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The Failure of Industrial Strikes

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WE HEAR MUCH during a war about the imponderables that confound the imagination of politicians and soldiers—the unfathomable problems that arise day by day, which affect the plans and strategy of the contending forces. These disturbing factors are regarded as emanations that come in the ebb and flow of war. But so far no one seems to have considered that the imponderables of peace might easily thwart every aim for which we were supposed to be fighting.

When the first World War came to a close, the victorious Allies soon discovered that they were in no way prepared for the peace. In both Great Britain and the United States, to look no farther afield, there appeared grave problems that have not yet been resolved in either country. These affected the condition of labor everywhere. The internal trade, the foreign commerce, and the finance have not yet recovered from the impact of converting peacetime industrial functions to those of warlike preparations and the production of munitions. In this process the dislocation of labor was to be reckoned as an imponderable which would sorely trouble the minds of legislators and labor leaders. Moreover, the sudden change from prosecuting a war to returning to peacetime

pursuits created difficulties which only time itself could resolve. One remarkable feature most noticeable to the keen investigator after the last war was a disinclination on the part of great sections of labor, which had been drafted into the munitions factories to return to work of any kind. This complicated the matter of reconversion and the starting of new industries. Let these instances be sufficient for our present purpose to remind us that the situation today is far worse than it was at the end of World War I.

I

LITTLE OR NO REFERENCE has been made to the crisis through which Great Britain is now passing. Recently Emanuel Shinwell, Minister of Fuel and Power, warned the people of the parlous state in the coal-mining industry. He presented figures showing that there was a disinclination on the part of the miners to return to work, and that the production of coal was falling lower and lower. Reports from Great Britain also indicate that absenteeism is a practice indulged in by armies of men who are war-weary. When we learn that the midweek soccer-football games have been abandoned because they were considered an attraction which fostered absenteeism, the gravity of this feature may be appreciated by those who know the working classes of Great Britain and their desire for sport. These midweek games in the years past were a relief enjoyed by hundreds of thousands of laboring men.

Whether the stoppage of the games will do much to overcome absenteeism is doubted, for war-weariness is something that cannot be cured by merely depriving one afflicted with it of his relaxation and enjoyment of sports. For the ailment is the result of the tension and pace under which he has labored in the prosecution of a war for patriotic purposes—purposes which to him terminate when peace is declared.

In one of the reports from a mining district a newspaper records a conversation between the journalist and a miner: "I'll lay off for a bit for I've saved a few pounds, and I've had no whippet racing for nigh on six years." The statement expresses clearly the thought of many of the men.

In this country war-weariness was most noticeable in many branches of industry long before the war came to an end. The government had to threaten and, in some cases, take over plants where strikes were imminent and the output of necessary munitions might be gravely affected. People had been working at the top of their bent and, when the strain began to tell upon them, they naturally desired a rest. The evidence of war-weariness here was patent in the autumn of 1944. At that time preparations should have been made for the period when the munitions plants would shut down and re-conversion to peacetime production be begun—preparations based on the idea not only of retaining those who had labored during the war in the factories but also of absorbing as many of the discharged men as possible. However, nothing was done, and the situation that faces us today is to some extent due to the neglect of government to learn from the past and prepare for the future.

II

TO WHAT EXTENT we in the United States can attribute the widespread strikes which have afflicted us in recent months to war-weariness cannot be estimated as simply as the British Government has done. It has been pointed out that the workers in this country have been able to save from war wages far more than the British worker. Whether the trade unionist here is in a better financial position to strike or not makes little difference in the matter of trying to understand the situation because there are elements at work here which do not exist in Great Britain. There, labor has the govern-

ment it desires. Here, the situation is quite different, for there is no great political party representative of labor. It is true that the old policy of Samuel Gompers has been threatened with destruction for many years. Whereas he maintained that the workers could do better by forcing their demands through trade unions and abstaining from participation in political organizations, today we find that there are many different parties opposed to the two old ones, contending for political power, not only in local areas but in national affairs also.

We hear much about the Communist party within the ranks of labor. How many Socialist parties there are it is hard to tell. Their strength as political antagonists against the present rule can only be guessed by the effective work they do as lobbyists in Washington.

Therefore, the conditions here are quite dissimilar to those in Great Britain.

According to a *New York Times* summary of the preliminary estimates of the Bureau of Labor Statistics of the number of workers involved in work stoppage during January, 1946, we learn:

The number of workers involved in the 325 strikes in January, 1946, was 1,400,000 as compared with 46,000 workers involved in 235 strikes in January, 1945. The man-days of idleness in January, 1946, were 19,200,000 as compared with 184,000 in January, 1945.¹

III

THE ISSUES, as they are placed before us by labor leaders and politicians, are concerned with (1) a decent living wage; (2) the American way of life; (3) the representation of labor in industry; and (4) special privileges with regard to the direction, management, and political power of the unions. These issues which are thrust before us from time to time, however, are only part of the strategy of the two great

¹ March 1, 1946, p. 2.

unionized bodies of the workers. There is a bitter struggle taking place between the two foremost ones, and this last feature of the strikes is assuming an importance which only a few realized a month or two ago. It is unnecessary at this time to deal with issues (3) and (4) because they are questions which must be determined one way or the other, strike or no strike.

For several weeks the headlines in the newspapers reporting upon the strike areas have directed the reader's attention to the demand for higher wages. Day after day when we opened our papers the first thing that caught our eye most likely was the figure 18½ cents. Such was the basis upon which the demand for higher wages stood at the end of long and acrimonious dispute. This was a compromise, for some of the demands began at a 30 per cent increase.

It was in the nature of things that the directors of the companies under the restrictions of the Office of Price Administration, in turn, should ask permission to raise the prices of their products. In two or three cases the government consented to lift the ceilings so that the manufacturers might recoup some of the losses entailed by the rise in wages. Although it was pointed out that the country stood in danger of a rapid inflationary trend that might cause havoc, concessions were made in this direction by those who said they feared inflation most. The contradictory policies were accepted because something had to be done to get the men back to work and produce the supplies the people had been denied for four years.

It is a strange way to attempt to raise wages by increasing the cost of living. Surely it must be plain to the lowest-paid laborer that if the products that are necessary for the maintenance of the American way of life cost more, the purchasing power of the dollar falls. When his wife buys the commodities for stocking the larder for the week, it is small

consolation for her to learn that the rise in nominal wage he receives after the strike buys little more than formerly. However, so long as consumers are not economically minded, this stupid game will be played. The time was when women reckoned wages in the amount of necessities they carried home in the market basket. Indeed, I remember when the weight of the market basket was the index of purchasing power. It still is, but unfortunately the purchasers do not know it.

No one seems to understand this better than the labor leaders themselves, for if anyone is curious enough to find information on this point it can be read in the testimony given before Congress. When Philip Murray, President of the Congress of Industrial Organizations gave evidence before the Senate subcommittee on wartime health, he revealed a state of affairs in the iron and steel industry, concerning the wage of the workers and their expenditure upon living, which shocked his hearers. He took the case of a man who received \$817 during the three-months' period under review and spent \$893. In his testimony I find the following:

There are no extravagancies in this report, no indication of inflationary spending; this fellow worked 48 hours a week over a 3-months period and at the end of it found himself about \$75 in the hole. He is one of the higher-priced fellows in the steel industry.

There were many other cases presented in the evidence given before the Senate subcommittee. No one seemed to think it was worth while to remind Mr. Murray that the strikes that have taken place in the iron and steel industry, no matter what the increase has been in nominal wage, have not raised the purchasing power or enabled the worker's family to enjoy the fullness of the American way of life.

IV

ONE FACT STANDS OUT in all its cruel blatancy: each new strike is an indication of the failure of its predecessor; that

is, so far as an increase in *real* wage is concerned. True, strikes have brought about improved conditions in the factories and shorter hours, but so far as bettering the economic position of the worker and his family, strikes have been a signal failure. So long as man has no alternative and hunger drives him into the labor market, he will be the victim of the economic conditions that he maintains, whether he knows it or not.

It is not peculiar that the man striking for higher nominal wage should overlook the fact that he is a consumer. His present need is the dominant which actuates him. If he cannot make both ends meet, he is obliged to adopt the only course that seems to lie immediately open to him. In the main, he considers if the strike ends in an increase in nominal wage he has remedied his condition. But prices mount and the whole body of consumers is affected to such an extent that within a few months complaints are heard of the rise in the cost of living and that the time has come for another strike. It is not realized that when wage loses its purchasing power there is less demand for commodities and, hence, less demand for labor. So the vicious circle is persisted in year after year, generation after generation. Here and in Great Britain strike as a method of raising *real* wage has not yet scored one success since the low-tariff days.

How long this state of affairs will continue depends entirely upon the men themselves, as consumers, not merely as members of a trade union. The consumers form a body that has one specific aim: to purchase their requirements in the best and cheapest market. They want as much for their money as they can obtain. No one likes to pay more for a commodity than it is worth. The working men with whom I am familiar patronize the stores where they find the commodities they desire at prices that fit their budgets. The well-to-do, who patronize the shops where they get the best

goods at the highest prices, could not keep industry moving for a week on the purchases that they make. Industry—all the way from the primary one of agriculture up the pyramid to those pursuits which supply a little added comfort to the middle-class home—is kept moving by the tens of millions of people whose wage is below five thousand dollars a year. Here we find the great mass of consumers who keep the farms and factories supplying their needs. Once this body suffers from a reduction of purchasing power, the whole economic structure, including the richest classes, is affected.

V

IS THERE NO WAY OUT of this preposterous labyrinth, which seems to lead nowhere? Is the conflict solely one between labor and capital? In these disputes have we not overlooked a factor which is the main cause of our woe? No labor leader seems to have the wit to deal with the iniquity of the cost of government and its effect upon the wage question. One has only to look at the official figures of the national debt to realize that both labor and capital are supporting a system which threatens to tax industry out of existence. No labor leader has suggested in any of the investigations that I have read about in the reports of Congress that, if government would do what was done after the last war—reduce debt, balance the budget, get rid of the parasitic bureaucrats, and restore normal conditions—the gain to labor would be immeasurable (if another war were not begun). Government can get its revenue only from one source—from the wealth produced by labor and capital. There is no El Dorado in the backyards of politicians in Washington. They toil not, neither do they spin, neither do they delve nor plant.

Moreover, it is not only a matter of the taxes that are taken from labor and capital; it is the power used by the parasites to hamper production by restrictive laws and to interfere

with the processes of production. Unfortunately, neither business men nor trade unionists take seats in the House of Representatives or in the Senate. A man of commercial affairs would be a *rara avis* there. Our Congress is a body of lawyers, many of whom, as Burke Cochran said, "find an easier living there than waiting in an office in the home town for a client to bring in a case."

Perhaps it is too much to hope that labor leaders will return to the real crux of the matter and advocate a fundamental change in the fiscal system. There was a time in this country and in Great Britain when labor leaders were for the most part old-fashioned Radicals who believed that there would be no change for the better until man had an alternative to entering the labor market. They realized that a fiscal system which taxed wealth was inimical to the interests of the producers. That time disappeared after the last war.

Here in this country the interest in fundamental economics was lost when McKinley was elected on a high-tariff program. It is a sad exercise for those who remember the McKinley-Bryan fight to read the promises made to the electors by the protectionists and then regard the extraordinary problems that prevail today. All the rosy hopes of a full dinner pail, of ideal conditions for the laboring man, of a high standard of living and a smooth path through the American way of life sound now like so much mockery. And, yet, there are millions of people in the country who imagine that if they can get more and more of the evils that afflict us, something good will come of it.

How is the problem to be solved? The answer to this question has been given over and over again, but little progress has been made in the direction that has been suggested. "Make labor scarce!" was the old cry, and as far back as the middle of the last century, the workers of Great Britain were quick to realize what Cobden meant when, in the House of

Commons, he said: "The labor question? Its solution? That is simple. It amounts to this: *two men for one job, low wage; two jobs for one man, high wage.*" What Cobden did for the removal of the iniquitous Corn Laws, he advised his successors to do for the removal of the fiscal system which had for its main purpose the taxation of wealth.

VI

THERE IS ANOTHER MATTER that is worth consideration at this time (indeed, at any time), and it touches directly the spiritual stagnation into which the laboring classes have fallen. How is it to be expected, in the distressing complications of commercial, industrial, and financial affairs which afflict us, that there is any probability of change unless men give their minds to the study of these problems? As a young man I grew up in the period when the only attractions for the laboring man were night schools, literary and debating societies, and lectures. There was then a desire to know, and I think that political sagacity was at its highest. If anyone should doubt this, I would suggest that he read the political pamphlets published during the first three quarters of the nineteenth century, and ask himself if the laboring classes of today, after all the expenditure on education, are capable not only of understanding the subject matter, but even of evincing an interest in what they read.

Think of the men of that period who spoke to the masses! They were the leaders in science, politics, religion, and art, and their addresses to the working men are models of literary perfection. Small wonder, then, that the heavy impositions of the Hanoverian dynasty were removed from the backs of the workers. No wonder a laboring man could sit at a breakfast table free of tariff duties! Still, he was far from the threshold of a Utopia. But most of them knew how far they had yet to go to reach it. Alas, war destroyed all chance of

his progress toward his goal, and now the prospect is black indeed.

What other solution is there? Has anybody ever thought of one? Has any politician of our time suggested a course to be pursued that would enable the toiler to enjoy the product he produces? Perhaps this is asking too much, but putting it on a very different scale—is there a politician in all the west who has an idea to offer that is worth a moment's consideration? Does this mean that conditions are hopeless, that the burden of woe must be borne until the backs of the workers break? It would seem so, for strike without knowing the reasons that make it seem necessary, without knowing how to benefit by it, seems the settled policy of labor unions. Not until men understand wherefore they strike and what should be remedied by their action will they be free to enjoy the fullness of their labor.

New York