The Strike in a Laissez-Faire Society

A Libertarian View of Labor's Ultimate Strategy

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I

The Strike: Theoretical Observations

Over the past several decades, organized labor in the United States has more and more come to reject the voluntaristic approach epitomized (although not consistently) by Samuel Gompers, chiefly because of the conviction that the cards are stacked against the union in an economic milieu not ordered by the State. Despite the demand for free collective bargaining, little faith in its efficacy has been displayed. Instead, labor has increasingly mobilized politically to bring about positive legislation regarded as favorable to its interests.

Apologists for this phenomenon cite numerous historical examples to justify their argument that labor was hopelessly outmatched so long as it confined itself to purely economic techniques to gain its ends. The failure of most important American strikes in the years prior to the passage of the Wagner Act would seem, superficially, to validate this contention. Yet what is often overlooked is the fact that these strikes did not occur in a context of laissez-faire. They were not, for the most part, broken because of any natural superiority of strength on the part of capital. They were mainly broken because of government intervention which made for a pattern of artificial inequality; especially by the use of the injunction for purposes other than the protection of personal freedom, property rights, and the public peace.1 The Wagner Act merely reversed the tables, substituting one kind of favoritism for another. While this may have been in a sense temporarily justified in order to "even things up," such justification has long since vanished. The Taft-Hartley Law represents a slightly more equitable balance within the structure of intervention, but the justice and necessity of intervention remain unquestioned. Laissez-faire has this, if nothing else, in common with Christianity: both are widely believed to have failed; actually, neither has been given a real try.

Would organized labor really be impotent if laissez-faire prevailed? In attempting to answer this question, I begin with a double premise the truth of which many libertarians are reluctant to concede, namely, that

1 See numerous cases cited in Felix Frankfurter and Nathan Greene, The Labor Injunction (New York: Macmillan, 1930), passim.
collective bargaining and the strike are not, in essence, incompatible with a voluntaristic society. I shall therefore discuss this premise before proceeding to the question proper.

In order to forestall misunderstanding, it might be well for me to emphasize that nothing in this essay should be construed as assuming that the interests of labor and of capital need be viewed as antithetical. What Marxists call the class struggle really is simply a reflection of the all-too-frequent failure of both elements to perceive their mutuality of interest: the failure of workers to realize that capital is but "stored-up labor," the failure of management to realize that it is actually labor which hires capital, and the failure of both to realize that were it not for monopolies traceable to government there would be a larger economic pie for them to share between them. Properly understood, neither the free labor market nor any other free market can be an arena for the clash of interests, for a market is by definition a mechanism whereby areas of reciprocal satisfaction are discovered and given contractual expression. While such expression may not be wholly acceptable to each party to an agreement, it constitutes that which is mutually acceptable within a framework of supply and demand. The free market is thus the only mechanism for the exchange of goods and services which is appropriate to free men who respect one another's freedom.

No doubt the foregoing will appear naive to one who has considered that the parties to an exchange not infrequently include vast corporate entities possessing the advantages of pooled resources and sophisticated organization. The superior bargaining position engendered by these advantages creates a presumptive disparity of satisfaction in favor of corporate entities within the area of mutual agreement arrived at when they contract with isolated individuals. Capital, if corporate, can generally be the more readily withheld from those unwilling to hire it on its own terms. In other words, the corporate entity has a greater market leverage due to its superior ability to control supply. Therefore labor may find it necessary to become corporate also, so as to achieve an equality of bargaining power by a capacity for effective refusal to employ capital except on terms more agreeable to itself. The "higgling of the market" is not obstructed by such factors; it has simply become on both sides a higgling between individuals in combination rather than in isolation.

One way of defining a strike is as the concerted withdrawal of demand for capital, used as a bargaining lever by labor. The collective cessation of work, when it does not occur in violation of contractual agreements honored by the other side, constitutes a perfectly natural and legitimate
labor strategy. From a libertarian standpoint, the use of political means (which inevitably imply ultimate physical coercion) for the attainment of labor's economic objectives is actually nothing other than a subtle (and sometimes not-so-subtle) mode of armed robbery, a predatory interference with the market, an abuse of the police power to implement privilege at the expense of the principle of voluntary contract. The same cannot be said of the strike, which is, at least in theory, merely the organized refusal to employ capital, or, from another frame of reference, the organized withholding by the workers of their labor, a commodity which indubitably belongs to them. In short, the right to strike is an aspect of the right to private property.

II

Coercion and the Right to Strike

When I speak of the strike as a legitimate instrument, and of the right to strike as an aspect of the right to private property, I assume, of course, that it is peaceful. Legitimacy does not obtain where workers who decline to strike are physically intimidated, where customers are subjected to harassment, where private property is usurped as in a sit-down, or where the strikers resort to sabotage.

V. Orval Watts insists that a successful strike without coercion is like a two-headed cow. One can't say it never happened. One hears of strikes that begin peacefully, just as one hears or reads now and then of a two-headed calf. But the rule is that a calf or cow has one head, and that a strike is won only by some use of violence and intimidation . . .

He quotes a famous Harvard economist of past years (not specified but probably Thomas Nixon Carver), as having told a group of graduate students:

I never knew a case in which strikers won their demands without use or threat of violence in one or more of the following ways: to force workers to join the union beforehand, to force them out in strike or to keep them on strike, to keep the employer from hiring strikebreakers, or to scare off his customers.

Watts points out that this violence often takes such forms that the public

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2 While the laborer is himself, of course, no commodity, labor is the commodity par excellence, notwithstanding the wording of the Clayton Act. (Section 6. See ibid., pp. 9–10). Were this not so, the proletarian would truly be a pauper, for he would have nothing whatsoever to exchange. See Ludwig von Mises, Human Action (New Haven: Yale University Press, 1949), p. 629.


is not aware of it—injurious and destructive acts which cannot be proved to be other than accidental, threats which are not resisted and therefore never come to light, use of the police power to maintain "order" by forcing management to accede to union demands or by stripping it of any means of counter-pressure.

That these lamentable practices not infrequently characterize strikes cannot be denied. But that coercion is a normative aspect of the victorious strike is a contention which lies outside the realm of conclusive empirical demonstration, for (1) coercion cannot be assumed merely because it often exists in forms for which no concrete evidence can be adduced, and (2) as Watts himself admits, "there is no way to isolate definitely or precisely the effects of coercive unionism from the effects of voluntary unionism." Even if it could be shown that some physical intimidation accompanies virtually all strikes, this would be a long way from proving that their successful outcome depends upon it.

It is true that wherever labor supply exceeds demand, the market creates the presumption that a successful strike cannot be waged without coercion, for strikers must resort to force to insure that the jobs they vacate are not filled by others who are willing to accept work on inferior terms. But where labor is in short supply, the opposite presumption holds. Of course, it might be said that when this is the case there is no need to strike, for management will voluntarily provide adequate inducements to attract workers and persuade them to stay on the job. Yet management collusion may temporarly keep inducements artificially low, although such collusion cannot be long sustained. And management may be tardy in comprehending the limits of the available supply of labor, and hence remiss in providing satisfactory inducements until given strong evidence of the necessity for so doing. |Thus where demand for labor exceeds supply, a strike may be a peaceful yet potent instrument which militates against delay in the optimum effectuation of labor's favorable position in the market. |

The right to private property, it must be noted, belongs to the capitalist as well as to the worker. This raises grave questions as to the equity of restrictions pertaining to business monopoly resulting solely from size or mutual agreement (as distinguished from monopoly created and/or given special protection by government), not to mention legislation prohibiting the lockout, the blacklist, the "yellow dog contract," and like devices formerly used by capital in circumstances of industrial conflict. As long as capital is forbidden to combine in restraint of trade, common justice de-
mands that similar combination on the part of labor be forbidden too. That business monopoly based solely upon combination be subjected to legal strictures from which labor monopoly so based is expressly exempted, obviously contradicts the ideal of equality before the law.

Strictly speaking, the empirical consequences of monopoly lie outside the purview of libertarian ethics, which are concerned only with the question of whether or not a given monopoly is coercively grounded and/or maintained. In this connection, however, it may be apposite to stress a point to which I have already alluded briefly, namely, the inability of monopoly to sustain itself when grounded exclusively upon agreement. Sooner or later, if demand be great enough, some party to the agreement will see a greater opportunity for profit by meeting the demand competitively, or someone not included in the agreement will enter the market by producing a competitive supply. If they are bought off or brought into the agreement, others will arise to take their place. The market itself will regulate artificial monopoly in a state of laissez-faire. Nor can possession of a natural monopoly, however gained, be secured for any length of time without political assistance. One need only turn to Gustavus Myers' History of the Great American Fortunes to perceive that monopolistic concentration of wealth may almost invariably be laid at the door of government intervention, not of laissez-faire. In an incisive, privately-distributed analysis of this influential book, Edmund A. Opitz demonstrates that every evil its Socialist author deplores is due to a misapplication of government power in the form of special privileges such as franchises, land grants, exclusive banking rights, tariff advantages, and the like.

The continuous intervention of political power in the market place to enrich some at the expense of others is referred to scores of times in the book, but Myers does not assess this political activity for what it is worth. Those who thus misuse political power, Myers calls "capitalists." Actually, the context indicates that when he uses the word 'capitalist' he means 'plunderer.' If one goes through the book substituting the word 'plunderer' for the word 'capitalist' wherever the latter occurs, the book is a fascinating account of the looting which took place on this continent with the active or passive connivance of government.

Karl Marx's treatment of the Enclosure Movement toward the end of Capital may be similarly analyzed. In fact, the Marxist indictment of

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7 Edmund A. Opitz, private memorandum, 1953.
8 Karl Marx, Capital (Chicago: Charles H. Kerr, 1906), Part VIII, Chaps. 27, 28.
laissez-faire is a logical absurdity in the light of Marx’s doctrine of the State as an instrument of class oppression.

III

The General Strike: Empirical Analysis

In 1961, in order to be able to assess inductively the claim that labor is powerless to attain its ends without political assistance, I made a detailed study of the history of the general strike. The general strike was chosen because it is labor’s most ultimate and total means of pressure, and at the same time, the most difficult to wield successfully. If it can be shown to have been used effectively even in a relatively few instances, the argument is refuted that organized labor’s aims cannot be met without the aid of political intervention. This is to assume, of course, that where no clear evidence to the contrary exists, physical coercion is not the decisive causal factor in a strike’s success.\(^9\)

Although my inquiry doubtless fell short of being exhaustive, it did try to take account of every recorded general strike from that led by Richard Pilling in England in 1842 to that directed against President Balaguer in the Dominican Republic in 1961. As one might expect, many of the cases were complex, involving multiple causes and results, the latter occasionally contradictory. Furthermore, the available data were often sketchy. Hence, in classifying a given strike, despite my conscious effort to avoid arbitrary judgments, I may have sometimes erred in the weight which I assigned to various factors. Nonetheless, while I certainly do not claim infallibility for my conclusions, I feel that they are broadly accurate and cumulatively significant.

Wilfred H. Crook suggests what I consider a good working definition of a general strike: its essential test is that it be aimed at “the complete or near paralysis of the economic life of the community, whether a city or nation, in order to achieve certain ends desired by the strikers.”\(^10\) Following “Mermeix” (Gabriel Terrail), he distinguishes between the economic general strike, which seeks to redress specific economic grievances,

\(^9\) My study was in part based on Wilfred H. Crook’s massive volume, *The General Strike: Labor’s Tragic Weapon* (Chapel Hill: University of North Carolina Press, 1931), the definitive history of the subject through 1931. Just as I was preparing to submit my monograph for publication, I was chagrined to discover that much of the original research which it embodied had been rendered supersitious by the appearance the previous year of a new book by Crook, who after a lapse of almost three decades had again addressed his attention to the topic in question, bringing his survey up to date with the aid of a grant from the Social Science Research Council. This work was published under the somewhat misleading title, *Communism and the General Strike* (Hamden, Conn.: Shoe String Press, 1960).

\(^10\) Crook, *Communism and the General Strike*, ibid., p. 329.
or bring about advances in industrial life; the political general strike, invoked for some political end such as extension of suffrage, change of ministry, or nullification of a coup; and the revolutionary general strike, which envisages the overturning of the entire politico-economic order.11

Any of these three types may be converted while in process into one of the other two. Although this typology has been criticized as "incomplete and of doubtful value,"12 I do not find the criticism convincing, since the additional categories proposed by the critic (e.g., ethnic and anticolonial strikes) may be roughly subsumed under Crook's tripartite division. It should be noted that many general strikes, especially those classified as political, have not been distinctively working-class in either instigation, participation or objectives, yet this in no sense militates against their usefulness as examples in view of the problem to which my study was directed.

1 Of the 29 general strikes which I evaluated as having been by and large successful, only seven appeared to include violence sufficient to be considered a major factor in their outcome.13 These we may exclude, leaving 22 general strikes adjudged both successful and primarily peaceful. Twelve of these were basically political; eight, economic; and two, revolutionary.14

The various pragmatic arguments by labor against the general strike principle may be summed up under two objections: first, that the strike is bound to fail; and second, that even if it should succeed, its triumph can only be illusory. Speaking at the French Socialist Congress held at Limoges in 1906, Jules Guèsde set forth the latter objection in the following terms:

Trade union action moves within the circle of capitalism without breaking through it. . . . Even when a strike is triumphant, the day after the strike the wage earners remain wage earners and capitalist exploitation continues. . . . Supposing that the strikers were masters of the streets and should seize the factories, would not the factories still remain private property? . . . The owners of the property will have changed, the system of ownership will have remained the same.15

11 Ibid., pp. 7-8.  
13 Russia, January, 1905; Uruguay, 1918; Argentina, 1919; Shanghai, 1925; Cuba, 1933-4; Argentina, 1943; and Venezuela, 1958. 
14 Political: Belgium, 1913; Shanghai, 1919; France, 1934; El Salvador, 1944; Colombia, 1944; Denmark, 1944; Belgium, 1950; Haiti, 1956; Haiti, 1957; Venezuela, 1958; Cuba, 1958; Dominican Republic, 1961. Economic: Sweden, 1902; Cuba, 1943; Lancaster, Pa., 1946; Bolivia, 1950; Iceland, 1952; Calcutta, 1952; Chile, 1955; Finland, 1956. Revolutionary: Russia, November, 1905; Russia, March, 1917. 
What this really amounts to is merely a doctrinal attack upon Syndicalism as incompatible with the goals of orthodox Marxism. In order to regard it as a meaningful assault upon the general strike principle as such, one must first accept the premise that private property is evil and should be abolished.

A charge more comprehensive in its significance is that of Jean Jaurès: If the proletarians take possession of the mine and the factory, it will be a perfectly fictitious ownership. They will be embracing a corpse, for the mines and the factories will be no better than dead bodies while economic circulation is suspended and production is stopped.16 Yet this argument, like the other, is limited in its application, for it too assumes a revolutionary strike. The goals of the economic general strike envisage no expropriation of the industrial machinery, and, if rationally conceived, do not call into question the capitalist’s right to profit on his investment. In this context, therefore, the interests of capital no less than of labor will tend to dictate settlement before the mines and factories are reduced to “corpses.” This is not to deny, of course, that settlement may be often frustrated by factual misconceptions and non-economic motives.

Some commentators maintain that an inner logic necessitates the transformation of an economic general strike into a violent revolutionary one if it is not to end in failure. Zinoviev, then president of the Executive Committee of the Third Internationale, stated the Soviet position in an open letter written in 1920 to the Industrial Workers of the World:

History clearly indicates that the general strike is not enough. The capitalists have arms. . . . Moreover, the capitalists possess stores of food, which enable them to hold out longer than the workers, always on the verge of actual want. The Communists also advocate the general strike, but they add that it must turn into ARMED INSURRECTION.17

Although no partisan of violence, Robert Hunter also argues the impossibility of the peaceful general strike:

While it is true that many Syndicalists believe that the general strike may be solely a peaceable abstention from work, most of them are convinced that such a strike would surely meet with defeat. . . . If “the capitalist class is to be locked out” . . . one must conclude that the workers intend in some manner without the use of public powers to gain control of the tools of production. In any case, in order to achieve any possible success, they will be forced to take the factories, the mines, and the mills and to put the work of production into the hands of the masses. If the State interferes, as it undoubtedly will in the most vigorous manner, the

16 Ibid., p. 270.
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strikers will be forced to fight the State. In other words, the general strike will necessarily become an insurrection. . . .

Yet many a general strike has been waged with no intention of "locking out the capitalist class," or gaining control of the tools of production. And the witness of history, my research suggests, testifies to the substantial success of at least eight essentially peaceful economic general strikes up through the time I made my study: Sweden in 1902, Cuba in 1943, Lancaster, Pa., in 1946, Bolivia in 1950, Iceland in 1952, Calcutta in 1952, Chile in 1955, and Finland in 1956.

IV
The Future of the General Strike

Hunter is unequivocal in his assertion that the revolutionary general strike is bound to fail:

It is urged that labor alone is absolutely necessary to production and that if, in a great general strike, it should cease production, the whole of society would be forced to capitulate. And in theory this seems unassailable, but actually it has no force whatever. In the first place, this economic power does not exist unless the workers are organized and are practically unanimous in their action. Furthermore, the economic position of the workers is one of utter helplessness at the time of a universal strike, in that they cannot feed themselves. As they are the nearest of all classes to starvation, they will be the first to suffer by a stoppage of work. . . . The individual worker has no economic power, nor has the minority, and it may even be questioned if the withdrawal of all the organized workers could bring society to its knees. Multitudes of the small propertied classes, of farmers, of police, of militiamen and of others would immediately rush to the defense of society in the time of such peril. It is only the working classes theoretically conceived of as a conscious unit and as practically unanimous in its revolutionary aims, in its methods, and in its revolt which can be considered as the ultimate economic power of modern society. The day of such a conscious and enlightened solidarity is, however, so far distant that the syndicalism which it is based upon falls of itself into a fantastic dream.

This analysis may be accepted if one apprehends that it applies only to the proletarian revolutionary strike. Unless the 1945 Peronista general strike can be regarded as truly revolutionary, which is a bit questionable, no revolutionary class strike has ever been successful, and the Peronista strikers depended upon physical coercion to an appreciable degree. The Russian revolutionary strikes of October, 1905, and March, 1917, were not class actions but spontaneous national movements which

18 Hunter, op. cit., p. 246.
19 Ibid., pp. 274-75.
cut across class lines. While they did involve some violence, in the light of their broad popular support it can scarcely be regarded as a definitive factor. In 1905, for instance, the “small propertied classes, farmers, police, militiamen,” etc., joined the strike instead of seeking to thwart it. In fact, the mass walkout even extended to judges and other high officials of the Tsar’s bureaucracy. Only the Bolshevik insurrection against Kerensky’s Provisional Government was strictly a class uprising, and it was not primarily a strike.

The political general strike was discussed in a report by the Social Democratic Party of Holland at the Amsterdam Congress of the Second Internationale in 1904: “The political general strike is a dangerous method, but Belgium and Sweden have shown that dangerous is not exactly synonymous with harmful, even when it has no direct result.” Two years later, at the suggestion of Karl Kautsky, the author of this report, Henriette Roland-Holst, wrote an exhaustive treatise on the conditions necessary for the success of the corporative (economic) general strike. In it, she holds that because certain political results inevitably accompany the corporative general strike, there is need for political organization of the workers combined in united action with the unions. But within the purview of this study it needs only to be remarked that in the context of a libertarian social order there would be no occasion for political results to accompany the corporative general strike, so long as it remained pacific.

Sorel quotes Sidney Webb as stigmatizing the general strike as an illusion of youth, and asserts that “it is the opinion of the Socialist-sociologists, as also of the politicians, that the general strike is a popular dream, characteristic of the beginning of the workingclass movement . . . .” Yet no less a Socialist-sociologist-politician than Eduard Bernstein announced in 1905, at a conference at Breslau, that with regard to gaining political rights, “the time had passed for the use of barricades, but the economic life was now so complex that a new means was at the disposal of the workers—the large scale strike.” And J. Ramsay MacDonald, while opposed to the revolutionary strike, said with reference to the political and to the corporate general strike: “As a last resort, as a coup de grâce, it

22 Generalstreik und Sozialdemokratie (Dresden: Kaden, 1906).
may be justifiable, and need not be unsuccessful.”

Crook summarizes his conclusions in a statement which has been impressively validated by the course of events over the decades since it was written:

To hope for success the leaders of a general strike must make the aim simple, clear to all, and as far as possible one that will not isolate the striking proletariat completely from all the remaining groups in society. For that reason a political mass strike for such a demand as universal suffrage is more likely to gain its end than an economic general strike with demands such as an increase in wages for certain groups of workers. The definite class strike of a revolutionary character, with the aim of superseding the present form of society, will rouse all the latent antagonism and powers of resistance of the non-proletarian classes, and under any normally conceivable situation in the western nations seems to be condemned to failure from the very start.

... Admitting all the uncertainty of success attached even to the best-led and most carefully organized mass strike; admitting, too, the most probable reaction that is likely to occur in legislation or in industry, where organized labor carries the strike to the point of self-exhaustion; there still remains the fact that, under certain circumstances of entrenched reaction, the mass strike may well be the sole effective weapon in the hands of organized labor.

It is true that fewer economic than political general strikes have turned out favorably for those whose hopes relied upon them, but as we examine the roster the reason becomes clear: most were defeated by unrealistic and unsophisticated tactics on the part of the strikers. Gross mismanagement and poor timing marked the British strikes of 1842 and 1926, and the Seattle strike of 1919. After all the original demands had been granted, the Dutch strike of 1903 failed because of reckless greed which alienated the public. Foolish disregard of public sentiment also brought about the collapse of the Swedish strike of 1909 and the San Francisco strike of 1934. As for the French strikes, despite the bluster of their leaders, with the exception of that of 1934, they have been characterized by an almost ludicrous absence of solidarity. Other economic general strikes, such as those which hit Winnipeg, were crushed by the intrusion of the police power.

Such intrusion would be precluded by libertarian conditions. The other reasons for defeat could be overcome by attitudes and assets which tend to characterize organization in its more mature stages of development: a long and carefully analyzed history of experience upon which to draw.

pragmatic goals increasingly defined by empirical research delineating with some degree of precision the probable consequences of alternative modes of action, a shrewd and comprehensive program of public relations, the routinization and refinement of organizational technique, and the accumulation of potent material resources. The paradox of the general strike is that usually it has been hailed as a panacea in just those quarters where these factors are most wanting, and its chances of victory therefore faintest. Yet its use abroad has become almost commonplace in recent years, and has in a number of cases proved effective.

The increased incidence of the general strike abroad has not been reflected by any corresponding disposition to use it in the United States, where it would stand perhaps its strongest chance of victory due to the presence of massive and sophisticated unions possessed of vast reserve funds. American labor's reluctance to employ this method is less the fruit of moderation or public spirit on its part than of its capacity, through political lobbying, to gain its ends without risking its assets.

The recent New York City transit strike and nationwide airline strike, however, may be taken as tokens that it remains a latent possibility which, if actualized, would by no means be ineffectual. This is further attested by James R. Hoffa's considered opinion—before his imprisonment—that he could, at will, substantially halt trucking all across the nation by striking six strategic terminal cities. According to the authors of Hoffa and the Teamsters,27 he was unlikely to test this plan, but, as John Chamberlain remarks, "this is just another way of saying that Hoffa will get what he wants anyway."28

One might raise the question as to whether the impact of automation might someday render the general strike obsolete as a viable potential instrument of working-class pressure under a libertarian or any other social system. A negative answer is suggested by the ease whereby a relative handful of dissidents in an automated society could short-circuit an entire complex of vital mechanisms by stopping the operation of a single cog. Yet on the other hand, full-scale automation, by shifting demand from ordinary labor to professional and semi-professional technicians and service personnel, might well make the working class, at least as now commonly conceived, itself obsolete. These speculations, however, must be deferred for future investigation.

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