

CHAPTER I

SOME GENERALITIES

THOUGH the tides of business prosperity are just now at their height, a plague of embittered strikes has fallen upon our industries. Especially have they fallen upon interests that are partly of public character or (what is fast becoming the same thing) upon those that have grown great by combination. Over-topping all others has been the prolonged and momentous strife in Pennsylvania. In the anthracite coal regions the miners won in the struggle of 1900, but the victory brought little contentment. It was followed by more than a hundred local strikes, only to break out at last into a strife that has stirred public opinion as no other event in our labor history.

From the time when the government first began in 1881 to make record of labor controversies, the list swells to more than 3000 strikes in the coal industry. Between 1881 and 1900 there were 2515.

This has led to the common assertion that labor disturbances are in some way peculiar to coal mining. Very special features attach to the extraction of coal, but the unrest as marked by strikes is precisely what one finds, for example, in the metal, clothing, and building trades; strikes in the building trade are indeed highest in the list. It is yet true that no industry offers the student of social unrest a fitter field for study

than that small patch of country in Eastern Pennsylvania lying between the Delaware and Susquehanna rivers. Nowhere can one get nearer to the heart of the conflict. Every question that socialism will more and more force upon the political stage can here be read as upon an open page. Nowhere has competition among private owners worked more relentlessly to its own final undoing. Not even from socialist critics does one anywhere hear more fault-finding with unrestricted competition than from the lips of employing operators. Here are priceless "royalties" for absentee owners. Here in recent years may be seen that high capitalization which gives the hard-pressed operator his excuse for paying low wages. Here competition among the laborers is so unremitting that the 147,000 workers are occupied hardly 190 days in the year. Including Sundays, this means some 175 days of enforced average idleness. For the masses of breaker boys, as well as for the less sturdy among the adult miners and their helpers, this habitual irregularity of employment breeds the habits that make the excesses of the strike inevitable.

Among the employers the old chaos of competition has been overcome by organization, but a forced chaos remains among the miners. An absurd surplus of some thirty thousand men hangs about the mines, and every attempt that they have made to secure the real advantages of organization among themselves has been fought with obstinate ill will by the masters. When individual and local unions were established, the natural and necessary impulse was to federate them into an organization strictly comparable to that which capital had won at the top. The masters left

no device unused to defeat this new step. At first their formula ran thus, "I will deal with my men one by one; I will not deal with them as a union." Later one heard, "I will deal with the union in my own business; I will not recognize any one who comes from another union."

In 1900, when the unions of the hard-coal region were so strongly organized that the fact could not be ignored, I heard a few employers grudgingly admit that they should be compelled to do business with this group of unions, but never would they at any cost recognize the representative of the soft-coal miners. In 1901 I heard the details of a plan by capitalists to bring both the soft coal and the anthracite together into one common organization. I asked how it was possible to control the thousand loosely scattered bituminous mines. He answered: "Simply because we have got the railroads. Through railroad control we have got the anthracite where no independent operator can trouble us a bit. To control the soft coal is of course far more difficult, but it is not difficult if we have, as we shall have, proper control of transportation." I have seen few more uncompromising enemies of trade unions than this gentleman. Yet he had come to see that some sort of general organization among the miners must be tolerated among the hard-coal workers. I submitted the question, "If you are, as you say, to extend the principle of organization over both bituminous and anthracite, why should you object to the common union of labor in both regions?" His reply was that business could not be carried on under such a tyranny as this would imply. Unified control was

necessary for capital, otherwise, he said, "we shall always be fighting our competitors in the soft-coal business just as we used to fight each other in the hard coal."

Like many another employer who urges the necessity of capitalistic organization, he denies this corresponding right to his miners. You ask if the reasons for combination are less strong upon one side than upon the other, if competition works less incessantly among laborers than among employers; the answer is, "No, but the miners have come to be so bad a lot that organization is unsafe in their hands; the trade union destroys all discipline in the mines." It is true that the presence of sixteen nationalities, many of them with the lowest standard of living, is an extremely annoying fact, but the employing class has its definite responsibilities for the present quality of miners. Such as they are, they have been *expressly encouraged to come, in order to keep wages low.*

Many of these facts are common to other industries. For the social investigator they get, however, an added significance from the monopolistic character of this business made possible by the centralized control of tide-water facilities and railway transportation. Ownership and control of this business has been transformed. The determining factor is now the railroad — a semi-public corporation. When the employer now says, "I will not arbitrate; I shall run this coal business as I like, because it is my property," even the miner has come to see that this attitude is incongruous and out of date.

During the strike of 1902, hundreds of papers of both political parties met this refusal of arbitration

with every degree of picturesque denunciation. Those of the future will look upon this strike as a landmark in the rapid crystallization of socialistic opinion in this country. But the effect upon the miner and his fellows has been just as marked. He is receiving more socialistic instruction from his employer than from all the agitators combined.

It is this new consciousness of difference between a really private business, like a corner grocery store, and one that has ceased to be private in that sense, which so heightens the value of this type of industry as a social study. If the socialistic spirit is to be held in abeyance in this country, businesses of this character must be handled with extraordinary caution. The attitude expressed by, "I refuse to arbitrate because this is alone my business," is foolhardy in proportion as the business is obviously semi-public, as the hard-coal business with its dependence on the railroad now is.

The essence of arbitration in a business of this character and magnitude is an acknowledgment that the public is concerned in the dispute. With the multitude of smaller industries freely open to competition, we are not shocked that they should be treated as strictly private, but in the exact measure that their service to the public rests upon special privileges granted by public authorities, shall we rightly demand from them responsibilities that are not merely private. If those who have this business in charge are not strong and adroit enough to hold these chronic disorders in check, the call for some form of state control will steadily increase among us. The public has learned that to run the

railroads, together with the chief portion of the mining area, is to get a monopolistic advantage under which the consumer may be made to pay in higher prices every penny that the strikes cost.

In Lattimer, when an awkward squad of Hazelton citizens, hastily extemporized into constables, had shot a score of miners, I asked an operator about the probable cost of the strike. "But you don't suppose," he answered, "that we coal men are to pay the bill? Anthracite coal is a luxury, more and more in demand. The people must have it. We mine forty million tons a year, and an addition of even fifty cents a ton means money enough to pay big bills; but if we added a dollar a ton, the coal would be used."

The difficulties of socialistic administration are seen to be so great, that the business sense of the American people will be careless of monopoly privilege in private hands so long as it is free from conspicuous abuses. As this coal business is now managed, abuses are inevitable. The railroads have a double business. They mine coal, as well as transport it. A given road, at one moment, may be apparently losing money as a miner, but making rich profits as a carrier of coal. I have known a man with special training for this work to exhaust all his resources in efforts to discover how accounts in this double business are kept. His conclusion was that this shifting relation not only could be, but had been, used to keep wages down. Even if untrue, it has become a source of angry suspicion which is felt, not only by the independent investigator, but has at last reached the miner himself.

At the strike in the summer of 1902, among the

grievances which the miners enumerated, I heard for the first time this common complaint: "The operators told us in 1900 that the business couldn't possibly afford the ten per cent advance, but they gave it to us when they had to, and still made good money. Prices have gone up so much since then, that this ten per cent advance has been swallowed up. We ask for more, and are told that profits are so low that no higher wages can be paid, but we can see that the railroad side of it is making plenty of money, and it looks as if they were taking it out of us."

For the first time I heard among the miners the talk of "overcapitalization." "They put so much money and water in here, and then have to pay dividends off the whole of it. That makes an excuse for squeezing us. President Baer says he must look out for the interests of his stockholders, and so can't give us an advance. If they hadn't put so much water in it, they could have treated us decently." The miner is merely saying what half our papers print, and what many competent business men believe.

Here is the exact ground why, for business of this character, the intelligent demand for "publicity" and uniform and intelligible methods of bookkeeping, is more and more insisted upon by the public, by students, and even by some of our foremost business men. The highest business administration cannot afford to be carried on in an atmosphere of justified suspicion that angers the public and the laborers alike. This atmosphere of justified suspicion is the direct source of the most threatening unrest now in our community. It is certain that a great deal of it

can be removed by an open and fearless recognition that these half-public corporations have become so far "socialized," that the old rights of secrecy have lost their warrant.

It is at this point that the first real difficulty appears. There is no way to make this principle of "publicity" effective without an extension of legal regulation.

The reasons for this extended activity of government are not fewer in the United States than among any other people, but the practical difficulties are far greater here, because of the divided authority between the central government and the states. But the practical embarrassments in which this divided authority leaves us, constitute a very breeding ground for the growth of socialistic sympathy. The ordeal which we cannot escape is, that, in spite of these added perplexities, the battle has to be fought out on an area that is essentially an area of politics.

Yet powerful business interests will fight the provisions that constitute this social politics wherever its aim is to raise the standard of the workingman's life. They will oppose them as they oppose the really effective organization of labor; as they oppose the legislation that would eliminate the child from industry, or give to those stricken by industrial accidents a properly organized method of compensation.

In the long struggle before us to learn to use these principles of regulation with unflinching fairness to the weak as well as to the strong, we are beset by two difficulties, — one that has come to be temperamental, the other economic and political.

No people was ever born so gayly and so confidently

indifferent to history and experience as the people of the United States. During the Civil War, Charles Sumner was patronizingly assured at a London dinner table that the North could not conquer, "there was no history extant to warrant such a hope." With a humor he rarely showed, Mr. Sumner replied, "Thank God, we do not know any history over there."

A foreign scholar, knowing the United States well, himself equipped by large experience in English colonial affairs, does his best in Washington to put his knowledge at the service of those upon whom the heavy burdens of our new dependencies had fallen. Our lack of experience and consequent ignorance were complete. Why should not the Congressional committee having these things in charge delight to listen? England's long mastery of colonial policy is known to all. A man ready to interpret this experience is at hand, but he finds that no soul in Washington has the slightest curiosity about this almost greatest of English achievements. He says to a friendly member of the Cabinet, "But you Americans do not even want to know the experience that would throw light on your own present problems." One of the best and most skilled of our politicians tells him, "You are right; those that need the knowledge most would not even cross the street to listen to your exposition, or if they did they would not take you very seriously. We shall blunder through it in our own way."

There is much to be regretted in this unconcern, but perhaps, for the special problems involved, something that we should approve. This good-natured contempt of experience means sad waste in duplicated

experiments; it means costly delay in administrative adjustments, but it also means a carelessness of precedent, as precedent, that is often the very condition of brilliant accomplishment. An English engineer said in this country, "Because a thing has been done in a certain way in England is still reckoned among the reasons why it should continue to be done in something like the same manner, but with you in the States it is reversed. To tell an American machinist how a thing has been done, actually seems to him a reason for *not* doing it in that way any longer." Whatever of speedier advantage comes to us from this adventurous spirit in the sphere of mechanical contrivance, there is consequent loss and embarrassment for the whole remedial side of the social question. This experience has been dearly bought, and much of it has failed, but that which has succeeded is very precious as a model.

It is conceivable that impatience and unconcern about past experience may be a gain to the inventor, but they cannot be a gain in developing the kind of legislation of which the English Factory and Truck acts are an example. Uniform legal protection against certain capitalistic abuses on the one side, and against the exploitation of certain low-class labor on the other, stands for the next step toward social safety. We cannot skip the definite and successful experience of other nations in dealing with a class of evils of which industrial accidents and child labor may be taken as examples.

The shrewdest foreign observers who have ever visited us, like Herbert Spencer, have noted what Lowell called the "divine patience of my fellow-

countrymen under abuses." This temper coupled with a commanding material progress makes us impatient with the fault-finder. Yet a promiscuous optimism about everything in particular may be just as harmful as a uniform pessimism. We have to learn the full meaning of specific sources of social weakness in the elimination of which legislation has to play a part. This leads from the temperamental to the business and political difficulty.

It will appear in the clearest light if seen through an illustration about which every reader may easily acquire trustworthy information.

In 1902, I saw in Georgia and Alabama troops of children, many under twelve, working the entire night. I had previously heard every detail of this ugly story, in which northern capital is implicated as much as southern, yet nothing but personal observation would have made me believe the extent to which this blunder goes on in our midst. Whether one finds this evil in New Jersey industries, among Illinois glass-blowers, on the Chicago streets at night, or in the merciless sweating of the clothing trade, it is an excuseless wrong for which no extenuating word can be uttered. It is a source of disease, crime, and social weakness. That it is not a purposed cruelty, does not change the fatality of the result. A kindly employer in Alabama tells me, "Yes, it is bad, but the parents of these children will have it." Every argument reproduces to the letter the excuses of employers two generations ago, when Shaftesbury began his great struggle against child labor in England.

This stunting use of the child in industry is but a

part of what is perhaps the most threatening fact of the new century, the wider and more relentless use of every known agency to keep wages (and therefore the standard of life) as low as possible. This purpose is not malicious or even quite conscious of its end. It results from the enlarged world area on which a fiercer competition now acts. The practical exigency of this commercial struggle will appear to justify every competitive use to which lower and cheaper standards of living can be put. Women, children, negroes, the inhabitants of our new dependencies and every shade of immigrant, will one and all be used like pawns in the great game of immediate business advantage in the markets of the world.

I asked one of the largest employers of labor in the South if he feared the coming of the trade union. "No," he said, "it is one good result of race prejudice, that the negro will enable us in the long run to weaken the trade union so that it cannot harm us. We can keep wages down with the negro, and we can prevent too much organization."

It is in this spirit that the lower standards are to be used. If this purpose should succeed, it has but one issue,—the immense strengthening of a plutocratic administration at the top, served by an army of high-salaried helpers, with an élite of skilled and well-paid workmen, but all resting on what would be essentially a serf class of low-paid labor and this mass kept in order by an increased use of military force.

If there is any escape from this peril, it is in the slow building up of that system of labor protection known first as factory legislation. What is best in

this legislation is not something standing apart from, or in antagonism to, the forces of public opinion, but the deliberate and express record of that opinion about the hours and conditions under which it would have a large part of society work and live. In countries like England and Switzerland, no existing agencies have done so much as this form of legislation to save the labor standard from sinking to lower levels. In our own country the same legislation in Massachusetts, incomplete as it is, has worked with admirable results.

The precedent of experience is in all this the only possible guide. Most of the horrors connected with sweating in the making of clothes could be stopped if other states had enforced a legislation as good as that of Massachusetts. The law holds this special evil in check in the city of Boston. The rivalry among our states to attract business or to prevent its escape makes a difficulty which no other nation feels in giving shape to this legislation. A speaker before a committee on child labor in Alabama says, "We get a great advantage over the North, if we work twelve hours and have child labor." For every immediate business interest this appeal is dangerously effective and will long constitute a baffling perplexity in creating that body of regulative measures which is now recognized to be as necessary for the "trust" as for those conditions under which multitudes of women and children work.

It was once believed that the strife of multitudinous private interests, if freely followed, would lead to the maximum of common gain. It was believed that the essence of economic wisdom was merely to

keep hands off. This position of the extreme individualist, as of the philosophic anarchist, has a rare intellectual fascination. For speculative enchantment, it is easily supreme among social theories. But the moment we touch the world of human action, the moment we arrive where people are hard at work, it appears that this policy of "let alone" is as definitely discarded as the whale-oil lamp. Neither tory nor liberal, republican nor democrat, pretends any longer to "let things work themselves out." Every government, democratic and monarchical as well, deliberately adopts a policy of elaborate legal regulation. Nor is there anywhere a hint that this is to lessen. Communities differ as to the emphasis that shall be placed on social regulations. New Zealand goes to greater lengths than Denmark; Switzerland, in many things, further than England, but all alike accept it as a practical working finality that competitive forces cannot be trusted to work themselves out alone. They are brought under some measure of permanent social regulation. Among men with responsibilities there is now no dispute except as to the forms which this regulation shall assume and the degree to which it shall be carried.

We need no longer call in the socialist to testify against the uncurbed struggle in industry. The last twenty years have taught the lesson so thoroughly to our foremost business men that they are becoming our instructors. Not alone with transportation, but with iron, with textiles, with insurance, with banking, and with many of the commonest products, the unrestrained scramble of private interests is now seen to be intolerable. Good business now sets the limit

to competition by organizing coöperation. To check and control the excesses of competition has become the mark of first-class ability. A railroad president has been dismissed because "he insists upon fighting other roads instead of working with them." According to his own account, the head of another road owes his appointment to the fact that (in his own words) "I was known to have some aptitude for working with rival interests." Yet the term "legal regulation," as applied to industry, is still an offence to the American. He has not learned that this regulation is but a factor in what we all now agree is the capital fact of industry—organization. The term "industrial organization" carries no offence, but is seen to be the next great step even in further material progress. On the side of capital, organization began for the sake of safer dividends. As business enlarged, and came finally to touch the wide and permanent wants of the consumer, organization from the public point of view was also found to be necessary. This completed organization is impossible without the assistance of legal regulation that is superior to every separate interest.

What is now forced upon every critical observer is the degree and extent of purely chaotic forces on the industrial field. Competition as such has no tendency to remove this mischief, rather indeed to aggravate it when business has reached a given stage of development. The great lesson that employers have to learn is that organization has done but half its work when their own end alone is systematized. Organization has to pass straight through from top to bottom, *including labor as well*. A part

of this lesson for the employer is that the sympathetic coöperation of the labor group is an absolute necessity if industrial peace is to be won.

In the recent strike (1902) of the hard-coal mines, an employer said to me, "I have been in this business more than twenty-five years, and it seems to me I have been in the strike business rather than the coal business." I asked him if he and his friends had any policy about the disorders; he replied, "No, only to smash 'em." For many years in these mining towns I have heard this answer from employers. As long as coal operators were fighting each other and fighting the railroads, there was more excuse for this guerrilla warfare with the unions; but now that combination has come, "smashing 'em" cannot conceivably remain the method of directors competent to manage the business as the public will demand. It is cheering to find younger men now prominent in these affairs who see this.

After the miners had won their strike of 1900, some of the companies began to put stockades about their breakers. I asked why, in time of peace, this should be done. "Oh, we shall soon enough have another fight, and we propose to be ready for it. To make a concession to a trade union means a fight at the end." I later spoke of this with one of the younger, but admittedly one of the most competent, company presidents in Pennsylvania. He said: "This whole policy with the trade union is out of date. There must be an end to a situation that breeds warfare as regularly as the seasons come. The trade union is now here, and we shall not get rid of it; I, for one, believe that we ought not to get rid of it. It has got to be recognized in

spite of all that this means. It will make our work for a long time harder and more disagreeable, but the truth is that we employers have got to learn the lesson of working harmoniously with organized labor." I asked him how this should be done. "We must do it by a slow process of education, we must meet their representatives in a systematic way, and teach them about our business so far that they will learn to act reasonably. That is the task before us." This gentleman acknowledged that a good deal of publicity would be necessary in this relationship with trade-union committees. "We cannot educate them," he added, "without letting them know more about our business than they have ever known. They must study the market conditions, freight rates, and the great difficulties like irregularity which bother us as much as it bothers them, and we must help them to do this wisely and fairly."

Returning to New York, I took these words to a railroad president upon whose opinion every student sets high value. "I would not," he said, "change a word in that statement. To assume that we have got to go on spasmodically fighting the unions, is tactless and unintelligent. The truth is that the kind of man who is not strong enough to work with organized labor has not the qualification for his position. It is silly for powerful corporations to say, 'We will deal with individuals, not with representatives of unions.' Organization of labor has got to be recognized as such, and dealt with as such, and the problem now is to get men with the qualities and capacities to do this." On the other hand, the unions have to learn their own lessons.

The public is at present very free with advice. "Let them incorporate and give proper guarantees that contracts will be kept, then employers will know where they stand." Somewhere in the future, incorporation may come, but, as I shall try to show later, the employers and the public have certain duties to perform before incorporation is safe for the union or wise for society.

So ingrained has become the suspicion in the trade union that it sets its face against incorporation. It fears to trust its funds to ordinary court decisions. Judge Jackson of West Virginia uses these words: "A professional set of agitators, organizers, and walking delegates, who roam all over the country as agents for some combination, who are vampires that live and fatten on the honest labor of the coal miners of the country, and who are busybodies, creating dissatisfaction among a class of people who are quiet, well disposed, and who do not want to be disturbed by the unceasing agitation of this class of people." The labor papers print these words with comments like the following: "Can we trust ourselves and our friends in the hands of a man who shows such temper as this upon the bench?" They say: "Incorporation in time of trouble involves legal penalties which the courts must enforce. We do not trust their fairness on such issues." Good lawyers are very indignant at this, but no man who will look through the labor press of the last three or four years will doubt the fact, however silly the opinion may appear to him.

I have heard a lawyer, often called the leader of the bar in his state, say that he did not dare to quote

the corporation law of Pennsylvania, because it bore such marks of gross partiality to capitalistic interests. All that organized labor in the United States does, is to enlarge the lawyer's judgment.

There are few unpleasanter facts than this honest suspicion of organized labor that capitalistic organization means to use against it every weapon that public opinion will tolerate.

This suspicion appears inexcusable to those who do not know the history of the union. In its long struggle against the hard practices of certain employers, the trade union has been taught its worst abuses. President Eliot justly puts down the boycott among the sins of the union, but for a quarter of a century in Massachusetts the employers used the boycott of the "blacklist" so effectively, that the unions took the hint. Labor leaders of such influence as Ira Steward, George E. McNeil, and George Gunton were trained in this school of the employers' blacklist. It was this same spirit that made the necessity of the walking delegate. A class of men like the paid secretary had to be created in order to protect the union in those early days when the agitation for an elementary factory legislation began. Scores of labor men prominent in the ten-hour campaign were blacklisted. It is this long memory that now plagues us in these problems. Behind the "restriction of output," behind the dislike of new machinery and piece-work, is the memory of days when new inventions were so freely and rapidly introduced that no check upon the speed was possible. The union did not exist or was too weak to protest. The "pace setter" flourished, and piece-work, like the machine, could be used to

quicken the step. I have heard older men tell of these days, when every device was used to set the standard by the fastest workmen in the room. Even where the "pace setter" has wholly disappeared, the recollection of this is vivid. Labor organizations are not to be judged apart from those early struggles. Side by side with errors and abuses is a story of heroism and self-sacrifice.

People eager to know the truth are perplexed by the evidence in the great coal strike, but that conflict cannot be understood apart from its history. I asked a pastor to give me a list of his older and best family men out on strike. In a single parish, I talked with eighteen of these law-abiding miners. As if one man spoke for an experience common to all, it was the memory of long years of hardship, of greater and pettier wrongs, which nerved the striker in that struggle. These memories may be very harmless in their individual expression, but the trade union guides them into a new channel where their force becomes serious enough. A degree of strength and independence of labor organization has now been reached in the United States which makes a new danger. It cannot be fought on the assumption that the union is to be destroyed, without intensifying every bad quality in it. The trade unionist knows that he has helped to raise wages; that more than any other, he has brought about the best of our labor legislation. He knows that the main struggle now is to raise the standard of living in his entire group. Every determined effort to crush the union, therefore, appears to the members an attack on their own aspiration for improved social life. Yet it is the determination of many of the

strongest business men in this country to cripple these organizations if it can be done without the indignant protests of public opinion.

It is customary to speak fair words about "the right of labor to organize," about the usefulness of the trade unions "when they keep to their proper business," etc. Employers spoke very friendly words of this kind before the recent industrial commission, but the labor organization which most employers approve is a docile, mutual-benefit association. It is a trade union that makes no trouble for them. The actual trade union which exists to maintain what it believes to be its group rights, to make its bargains collectively and struggle for every advantage it can get, few employers would tolerate an instant if they could avoid it. A great packer in Chicago is on record as a friend to unions, but in that vast establishment the union was ruthlessly crushed. Mr. Carnegie writes thus in his "Gospel of Wealth," p. 114:—

"The right of the workingmen to combine and to form trade unions is no less sacred than the right of the manufacturer to enter into associations and conferences with his fellows, and it must sooner or later be conceded. Indeed, it gives one but a poor opinion of the American workman if he permits himself to be deprived of a right which his fellow in England long since conquered for himself. My experience has been that trade unions, upon the whole, are beneficial both to labor and to capital. They certainly educate the workingmen and give them a truer conception of the relations of capital and labor than they could otherwise form. The ablest and best workmen eventually come to the front in these organizations."

This passage requires attention. Mr. Carnegie has had long experience with unions. He here finds them "beneficial both to labor and capital." He says they educate labor and that the ablest and best come to the front in them. This is the polar opposite of what so many employers are now telling us. This was written in the *Forum* in 1886, and reprinted in 1900. In spite of this fine tribute, the actual unions in the great shops where he made his millions were destroyed. I was told by one of the strongest men in that company, "We would use every resource within our reach rather than have a trace of unionism in our shops."

Neither did Mr. Schwab (though practical concessions have since been made) conceal his opinion about the unions before the industrial commission. These men know they may get an economic advantage over England if they are free from the restraints of unionism. Every one is now told that the English union checks production; that unions will not drive at full speed. There is much truth in this, and the inference we are expected to draw is that, if we had no unions, a still hotter speed of production could be maintained. It is beyond question that labor in some sense interferes at this point.

The employer objects to "interference," but a strong labor union can scarcely exist without what most employers would *call* interference. To apply the collective principle in fixing the wage scale, lowering the labor time, improving sanitary or other conditions for the whole body of men in any mill *is* interference. When unions are federated, a member is necessarily chosen to represent the combined labor

interests. This is disliked by the employer more cordially still, but it is a condition essential to federated labor. If there is added to these issues the most burning of them all, the manner in which wages are readjusted by the introduction of new inventions, we shall see why employers set so high a price on freedom from all these annoying inconveniences and delays. With the exception of certain industries, these vexations are inherent in the relations between federated trade unions and the employer. The signs are many that our industrial managers will not brook the hindrances incident to well-organized trade unionism. The new attitude throughout the South reflects the less outspoken feeling of the North. One among many clippings may show the form which this opposition takes.¹

It is not probable that employers can destroy unionism in the United States. Adroit and desperate attempts will, however, be made, if we mean by unionism the undisciplined and aggressive fact of vigorous and determined organizations.

If capital should prove too strong in this struggle, the result is easy to predict. The employers have only to convince organized labor that it cannot hold its own against the capitalist manager, and the whole

¹ New Orleans, August 30. — "In view of the numerous strikes here and the still greater number threatened in the building trades, the architects, builders, and contractors have taken preliminary steps to protect themselves against further disturbances by calling a mass meeting of master builders and of employers in affiliated trades. It is openly announced that the purpose of the meeting is to declare war against the unions, and to begin the war at once instead of waiting for the unions to strengthen themselves and precipitate a strike when they get ready, which it is understood is their plan."

energy that now goes to the union will turn to an aggressive political socialism. It will not be the harmless sympathy with increased city and state functions which trade unions already feel; it will become a turbulent political force bent upon using every weapon of taxation against the rich.

Those who represent the interests of capital must make the choice. With magnificent energy they have created an industrial organization that no other nation now matches. Will they use some fair portion of this strength *to complete this principle of organization so that it includes those who help them do their work?* or will they, in the fighting spirit of competition under which they were bred, insist upon an unrestrained and unmodified mastery? No skill in ornamental institutions of the Cash Register type will suffice. It is conceivable that a genuine application of profit-sharing, or a systematized distribution of safe stock among the men, would go far to free industry from much dangerous friction. Two of our foremost business men have given special attention to this last proposal. Neither is likely to try it from a lurking fear of ugly reaction among the men in case the stock should depreciate. Both think the scheme of profit sharing too sentimental and too difficult to put upon a secure business basis. They admit that many experiments of this character are possible with semi-public corporations like the railroads and street cars, but with private industries subject to all manner of unforeseen fluctuations on the market, together with the suspicious opposition of the trade union to all plans for binding the laborer to the employer's business, the difficulties appear too great. One of

them said : " The truth is, modern business is a fight, and is likely to remain so. At bottom it is a question of strength and courage, with as much tact as we can get into it." It has, alas ! to be added to this, that the strain of the competitive struggle (now that it has taken on an international character) is so inexorable that they have neither time nor strength for projects that are not quite business, and the results of which are at best uncertain.

The conduct of the employers in the recent coal strike has gone far to convert thousands of hard-headed men to the necessity of some form of compulsory arbitration to supplement what voluntary arbitration can effect. At the point where the helplessness of the voluntary principle grows clear, the public, if once roused, turns to the state.

Yet, one by one, other communities are yielding to New Zealand's example. Victoria adopts it after most critical examination. Sir Edmund Barton, recently in this country, says, " I think that we in Australia are very much in advance of your country in the matter of dealing with industrial conditions. By the terms of our arbitration law great strikes are made practically impossible. Arbitration is compulsory . . . and since the enactment of this compulsory arbitration law, strikes in New South Wales are unknown."

Even if we are driven to this, the same perplexity rises as in the case of trade-union incorporation; the suspicion of the trade union already shows itself in opposition.

The trade union in New Zealand is not afraid of the government or of the courts. Our own trade

unions are suspicious of the courts, and will not trust their verdicts in arbitration cases.¹

If, then, it is "a fight and is likely to remain so"; if the great forces of capitalism are to be so used as to defeat the complete organization of labor along lines that capital is taking for its own protection; if the devices of applied profit sharing, stock distribution, and arbitration are to be narrowed to the exceptional and less important instances, must we in the last resort trust to the educated magnanimity of the rich?

The Le Play societies in France, as well as the brilliant group of English positivists, have urged this remedy for a generation, "the moralization of the employer." The masses, they tell us, are too difficult to manage, therefore concentrate upon the employer. Teach him that he is a trustee of public as well as of private interests. There is great nobility in this teaching, and signs are everywhere that individual magnates are responding to this public expectation. Hospitals, colleges, libraries, largesses of all sorts, add rare distinction to our age.

Two observations must however be made. (1) If one go to that list, which all have seen, of four thousand multi-millionaires whose combined possessions are believed to be beyond sixteen thousand millions, it will be found that a startlingly small minority has apparently ever heard of this fair gospel of public trusteeship. In many other cases of princely grants to public objects, it is certain that, at most, but a part

¹ In a copy of the *National Labor Tribune* I find these words, "Compulsory arbitration is a dream of fools when it is not a pawn of knaves."

of the yearly income has been parted with. (2) The other observation, weightier still, is that no possible munificence in public donations affects or has any relation to the sources of trouble in which the social question has its origin. We suffer for want of a wise and patient organization between employer and employed by means of which labor shall have the same rights as capital. The managers tell us that free competition is their ruin. They must have federated organizations to protect them from capricious and unmanageable cutting of prices. Economist and business man alike admit upon the whole the justice of the claim. But if the facts of the labor market are really faced, the immensity of our immigration choking the avenues of unskilled labor, who can deny that competition among laborers may be turned against them with the same killing effect as that under which capital suffers? Labor's need of some conscious control of competition is in every point as true and as easily justified as that of capital. For this the trade union stands. The man who defeats this right with one hand, while he builds with the other a public institution, does not render the service for which our need is most urgent. We are glad of his charity and good will; we should rejoice far more, if he were to recognize among his helpers every right of combination which he himself claims, and give of his superior strength to make the complete organization effective.

It is the writer's belief that, for reasons already given, efficient and regulative legislation will be too long defeated by competing local interests and by consequent political timidities. If, then, we are to

expect so little from the other remedies noted; if these failures are likely to be the occasion, and even the instigator, of an unceasing social unrest, to what hopes can we look? It is here assumed that the unrest will become more consciously and more definitely socialistic. Socialism will become an influence among us that will compel much more than dilettante curiosity and academic discussion. Whether its increase is to bring us blessings or curses turns largely upon the spirit in which it is met. No strong people will yield to it without a long and desperate struggle. But with what weapons shall the conflict be waged? It is the writer's chief hope in these studies to show that every claim of socialism may be challenged and opposed in ways that are not only free from danger, but are in their very nature educational and fortifying at the very points where our citizenship is weakest. For the first time in history it is possible to subject socialistic experiments to the tests of experience. Toward the close of the nineteenth century something like a final judgment had been passed upon the socialism of the Utopias. None more than the abler socialists now condemn the "dream excursion" of the separate colony.

During the last twenty years, experience has been accumulating which enables one to reach another and still more important judgment about collectivist ideals. At least seven countries have now entered upon a conflict with those whose propaganda is to substitute the collective ownership of the means of production for private ownership. In every instance where socialists have been given or have won for themselves specific and continuous responsibilities,

some remarkable results are now clearly observable. It is with these, and with conclusions based upon them, that the final chapters on Socialism deal.

But every radical change that socialistic reorganization implies, cannot be understood apart from its relation to certain questions of fact and of speculation. These will therefore first claim our attention.