

CHAPTER XIX

INDUSTRIAL WARFARE

PROTECTING INDUSTRIES

One unfortunate matter to be considered, in this question of the unions versus capitalists is, that employers of labor have no rostrum from which they can, even if they felt inclined, state why they have been obliged to resort to what labor calls illegal and discreditable practices to detect strife makers. Whether they would gain a point by using a rostrum, if they had it to use, is doubtful and, in all probability, it is better to let the agitators' charges pass without reply. Still, they are serious charges and there ought to be some way of meeting them, if only for the sake of clearing the atmosphere which, today, seems to reek with acrimony and venom. There was a time when employers thought it was necessary to take extreme measures in protecting their industries against agitators and would-be strikers, but no one liked the business of employing spies, armed guards, and imported strike-breakers. Often enough, the cure was worse than the disease for, in numbers of cases, when the separate sections clashed and riot was started, great damage was done to life and property. Entirely apart from conditions of labor which were evil, it must, however, be recognized that the plants for extracting minerals, the factories for manufacturing articles, ships and railways, were the properties of the companies. They were owned,

according to the laws of the country, by the people who had subscribed for the stock, and employers stood in the position of trustees who were responsible to the shareholders for guardianship of their interests. Therefore, they were forced to take whatever measures they thought wise to protect their undertakings against those who would endanger continuity of production.

It is very difficult now to see clearly the true reason for these devices which have raised so much animus, because there has been, unfortunately for both labor and capital, an unwholesome sentimentalism bequeathed to labor, which has put capital in an utterly false position. Gradually the meaning of the phrase "right to work" has tended to mean that capital has no rights where labor is concerned, and that the right of private ownership of the means of production takes an untenable position in the conflict. This is reducing the whole question to an absurdity but, alas, an absurdity which is indulged in not only by unionists, but by many politicians and lawyers; for what should have remained a purely economic matter is now regarded as a political one. In the country the votes of labor outnumber the votes of shareholders.

LABOR UNIONISM

The methods adopted by directors of industries to protect them against agitators, were not devised without reason. There must have been some cause for business men to go out of their way, and incur great expense to find means of defense. What was the cause?

The constituency I represented in Parliament, the Hyde Division of Cheshire, was the locale of many of the great struggles which ensued when trade unionism was begun. The town of Hyde was only a few miles

from Manchester, the scene of the Battle of Peterloo. The conditions under which men, women and children worked, were undoubtedly shocking enough, but they were aggravated by the abominable truck system which compelled the workers to purchase their necessaries at shops owned by the factory master. It is not necessary now to describe the evils from which the laborers of that day suffered. The whole story is told in hundreds of books. In dealing, however, with the charge that is made against employers by the trade unionist of this day, for resorting to what agitators call vicious and illegal practices to protect their factories and workers, it is necessary to point out that there is a long history attached to this matter.

It is over a hundred years since Thomas Ashton was murdered as he passed from his father's house to go to his mill. The scene of the crime was only a few miles from the town of Hyde. Three years afterwards, three men were apprehended and tried at Chester Castle. One turned King's evidence; two were found guilty of the murder and were executed in London. The three men were not trade unionists; they were felons who had been hired to kill Ashton, by a man named Schofield, who gave them ten pounds for the job. The sensation this crime created did not abate for a generation or more. Masters of factories were forced to protect themselves and, in the long struggle of trade unionism, from the time of the Ashton murder down to the shooting of Frick at Pittsburgh, owners and managers of mills have resorted to every means of protecting themselves.

Furthermore, although the word sabotage is of rather recent use in our language, it stands for a method of wrecking plant and machines, which was in practice

long before the *sabots* of the workers in France were thrown into the machinery. Everyone who knows anything at all about machines, can understand how the dropping of a simple nail into a complicated mass of wheels in motion could easily bring a factory to a standstill, and cause not only great damage to machinery, but also a great loss of time in the matter of completing an order for goods. The matter of detecting a person guilty of sabotage was one of the most difficult things that employers could undertake. Even inspectors on the job have confessed their utter inability to know when, how, and by whom damage to machinery was done. Sabotage was the one mind-racking thought feared by all employers at a time of industrial strife. One well-known employer, who ran a modern mill, told me that life was sometimes made unbearable by the thought that an oiler with a grudge against a supervisor, by neglecting his work, could easily put the mill out of action for several days.

Another serious cause for business men taking measures to have their employees watched was the spread of unionism, the desire for power on the part of agitators and leaders of the men. No one with any sense and understanding of the facts would at this time of day say that labor had no grievance. Their grievances were well-known, both in the industry and in the world outside. Moreover, no one would concede the point that an agitator, or a labor leader, desiring power, was impervious to the conditions under which labor worked. Still, power in unionism is felt just as strongly as it is in politics, and its attractions are just as strong as those which draw politicians to Washington, or to State legislatures. Regarding it from the human standpoint, it is impossible to dissociate power, and all it implies,

from even a sympathetic desire to ameliorate the conditions of labor.

SOCIALIST AGITATORS

There was yet another tremendous factor in this which, for years, many labor leaders refused to recognize, and that was the spread of Marxian doctrine. When I was a young man in the labor market, the only literature that came my way was Socialistic—pamphlets and leaflets giving extracts from the works of Socialists. I do not remember ever seeing a leaflet dealing with economic problems that was issued by a trade union.

Therefore, the matter that had to be dealt with by the employers of labor was much more complicated than trade union leaders make out. I doubt very much whether employers generally, looking over a period of years, have feared the legitimate demands of labor within their factories, anything like so much as they feared the gospels that were preached to the men by Socialist agitators. And this is the reason why so many of the old trade union leaders denounced Socialism, and strove might and main in this country to keep the unions free of politics. Today it is by no means difficult, in following the reports from the strike areas, to see to what extent Socialist ideas have infected the minds of strike agitators. The phraseology they use is exactly the same as was used forty or fifty years ago. Yet, there is something new added to this, and that is an ill-considered modicum of the philosophy of Georges Sorel. The reply to the methods of directors of industries against strike agitators is the strike with violence, for the sit-down strike is the first step in this warfare.

The charges levelled by trade union agitators at the employers for using methods "to discipline, coerce and

intimidate the workers in their factories," are not to be compared with the methods employed by trade unionists in their own warfare. In their conflicts against their fellow workers, they resort to murder, bombing, arson, beating up men and women, and other destructive acts set down in the criminal code. There must have been, in recent years, hundreds of cases of one union employing against the other plug-uglies, thugs, prize fighters, escaped felons, hired pickets, and many other elements of the underworld. No section of society has ever been able to show such a talent for mobilizing trouble-makers and throwing them into a conflict!

THE POWER ELEMENT

Another point is lost sight of in the present controversy and that is the power element, and it is strange that this should be overlooked because, to my mind, scarcely a move was made in the strikes last year that was not after the pattern designed by dictators. Mr. Lewis and Mr. Homer Martin, with the support of the Executive, and the Labor Department, issued orders to the directors of industries, and they looked not only to the Federal Government to press these orders urgently, but they exerted political influence over the local authorities and, in several cases, they were successful in defying the injunctions of the courts. All this is another kind of unionism but, whatever it may be called, there is one thing certain about it and that is, it is an inebriation of power which will lead to disaster for the workers.

COLLECTIVE BARGAINING

The ostensible object of all the trouble at the time of these strikes was put in a nutshell by Mr. Lewis,

who said, "Every influence and inducement possible, every form of coercion that can be utilized is nevertheless interposed to prevent true collective bargaining." But Mr. Lewis did not explain to his interviewer that collective bargaining is not the simple matter that he would make out. There are many facets to collective bargaining, as Mr. Lewis knows quite well but, of course, it is not his business to remind the public that there are more objects than one to be gained in the policy of collective bargaining which he is advocating. There is first, of course, the collective bargaining which will enable workers to meet employers and decide on advances of wage, shorter hours, and better shop conditions. That is the collective bargaining that is put before the people; the people who think that there is nothing more to it. But there are three other aspects to be considered in the collective bargaining contest which must inspire Mr. Lewis' ambition, no matter how sympathetic he may be to what he calls "the rights of labor": first, is the desire for victory for his new army over the battalions of the American Federation of Labor. As a general who once fought with the Grand Army, the rebel marshal of the new forces cannot be oblivious to the spoils of victory.

Then there is the collective bargaining which is essential to Mr. Lewis' purpose: that will make it possible for sufficient revenue to fill his coffers from which the cost of the conflict will be defrayed and, when it is necessary, also provide funds to assist in the election of a sympathetic President.

Above all, there is a third to be considered, and that is what collective bargaining, if Mr. Lewis succeeds, will do in the way of giving him the power to fulfil any

ambition he may have of assuming dictatorship in wide commercial, financial and political fields.

HIGHER NOMINAL WAGE

The advertised purpose of unionism is to raise nominal wage, but every increase which is gained by a member of a union is ultimately a deduction from his pay for, as a consumer, he loses what he gains as a producer. Therefore, unionism, in this respect, defeats its own set purpose, and this should be obvious to everyone who has studied the history of industrial strike. The necessity of repeated strikes reveals the hollowness of the purpose of the preceding strike. This is not all, however, for only a comparatively small section of workers is unionized, and the effect of strike for higher nominal wage and shorter hours, when they are apparently successful, is to reduce the purchasing power of greater bodies of consumers whose nominal wage has not been raised. So, we have a small section of producers engaged in making it harder for the non-unionized section of producers. The selfish interest of "economic royalists" is almost insignificant in comparison with that of trade unionists. If the definite purpose of unionism were to agitate for higher nominal wage when the cost of commodities reached a point beyond the purchasing power of wage, it would be an entirely different matter. It might be disastrous to unionism, but then it would be straightforward doctrine: one that could be practiced without damage and bitterness by the system of Shop Stewards and their committees.

Some years ago one of the most venerable trade union leaders in this country spent some time with me, and he talked of the growth of the movement since the

close of the Civil War. At one time he was the leader of the Eight Hours Movement in a large city in the Middle West. He said, among other particularly timely and interesting things, that he did not know one leader, with whom he was associated in the old days, who would ever have taken any interest at all in the crusade, if it had not been for the hope that the men in the movement would study conditions, and work, and agitate for equality of opportunity. And, he added, his declining years were saddened by the thought that he now knew of no one, in the whole movement in this country, who gave the men the slightest hope of ever reaching the economic security which had been the dream of the men of his early years.

THE ISSUES

So far the vital issues of this conflict have been kept in the background. In this respect, the three active parties in the conflict are equally guilty: first, the government, Federal and local; second, the employers; third, the strike committees who represent some of the workers. All seem to be agreed that the issue is one to be settled by negotiation at a conference where the representatives of the three sections will meet. The greater body, whose interest should be paramount in this matter, is totally ignored by the three contending parties. No one, so far, has paid the slightest heed to the consumers who should be the first interest to be safeguarded by the government. But this is nothing strange, for we have seen, many times in recent years, short-sighted policies cultivated with care by politicians at Washington. It is not to be expected that the opposing forces of labor and capital will remind us of those who have the final say in the matter. They are

too busily occupied with their own quarrel. Therefore, the popular notion of the crisis is quite a superficial one. What will happen when consumers generally understand that the fight is not so much about raising nominal wage and shortening hours, or any of the advertised objects, (such as collective bargaining and methods employed by directors of industry to safeguard the interests of shareholders against strike, sabotage, and illegal possession), but that the real objects at stake concern every person in the country? These objects are the socialization of the means of production and the dictatorship of industry. Every argument that so far has been put forward by the strike committees, reveals a meaning and intention that go far deeper than a mere quarrel between labor and capital. It is all part of the industrial war started by the Executive. It is a flank action of his attack on industry. At bottom, it may be regarded as a fight to a finish against the "propertied classes." Once it is decided that strikers are within their "rights" in occupying private property against the wishes of their employers, a totally different stage will be entered upon in this warfare.

LAWYERS AND STRIKERS

I pointed out this danger years ago and, in three books that I have published in recent years, I emphasize the fact by quoting largely from the works of the writers who have had considerable influence at Washington. Recently, support for Mr. Lewis and the strike committees comes from two men, whose names have been before the public for some time. Mr. Pecora, before a Senate Committee, said that the employees had been engaged in sit-down strikes against various laws; this is put forth in extenuation of the tactics

pursued by the strikers in the factories. Mr. Landis declared in an address to law students that the sit-down strike might involve new concepts of property rights, and he intimated that perhaps they might ultimately be held legal. These are two gentlemen who are engaged in the business of law. But I think it is only in this country where such an analogy as the one used by Mr. Pecora could pass unchallenged. He, probably, is the only man in the country who could show similarity of action in a striker occupying private property, and an employer ignoring a law. As a lawyer, he must know quite well how laws of the country are infringed with impunity by all and sundry. Nevertheless, Mr. Pecora must know that there are direct channels through which labor may, any year, state its grievance against laws it objects to. If these channels do not exist, how can it be said that we are living under a democracy? Moreover, is Mr. Pecora sure that the sit-down strikes are taken against various laws, for he must have in mind laws that are upon the Statute Book—not economic law. Anyway, there is no law that I know of which condones illegal possession of property, no matter what the grievance may be. Lawyers made the law and lawyers interpret it. If the laws are bad, lawyers are to blame, and no one is more responsible for the law's delays than those who give counsel and advice as to how it is possible to circumvent, not only the letter, but the spirit of them. There is something comic in the attitude of a lawyer taking his stand with strikers who, it is alleged, use the method of sit-down strike as the only course left open as a protest against inoperative statutes made by a Congress of lawyers. And one wonders why the law is held in contempt by all, from the underworld to the upper crust of society!

But everybody does it, even the lawyers! The Executive, in effect, told Congress not to be particular about the Constitution. What did the N. R. A. do? Violated the Sherman Act. It encouraged monopolies. Does Mr. Pecora know of any case in which the law is transgressed by industrialists and capitalists, that is not practiced regularly by the government, in some direction or another? What is there to be gained by the pot calling the kettle black?

PROPERTY RIGHTS

As for Mr. Landis, who is Dean of Harvard Law School, it might be well to remind him that there have been laws in existence for thousands of years, although he may not have noticed that fact when he was so busy at his studies. Anything more puerile than his utterance cannot be imagined as coming from a person who is considered to be eligible for the deanship of a law school. In the first place, I doubt whether Mr. Landis knows anything at all about the economics of property rights. If my view be correct in this, it is impossible for him to know the basis of ownership.

He says, "The sit-down strike might involve new concepts of property rights." One would think that it was the business of a dean of a law school to discover what the old concepts were, before taking on a new one. Property rights in economics are easily defined, although lawyers have done everything they could, through the centuries, to sheer off from the fundamentals of the question. It is the lawyer who is to blame for the complicated mess that exists—a mess so murky that it has completely hidden the bed-rock on which ownership of wealth is based.

Property is wealth, and wealth is matter moved by

labor. The mover of wealth is the owner of wealth and, as owner of it, he has the right to bequeath it to anyone or to exchange it with anyone for other wealth. The deductions that are made from wealth are rent, wage, interest, and the cost of government. Lawyers' fees are deductions from wealth, but the whole question has been complicated to such an extent that Mr. Landis does not see why the producers of wealth should pay interest for the capital they use, although he may be very sure that it is perfectly legitimate for labor to pay the fees of a lawyer who is not a producer of wealth. Labor pays interest for service rendered, just as labor pays a lawyer for service rendered. And if it be a question of a new concept of property rights which Mr. Landis may think necessary, in an attempt to solve the question of ownership, it cannot be imagined that the new concept will take any other shape than that of the State nationalizing the property of private individuals. There have been several attempts at this, but no State has ever made a success of the business. Food, fuel, clothing and shelter are property. Every State that has made an attempt to nationalize property has been forced to make an exemption with regard to the almost numberless articles that are required in daily use by the laborer. So the new concept will be very much after the pattern of that which was in use in Russia for some time and, no doubt, if it be adopted here, with the assistance of deans of law schools, it will be modified time and again; and once the directorship of the proletariat is firmly established, the new concept will be whittled away to a mere nationalization of what Grönland would call "the means of production and exchange," leaving all essential property for immediate use of the individual just where it is now.

ECONOMIC SIN

There is a striking difference between the addle-headed "liberal" Socialist of today and his fellow of a generation ago. Most of those who flirted with such notions before the turn of the century lived long enough to see the errors of their thought. Those of today are piling error upon error, and may not live long enough to verify the economic validity or expediency of their error-born theories. Ecclesiastically, it is a terrible thing to be born in sin, but the Church holds out a promise of redemption; but to be born in economic sin is quite another matter, for redemption can only come through the ordeal of profound study of fundamentals. The lawyer is what the law school makes him, and I am informed, on excellent authority, that the great majority of students demand schooling in local law, parish pump litigation, because their professional object is to get a job as speedily as possible.

Still, the declarations of Mr. Pecora and Mr. Landis are in line with what has been taking place in our law schools for nearly a generation now; but it is not only the young who reveal amazing ignorance of the fundamental economics of law. Confusions of thought on property have of late years been revealed by members of the Supreme Court not only in their decisions, but in the books that they have given to the public.