trade is merely the exchange of commodities for commodities, and that if under freedom of trade foreigners should try to "deluge" us with their goods, they would do so only because we in turn would agree to "deluge" them with our products. To make products for the exchange would give our workmen here natural, and therefore, more stable and better employment than that obtainable through tariff discouragement to foreign trade and the substitution of domestic hothouse culture. But like the dog in the fable, our workmen, as a mass, dropped the bone for the shadow. They cast their votes as years went by for greater and greater taxes against foreign imports, under the delusion that they were protecting their own wages and even employment.

The high tariff enabled domestic manufacturers to put up prices without putting up or even keeping up wages. Indeed, while protesting that their chief desire for a tariff was to protect the wages of American workmen, our great tariff-fostered manufacturers imported armies of workmen from Europe, under contracts for lower wages than prevailed here. This practice was checked only when an

overmastering sentiment among American workmen in the middle eighties compelled Congress to prohibit admission of contract laborers.

Even to-day workmen still pursue the "protection" phantom. They vote to protect the steel and other monopoly combinations from foreign competition, while at the hands of those very monopolies they suffer not only merciless lockouts, blacklisting, wage-cutting and early dismissal, but incessant warring against their unions. After the sanguinary Homestead strike, induced by the determination of the Carnegie Company to reduce wages, that tariff-nurtured corporation refused to have a union recognized within its plant. This policy it pursues to this day. And the still greater Steel Trust (United States Steel Corporation), which includes the Carnegie Company, is even now doing its utmost to destroy the union among its workmen — the Amalgamated Association of Steel Workers.

Countless times it has been explained that if larger wages are paid in this country than in Europe, they cannot result in a commensurate disadvantage to our manufacturers and other employers, because, taking one reason out of several, American workmen, considered as a whole, are the most intelligent and alert workmen in the world, and use the most machinery, which they are the quickest to improve.

Countless times has it been pointed out that such advantage as American workmen have in wages over European workmen is due primarily to the natural resources here, which, though now inclosed, may nevertheless be purchased on terms that will yield a better net result than may be obtained in Europe; and secondarily, to the organized resistance to reduction by workmen in the skilled trades.

Countless times has it been shown, moreover, that much of the advantage of the higher wages paid in America is lost in the greater cost of living here, where speculation in land has forced rents to exorbitant figures in and about

the cities; where the tariff-protected manufacturing monopolies have given extortionate prices to all the common commodities; where the privately controlled public-service franchise monopolies rob at every turn; and where the continuance of early habits makes obligatory a more generous style of living.

Mr. Judson Grenell, a careful and experienced sociological writer, made comparisons while traveling in Europe last year, writing:—

A day's service brings much greater reward to the worker in America than to the worker in Europe. Otherwise nearly a million people would not yearly flee the Old World for America's shores in the happy and certain expectation of bettering their condition. In figures, a dollar-a-day man in the United States receives not over fifty cents a day in Europe, yet the purchasing power of the fifty cents earned in Europe is, in some directions, as great as the dollar earned in America. For instance, rents; again, keeping warm is cheaper. Clothing costs very much less; also linen, which, being more durable than cotton cloth, is really in the long run cheaper. Transportation is less, and also the cost of amusements. Bread, milk and vegetables are about the same, but meat is dearer in Europe. Still this latter item does not count for much, as Europe's wage workers do without it most of the time.

In a rough way, it may be said that \$10 in Europe goes as far as \$15 in the United States. It may also be said that the range of those things we call necessities in the United States is narrower in Europe. Therefore \$10 a week to the Englishman, Swiss or German seems as good pay as does \$18 a week to the artisan in the United States. On the whole, work is steadier in Europe than in the United States. But it is impossible to make comparisons that are absolutely correct, for wages vary between London and Manchester and English provincial towns, just as they do between New York and Boston and some New Hampshire hamlet.

American workmen give small heed to these facts, but their attention is being painfully arrested by another phase of the employment and wages question. They realize the growth of a prejudice against workmen gone past their early prime. Many of the great railroad systems, the great steel works, and other large manufacturing concerns, have in recent years announced, or, without announcing,

have quietly adopted a policy of engaging few workmen, skilled or unskilled, above thirty-five or forty years of age. Out of the great numbers of laborers asking for employment, these huge employing concerns can pick men in their early vigor and enthusiasm, dropping them for new ones when they have reached the age dead-line, or earlier if they get worked out. Thirty-five or forty is getting to be the age of superannuation.

Is there anything analogous to this in Europe? No; most assuredly not. Mr. F. Sydney Walker, connected in a director's capacity with manufacturing and banking institutions in Birmingham and elsewhere in England, freely talked to me of industrial conditions he found in this country, while on a tour of inspection not long since. He said substantially:—

“I have been amazed at the great number of young men I have found employed in your manufacturing plants. The number of old men everywhere seems entirely out of proportion to that which exists on our side of the ocean. Indeed, one might judge that there were no more old men in some of the lines of manufacturing in this country. One of the large concerns I visited—established in New England—seems to employ only young men; that is, no men older than thirty-five. They are all at their highest productive power. I came over here to look about, and especially to study the conditions of industrial competition, for I wanted to see in what respects we have advantage over you, and where the advantage is against us. Hence this matter of the age of workmen was something that I took note of from the beginning.

“In one of the places where I noticed this preponderance of young men I turned to the gentleman who was conducting me and said: ‘How is it that I see so many young men? Are there no old men, or do not workmen here grow old?’

“The gentleman said: ‘Oh, yes; men grow old here; but we keep only the younger men employed. We drop a workman after he passes his prime and put a young one

in his place. In that way we get the maximum of efficiency out of our labor.'

"'But,' I asked, 'have you no sentiment about the thing? How can you turn a man off just because he gets old?'

"My conductor answered: 'There is no sentiment about it. It is purely a matter of business. We have to buy labor. We buy the best we can get, irrespective of individuals. Young men are more efficient than older ones; so we select young ones out of the great number that offer their services. Sentiment is good in its place, but it has no place in business. It is to our interest to get the most alert, most vigorous, most agile and most adaptive labor possible. There is strong competition among workmen for employment, so that we have no difficulty in following the line of our highest interest and choosing young men.'

"'Well,' I remarked, 'that is hard on the man who passes his prime, isn't it?'

"His reply was that it was hard."

To all who are familiar with the state of industrialism in the United States this must be accepted as a true picture. Yet what significance does it have for the body of our workmen? Merely a superficial one, and false at that. They have no thought of the real basis of wages — the relation of the laborer to free natural opportunities. They see only restricted opportunities. They are conscious — painfully conscious — only of a contest among workmen to sell their services and a refusal of employers to give in payment more than they must. They see in this nothing more than two clearly defined opposing classes: those who sell labor and those who buy labor.

In this way all capitalists are thought to be against all laborers. And this seeming antagonism appears to be confirmed when monopoly privileges are, in common speech and even in much that passes for the teaching of political economy in our higher institutions of learning, classified as capital.

Now, as Abraham Lincoln has so plainly said, "capital

is only the fruit of labor, and could not have existed if labor had not first existed." ¹ Capital is labor impressed on matter. It is used by labor in the production of wealth.

Monopoly is not capital. It is not an agency for promoting the production of wealth, but a power for checking or diverting it. Monopoly adds nothing to the power of production. It deals with distribution. It merely enables its possessor to appropriate what has been or may hereafter be produced. It really robs capital as it robs labor. This may be seen where monopoly power is in hands separate from those possessing capital. But it rarely is so separated. Usually the monopolist is also a capitalist. Monopoly privileges are in this way confused with and classed as capital, and the antagonism of spurious capital to labor is ascribed also to true capital. "Capital," we are told, "is against labor."

And we are also told that this opposition is in the natural order of things. The owners of privilege might preach this with complacency, since it justifies them in their attitude of superiority and their assumption that the "work-people" are created expressly to work for them. But why should laboring men shelter such a thought? Obvious to common sense is Lincoln's remark that if God Almighty had intended certain human beings to do all the work he would have given them all the hands, and that if he had intended certain other human beings to do all the eating he would have given them all the mouths. Yet laborers for the most part accept as natural the present order of things, where they do most of the work and least of the eating. They regard monopoly powers as capital. They conclude that because monopoly privileges rob them, "capital" is against them. They see no hope of redress save in organized resistance to capital. Their means of resistance are the strike and the boycott. Their alternative to these are truces or treaties, called wage agreements.

¹ First annual message, Dec. 3, 1861. See "Messages of the Presidents," Vol. VI, p. 57.

Now strike or boycott wars are no better than fights in the dark. Because certain men want a larger or object to a lessened share of the wealth they are engaged in producing, they strike work in concert and try to stop others from working in their stead. By this passive means they hope to compel the employers to surrender to their terms. Or they carry the strike principle further, and by the boycott try to isolate the employer and so force him to yield.

But this is not a natural order of things. It is unnatural. It is not enjoying the wages that are decreed by natural law. It is attempting to fix wages by human force — a force intended to be passive, but which is too often active. It is not a policy ruled by natural justice. It is dictated by a belief that the wages of laborers can be only such as can be exacted from capital. No heed is given to the fact that there is a law of wages among the ordinances of Nature just as real, just as certain, just as immutable as are the laws of light, heat, generation, growth, chemical affinities and gravitation. All attention is given to the campaigns of a militant trade unionism, upon the success of which is thought solely to depend stable or higher wages, stationary or reduced hours. Yet any who will may see that strikes and boycotts and trade agreements do not go to bedrock, which can be nothing else than natural justice. They are mere emergency expedients, resorted to when natural justice is ignored or violated. They fix nothing justly or permanently. They match force against injustice, which sows dragon's teeth that spring up armed men.

For every strike or boycott that is successful, many fail. One reason lies in the difficulty of inducing all available laborers or other persons to become strikers or boycotters, or their supporters. Another reason is the generally superior reserve power of the defense. The great strikes are really not against capitalists, but against monopolists — against the railroad and other franchise-holding corporations, the coal combines, or the great

tariff-fostered companies. Butressed behind government-made or government-fostered privileges, such monopolists can and do use the black-list and lockout, and meet strikers with the deadliest of weapons of which we will speak later.

Against such powers most strikers are foredoomed to defeat. Organized workmen generally do not realize this; yet even if they did their only policy at present would be to fight on.

The plea for the formation of a warlike trade union under these circumstances may be set forth in this way: it is a banding together of workers who find difficulty in obtaining employment. Under a natural order of things, where Nature's opportunities were not monopolized, there would be no such difficulty. But we are not following the natural order. Instead of a great and lasting demand for labor of every kind arising from freedom of natural agencies, there is a limited demand caused by the monopolization of those agencies. Laborers have to enter upon an intense competition among themselves for the thus restricted opportunities for employment. In order to control the supply of labor as nearly as possible, laborers join together and agree upon a scale of wages, hours of toil and other working conditions. This sets up the principle of "all or none." The employer finds himself confronted, not by a confused mass of laborers, each beseeching him for employment, and each ready to underbid the others until wages be forced down to a point of bare subsistence, but rather by an orderly body who say in effect:—

"We offer you our scale, at which any or all of us must be employed. None shall be employed save on these terms. Our motto is, 'Each for all, and all for each.' We must have these terms, or else we are agreed that none will work for you. While we do not embrace within our union all the workmen of our craft, yet we do count a sufficient number to make a great scarcity of the

kind of labor you desire should we refrain from labor for a time. We do not want to strike, for that would mean a loss of wages. We want employment and steady wages. But we want better wages, too. We have resolved that rather than engage in cut-throat competition, we will make a uniform demand for more wages. That being refused, we will in a body strike.

“These demands are based upon the average of abilities of our whole number. They are relatively below some men’s abilities, relatively above others. The strong make concessions for the sake of including in their ranks the weak. Otherwise, being left out of the organization, the weak would be forced to seek employment for themselves. They would underbid the union rate, and, to that extent, lessen the effectiveness of the union demand. Therefore we embrace these weak ones, and reduce our scale accordingly.

“This might appear to work a great hardship upon the ablest men in the organization. It does in a sense. If they were to refrain from joining the union, and were free to sell their labor when the remainder of the laborers, banded in a union, were striking, they could get scarcity prices. Such prices would be at the expense of the striking union.

“But suppose there were no union at all. What, then, could the best workmen get? Not a scarcity price, but a competitive price — a price fixed by general strife among laborers for opportunities of employment.

“In other words, under present social conditions the average wages without a trade union must of necessity be lower than the average with one. While the superior workmen in going into a union lessens in point of compensation that distance between himself and the inferior union workmen that might possibly exist, if conditions of employment were free and there was an abundant demand for labor, yet it seems clear that this superior workman actually gets more with a union under the pres-

ent circumstances of monopolized natural opportunities and limited demand for labor than he would were there no union and Nature still monopolized. Certain it is that if there has been any advance in wages and shortening in hours, it has been due to unions. Without unions competition in the present limited state of employment would have reduced the mass of laborers to a far lower status than they have to-day."

Accepting the premises of *limited* employment, what other conclusion can be reached? But are the premises sound? Is there difficulty in getting employment? How often do we hear it said, "Any man who wants work can get it." Yet can he? I pick up the New York State Labor Bulletin for the quarter ending December, 1904, and find that of 385,770 wage-earners reporting to the Bureau of Labor Statistics, there were 9175, or 2.4 per cent. idle throughout the third quarter of the year, and that the average working days were 69.8. These figures relate to picked industries, and during a "prosperity" period.

The "want" columns in our city newspapers furnish more reliable evidence of the general out-of-work story. By chance the following news item presents itself as I pause in my writing:—

The superintendent of the municipal lodging house of New York told the reporter that on the previous Saturday night, which had followed a snow-shoveling day, there had been but 207 applicants for lodging, whereas the number on ordinary nights ranges from 400 to 500. Little jobs at shoveling snow had put many men in condition to pay for lodgings. Having an opportunity to work, they sought no charity. Here is what the superintendent says of those who come to the lodging house when a snowstorm has visited the city: "We make it a point to see that they are aroused earlier than the others—about five o'clock—so that they may apply for a job at snow-shoveling. In spite of the remarks which are made by men who do not know, you ought to see how many of them jump at the chance to work, and hustle their clothes on in the morning. Most of them are not warmly enough clad to take a street-cleaning job. Yet many of them try it. They come back in the evening with their feet tied up in newspapers, their toes frozen."

After that read the utterance of a city magistrate in Brooklyn — and in what city will not be found magistrates to speak in the same way?

I know of many men who are honest, sober and industrious, willing to work at anything — and for any wages — who cannot find employment. As a last resort, many of these men, who are homeless, without shelter or food, apply to the courts and are committed, at their own request, to the county jail and even to the penitentiary.

Of course there are bad years and good years, years of more and years of less employment. But at all times, a considerable number of men who are willing and anxious to work have difficulty in finding it; and, when found, it proves in a great proportion of instances only temporary, or, at any rate, not continuous.

In face of such facts there cannot be a universal organization of laborers into unions. Only those can be organized who are more or less skilled, and whose cessation of exertion would make a breach that could not at once be filled or could only be partially filled. And hence it is that, notwithstanding the vast multitudes of laborers in this country, and notwithstanding all the need they have to protect if not to better their working conditions, there are at the highest estimate not above two and a half millions enlisted in unions. Even in the skilled trades there are "open shops" and "closed shops," meaning places where employment is open or closed to non-union men.

This leads to coercion and other practices among the unions that are subversive of the public weal.