CHAPTER X.

ARE TRADES UNIONS A MENACE TO BUSINESS?

One of Detroit's business men suggested to me that investigation might show that the majority of failures in manufacturing industries were due to the exactions of trades unions. The trades, he thought, were driving employers to the wall by insisting on a rate of payment for work which the businesses did not safely permit, and that in consequence many a concern lasted only so long as there was sufficient capital to supply this demand between what the goods sold for on the market, and what was paid as wages.

If this supposition is correct, it is certain that no manufacturing concern can permanently exist. It would not be a hard matter for a mathematician, or a bookkeeper, to sit down and figure the probable life of about every corporation in the United States—for all employ more or less union labor—had he before him the cost of manufacturing the goods, the wages paid and the capital employed. The little concern would expire first, of course, as in fact in the face of competition they generally do, and with the loss account continuous, a capital of a million would have a finish as certainly as one of a thousand.

Are the trades unions of the country asking exorbitant wages? Have they become so strong that employers cannot withstand their exactions? Are the members of these labor organizations gradually eating up, in the form of wages, the capital of the country? To answer these questions fully would demand an investigation into industrial conditions that no one person could make. It would have to be engineered by the general government, and even then it is doubtful if any

series of inquisitorial questions that could be devised would bring out all the truth.

From time to time both the United States government and the different states have issued statistics relating to the condition of trade and commerce, the wages paid, the membership of labor organizations, and the social environments of the people, and from these it is not so difficult to gather some general information that helps to throw light on the subject. Take, for example, the strength of the labor movement in the United States. All told, the organized workers do not exceed 1,500,000 out of say, 35,000,000 people who work for a living. If the tail wags the dog, then these 1,500,000 union men and women dictate to the other 33,500,000 what they shall get, and to the relatively insignificant number of employers what they shall pay.

As most of the organized workers are employed in manufacturing, and transportation, which is only a branch of manufacturing, it might be thought that it was hardly fair to take for comparison all of those in the country who work for a living. Perhaps this is so, yet if only those employed in industrial pursuits are counted, there is still a discrepancy of something like 9,000,000 between the total number employed and the total number organized into labor unions. It does not seem possible, then, that the unions are able to dictate to employers such a wage rate as to imperil the capital involved.

In Detroit there are probably about 11,000 men and women organized, yet there are probably 60,000 employed in trade and commerce. A third of the 11,000 are in the building trades or closely allied thereto. The great mass of wage-workers of Detroit have never seen the inside of a trades or labor union hall, and probably the majority of them do not wish to join a labor organization. There are something over sixty unions with charters, so that the occupations organized cover

nearly all the large and many minor activities of the city.

Are the wages exacted by trades unions exorbitant? That, too, is a matter of statistics, as well as the meaning put upon the word "exorbitant." Certainly any wages paid above what a man's products will sell for in the market are too high. If in open competition the goods that absorbed $1.10 in wages will bring only $1, the wage is above its true value. But to arrive at this it is not safe to take isolated cases. It is doubtless true that some businesses are run at a loss, the deficit being made up from other sources. It is true, also, that in the same business are concerns making large profits. Yet that is not saying that the wage-workers are not being paid their full value as wealth producers. The average regulates such matters.

According to the report of Michigan's factory inspectors, the average wages paid in this state in 1899 was $1.39 a day. That also includes the cost of superintendence. Surely that does not sound exorbitant. One firm in Detroit employing 500 persons reported an average of forty-one cents a day! Another, also in that city, with 758 names on the pay-roll, reported paying an average of seventy-seven cents a day. The employes of a knitting mill averaged forty-seven cents a day. Of course most of those employed in the above places were women and children. If trades employing exclusively men are looked into, the showing is somewhat better. The employers paid on an average between $1 to $2 a day.

In the unorganized shops the wages are slightly below those in industries having labor unions. Yet the difference is not very great. A prominent clothing firm, employing none but union labor, gets the services of those employed for an average of eighty-eight cents a day, and the pay of the men in one of the stove works, where labor is exceptionally well organized, averages only $1.39 a day, while a car company, generally supposed to employ unorganized and cheap labor, aver-

ages $1.41. In fact in only one organized trade in Detroit do the majority of employers pay an average of over $2 a day. That is among the printers. One newspaper averages as high as $3.03, yet the job offices as a rule fall below the $2 mark. Whether the trades are organized or unorganized, few manufacturing plants of any considerable size pay more than the average, as shown by the state factory inspector's report. Is $1.39 a day more than sufficient on which to live, love and be happy? Will it bring ruin to the employers?

Are the unions eating up the capital of the country? Every census report ever issued by the United States government shows a remarkable increase in the per capita wealth of the nation. If wealth has increased, that portion devoted to capital must have increased also. There could not have been an increase in one and a decrease in the other. In 1884 the capital invested in industrial establishments in Michigan was reported at $178,841,724; in 1894 it was $252,256,205. That does not look like ruin.

I do not think high wages in any industry are a menace to large manufacturers. Indeed, they are a bulwark against competition. The larger capital it takes to establish a plant, the fewer there are that can go into it. That of itself will stiffen prices. It is harder for a small concern to get a foothold, and in the effort it is doubtless true that many are swamped by the first financial cloud-burst that deluges the industrial world. Banks withdraw credits, collections are slow, and the inevitable happens. But this occurs in industries employing non-union help as well as in those where the "shop committee" is recognized, and differences are settled by arbitration.

There is no doubt the trades unions have a stiffening effect upon the rate of wages paid. It is also true that those who belong to labor organizations are somewhat above the average in efficiency and intelligence to those who do not see the necessity of belonging to an asso-

ciation of their craft. Discontent is the mother of progress, it is said, and surely the worker with no mind of his own as to the value of his services is, as a rule, not nearly so efficient as one who strives to do his best in order to get a greater wage. Yet, while all this is self-evident, it is equally true that no trade, no matter how well organized, can for any great length of time command a wage above the average of other industries. The higher pay will attract a larger number of workers, and no matter how strict apprentice laws may be, some way will be found to get in and demand a share of the spoils. Sometimes a union in the height of its prosperity will suddenly go to pieces from this cause, and in due time a lower rate of pay becomes an established fact.

It is wisdom to lay some of the blame for business failures to our system of planless production, in which neither the capacities of the people to pay for what they can consume, nor their desires, are sufficiently worked out. When concerns manufacture goods that are not wanted at any price—and this is continually going on—it is no wonder that the record of failures deal with large figures. In the very nature of things it could not be otherwise. A good drummer can make a merchant buy almost anything, but the merchant cannot so easily persuade the public to invest.

The greatest obstacle to success in manufacturing, however, as well as in other callings, is the monopoly of land, for it is on this monopoly that all others rest. Take away the power to hold land out of use, and it would be a very poorly managed concern, indeed, that could not at least exist amid the impetus given to the production of wealth. Not that this would miraculously endow employers and employed with the wisdom of a Solomon; still, it would widen the gap between success and failure. While the more progressive and intelligent would go ahead in leaps and bounds, even the stupid could manage to make both ends meet.

So long as present conditions continue, the trades union will persist. So long as the monopoly of land is allowed, the country will experience industrial crises, and manufacturing concerns will fall with every wave of financial distrust. It is wisdom, in my opinion, for both wage-workers and wage payers to come together and see if by concerted action the real enemy to both cannot be throttled by the wise administration of a little of the single tax.

ORGANIZED LABOR AND SOCIETY.

Wherein has organized labor benefited society? I think in the elevation of morals and the exaltation of the home. The pillars of true society are anchored to the brain and brawn of the workers of the age. Upon men who earn their bread in the sweat of their brow must society depend in all ages for its preservation.

Organized labor has been a benediction upon the humble homes of the toiling masses in all ages, enlarging their comforts, widening their intelligence, confirming their morals and upbuilding their sacred ties.

Organized labor has advanced wages and shortened the work-day not only for its supporters but for the non-supporters, its competitors in the labor market, that all workers may have respite from toil to improve their minds and cultivate the graces of social intercourse.

Organized labor has broadened the great doctrine of universal brotherhood, that an injury to one is the concern of all. It has succored the oppressed, girded the loins of the weak and helped right to overthrow might in contests for simple justice. It has brightened the homes of millions by its self-invited contributions to relieve the sick and feed the hungry. It has erected homes for its weak and superannuated communicants. It has endowed hospitals, built churches, contributed to eleemosynary institutions and scattered with prodigal hands those seeds of kindness which, taken root, afford shelter and rest to the weary and heavy laden. Its principles are grounded in sympathy, its aims are benevolent, its ideals are illumined by the over-shadowing nimbus of eternal justice. If it err in choice of agencies, or weapons to carry forward its campaign for the amelioration of its oppressed, that charity which thinketh no evil, should shield it from carping criticism and vindictive denunciation.—*Frederick F. Ingram.*