Reasons for Strikes

Notes on Industry.

What are the leading exhibits of this industrial disturbance? We measure unrest in indsutrial life largeby by strikes and lock-outs, through the number of workers involved, length of their lives, and the resultant disturbance of our normal national life. Certainly if we consider the strike phenomena of the last two years particularly, it is sufficient to make us uneasy. 3181 strikes were reported by the U.S. Bureau of Labor as occurring in 1918. This involved probably 1,000,000 men; and it meant a lots of probably over 10 days; and if you figure the average wage at $3, which is rather an under than an over estimate in that period you have the tidy sum of 30,000,000 lost by wage workers in the United States in one year. The year 1919 has not been behind, and certain of its strikes have been so spectacular in their beginning and their course, in the questions that they raixed and the dictatorial attitude on both sides that the whole country has been staggered by the exhibit. What are we to think we say when the head of a tremendous corporation, a man of great ability, to whom progressive industry owes in my judgment much more than he at present is getting credit for, that is Judge Gary, head of the United States Steel Corporation, what are we to think when he refuses to accede to a request of the President of the United States to consult with recognized labor leaders, the unquestioned representatives of a percentage , although probably a small percentage of his own employees. What are we to think, on the other hand, when these representatives, men in positions of

1916 = 3278
1917 = 4233

4 Lockouts

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272 strikes involving 250 to 500 men
139 " " 500 " 1000
200 " " 1000 to 10,000
14 " " over 10,000

3141 strikes 300 each = 9 48,300
call to 1000 or 10
average of 10 days = 10,000,000

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eminent importance carelessly or wantoningly will bass their call for a strike on facts which are not facts, which will pick out industrial horrors such as the killing of people in riots and represent ehem as atrocities of the Steel Corporation when as a metter of fact they occurred in plants and localities where the Steel Corporation itself had no properties; and occurred some weeks before the question of the strike had been raised? What are we to think when we find a practical defiance of the Government on the part of the coal operators and miners in those great industries, a willingness to call a strike at the beginning of winter when it meant untold suffering particularly to the poor, who must in the nature of the case be the great sufferers in any disturbance of the natural flow of industrial life, living as they do always from hand to mouth? What are we to think when a body of public servants, like the Boston police, sworn by all that is sacred to guard the safety of the City, whatever their grievances (and in this case they were many and just) will yet forget the o th of office, and turn over a great metropolis to rioters and plunderers? What are we to think too when the public administration of a city like Boston which will ignore the judt claims of a body of public servants on whom it depends as much as it does on its police, until these men become desperate, and will consent to abandon their posts? These are but the most familiar illustrations of what has been going on yup and down this country for many months in industrial life.

Analyze it as carefully as you will, and I think you can get ti down to two principles

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get it down to two principal causes, a wide-spread belief on the part of working men and women that they are not getting their fair share of the fruits of their industry, and a growing conviction that they never will get either wages or conditions which will be just unless they have some kind of share in the management of the industry with which they are concerned. It is participation, fair participation in the fruits and in the management of industrial life ~~that~~ in one form or another in masses of American labor , that is driving them to strike, largely because opposed to them is a great body of an employing class that are unwilling to cooperate with labor in proving that the wage they get is a fair wage, all conditions being considered; untilling too that the man th t they hire should have anything to say about the management of the industry of which he is a part.

Take this question of what a man gets for his labor. We have as yet no measuring stick which will give anything like absolute justice. Extremes in the incomes of this country are startling and it is the knowledge of this that causes a great deal of trouble. One of the most conservative and reliable of New York bankers made an estimate of the incomes of Americam families. We have something like 27,300,000 families in this country. These bankers found that of these, something like 17 million had an income ~~xxxx~~ of $1,000 and under, ~~of~~ nearly two-thirds, you see; that twenty-five million , over three-fourths, live on $2,000 and less. But take it at the other end of the scale. It puts down 97 families with an income of one million dollars a year and over. Of those having $50,000 or more a year, up to five million, there are only about 21,000 out of the 27,304,000

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There are only about 18,000 families in this country that have an income ranging from $10,000 or more. 18,000 is not a great percentage of 27,000,000. Add their incomes together, and divide it among the 25,000,000 that are living on $2,000, and under, and it would add but 200 a year to each. The point is not in the amount of money, but in the power that that money vests in so few people. These incomes are derived from stocks and bonds, that means financial control of banks, railroads, lands, manufactured goods; and all our democratic instincts revolt against the idea of so few having such strong control. It has been fear of that control rather than envy of either power or money that has been at the bottom of our revolt against this financial centralization. It is only the that resent the money in Mr. Rocekefeller's hands. It has never been ahle to give him even a sound stomach. Most of us enjoy our food better than he; but what we do fear is Mr. Rockefeller's life and death power over great industries, and so over great numbers of smaller people. Wehave a profound democtratic instinct that it is very much bettér for both the social and financial health of a community to have -- take these 10 families that have an average income of $10,000,000 -- to have 1,000 families having an income of $10,000, or better still 2,000 with an income of $5,000 each.

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that is the great mass of the people are living on small incomes, very small indeed when compared with the needs of a family trying to live according to what we call the American Standard. They see not the great mass of their fellows, who are very little better off than themselves, but their attention is fixed on this few that by some trick of fortune is reaping so great a reward. They are inclined to believe that a far greater number are receiging exorbitant sums.

Then too ~~thexfactxthat~~ wages are chronically behind the advance in the cost of living. There never has been a time that they kept up with it, always a little behind. It has been . It has been conspicuously so since the war. In the last year the cost of living has increased %. It is only highly skilled workmen that has come anywhere near this advance; but the mass knows that money is being made; they know somebody gets it. They see all about them numbers of men who have profited in one way or another, spending lavishly; and they ~~th~~ demand their share; and the only way they know how to get it is by stopping work; and too often by doins so, decreasing production, running up the very cost of the articles whose cost is behind their own dissatisfaction.

In all the discussion there is a very general ignorance of the real facts.

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With every week of recent industrial troubles it has been more and more evident that nobody really knew very much about the things we were talking about so glibly. Take the coal situation. There was horror in the minds of conservative people at the demand on the part of the miner for a five-hour day, for 6 days in the week. It was a long time before the public began to get the facts, began to understand that if the miner worked 30 hours a week regularly, he would work more days in the week than he now works; that is, his hours are at the mercy of too frequently an unintellegent management. Men go again and again into the mine expecting a day's work, and the timbers, the cars, the tools, the orders which are necessary in order for them to do the work unce under ground are not provided. There is mine after mine in this country in which a miner goes down and stands about in the dark unable to communicate with a foreman for hours without work, Expecting to earn his $4 a day, he earns $1. Not long ago I heard a mining engineer tell this story. (See Archbald)

The complaint of the men is best illustrated by a conversation which I had with a miner. I was wandering through the mine in my dirty clothes, and he thought that I was a miner from another room on the same road; a workman like himself. I was recently arrived at the mine to do some engineering. It was at noon and the men on that road were getting their first car for that day. They had been five hours sitting around in the cold, wet air of the mine waiting for work. I will quote from my notes "Man working alone in #22 asked me, 'How much you make? Two Dollars? "I said "About that." Then he said 'This no good. Ninety cents a car. Then no cars; no timber; nothing. No can make living. Maybe make dollar'n half. Maybe nothing. I don't know what's matter. No get nothing."

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Now I am very far from claiming that all the mines of the country are managed in this way. It is not true. I have been myself in mines where work was planned before hand in as systematic a way as in the most highly developed factories, where a man found his work and everything necessary to carry it on; where not only were his hours well regulated, but where he wworked as a rule under electric light and not in the dark; where safety was a first consideration.

But this is one of the things that the miners of the country were able to use to justify the strike of last fall. But they were not wise enough to bring to the public's attention the real trouble, which was inefficient management. They did not present their case rightly. When they asked for a 30-hour week, they did not accompany it by the figures which would explain to the public their reasons. When their wages were considered, the operators could point to such and such miners that were getting high prices; and yet when it came to be analyzed with the finest official information and by the best experts, the average wage which the operators presented and believed to be turned out to be $800 or less. Irregularity in employment largely caused this. Low wages. Ignornace is at the bottom of this, the failure to get hold of the facts in the case, thoroughly digest them, get them on the table for the two sides to consider; and get them before the public in order that we may have the facts to guide us in our judgment. For the most part we are all of us incapable of making up our minds about the merits of a strike. The public justly is irritated at the inconvenience and loss that the strike causes; but take the American public as a whole, and it will endure any

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amount of inconvenience and loss to stop an injustice. In the long run the side wins in industrial life which has right behind it, ~~xxxxxxxxxx~~ therefore it is altogether to the interest of the contestants that they should have their case fully prepared, that they should in no way trust to misrepresentation, and that they should take the public fully into their confidence. It is the sense of this working in the minds of the great body of labor in this country that accounts partially for the growing amount of participation in management. They want to know. They want to see the annual accounts of a company, in order to know that they are getting something like a fair participation in profits. Our whole industrial life is weak on this side. I think it is not too much to say that the great majority of bueinesses in this country of all kinds have not efficient accountants, that frequently when a manufacturer or a ~~machinest~~ or a farmer fights a raise in wages or shortening of hours, he honestly believes what he says that his business cannot stand it. He does not know what his business can stand from scientific accounting, neither does he know what profits may come to him from a more scientific handling of his business. When the Railroad Brotherhoods asked for a participation in the management of the railroads and declared that in their judgment they could help in producing great economies, they were undoubtedly right. They knew of what they were talking. For my part, if I were a holder of railroad stock- which I am not, I should very much prefer to have the kind of men that lead the great railroad brotherhoods concerned in its management than the Wall Street brokers and bankers that have been

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managing and mis-managing railroad finances for so long in this country. The man who has the character to ~~control~~ carry me safely across the continent is not the man that is going to manipulate my railroad stock. 8-1

This growing demand for participation is sound. Industry will be metter managed, as representatives from the ranks come in and come to understand what the elements in business are, what makes a business. It sees what the real function of capital is what managemenr does, the relation of the expert too, seen by actual contact with the accounting sheets, that he, the man at the machine is only one element in securing production.

Certainly the whole tendency of progressive industry in this country is in favor of enlarging as rapidly as it can be learned how to do it, the participation of the working man both in the profits and in management. All over the country men are seeking methods of sharing profits, of trying to find not only a liberal and just basic wage, but a fair way to divide what comes in beyond the regular expenses of the business -- the thing that we call profits . I attended not long ago a directors meeting of one of a highly prosperous thoroughly founded business in this country, one perhaps 40 years old. The President of the Company and its majority stockholder had an easel before him, with a sheaf of large white sheets, and on one of these he put some figures. The parties interested in this concern are:

1. 3 owners
2. 500 executives
3 6000 operators.

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8-1

Industrial Talk

One difficulty is ignorance. The ignorance of the facts in the case. Take the notion of a large number of workers, as they seem to express themselves today. It is that the thing we call gross profits goes practically in a lump to management. To hear the talk of certain critics of the present system one would suppose that out of every dollar that came into the business, the employer got $1.25. Just what is done with the dollar that comes in ? It is very necessary that everybody concerned should know. In an establishment with which I am familiar it is customary to analyze what becomes of the dollar, and graphically spread the information before the factory worker. A dollar comes in, but it is shown that 70% of that dollar is spent in producing the goods. That leaves 30%; but there are many things to come out of that 30% in this particular business. There are the store expenses, where goods are displayed; and there is advertising - always a big item. There is a certain loss from bad debts, and from stealing; in this particular business 4 cents out of the 30 is spent in what is called "mark-downs". The net profit is shown to be 5 cents on the dollar. This changes the whole problem, when one realizes that the net profit is small in almost every business. Then the question is who should get the net profit? The day is past when this sum is by general consent to go to capital alone. One of the great industrial problems is how we are going to divide the profit.

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Distortion of figures plays a very unhappy part in our opinions on these matters, for instance, into the discussion on the coal strike was injected the statement that the profits of the coal operators ran as high in some cases as 8,000%. Those who discuss the coal question affirm that instead of that being an exceptional profit, a very exceptional one, as was obvious from the way in which the figures were used by Mr. McAdoo, it is considered probably an average one. The percentage undoubtedly was true. We cannot conceive that Mr. McAdoo would have so stated it unless it had been true; but Mr. McAdoo does not tell us what the capitalization was , and what the value of the business. Frequently a man in this country whose formal capital may be not over one hundred thousand dollars, may be operating on a capital many times that.

In the recent discussion of both the coal and the steel strikes where were most unfair statements spread about wages. You would hear supporters of the U.S.Steel Corporation say the men make $15, $20 and $50 a day. Now it is true that there are a few men of the 300,000 employed, skilled workmen directing a body of helpers that do make $30 a day, but a great mass of the unskilled labor was making not over $3 a day, and the average of the whole was something like $6.

There was much misunderstanding too of the working day of the miner.

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In the last year ~~the profits of~~ these three owners drew

	$2,500,000
The 500 executives	1,500,000
The 6,000 operators	1,000,000

How long do you suppose the Preident asked, is this kind of a division going to stand, particularly since only one of these owners , myself, contributes anything at all to the working of this Company.

Now this is only one employer, an unusually frank one, but all o over the country men in high business positions are asking this ~~question~~ question I heard a man say the other day that while in the year before the war when he went out to lunch or dinner withnhis fellows the one subject of conversation was golf, today the one subject of conversation was profit-sharing. There are hundreds of schemes working in the country, that is the challenge of labor, one of its deep-seated causes of unrest, that they are not getting their share of the fruits of industry is being taken up ; and nothing is more certain than this participation is going to be pushed, that experiments to solve it are going to continue; and there is nothing more certain than that the laboring masses feel it is going on, than that we are going to have more and more of the autocratic solution which Russia is trying, a solution which like all dictatorship, is dommed to ultimate failure. The experiments to take men into management are going on white as actively as those to solve the problem of fair distribution. Unhappy as some of the exhibits of trade unions have been in the last months, autocratic and defiant as their expression has been , it is unquestionably some form of trade union which in the future in all our largest industries the basis of industrial cooperation

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is going to rest. So far as I am able to judge, the most hopeful venture of unionism is that of of the great Clothing trades, where under an intelligent organization a system of what is called impartial sharing chairmen, all sorts of questions that concern management and capital are thrashed out. Here is a union which has recognized that the weapon of force has not enabled them always but is military and irrational, that it is by the intelligent use of brains that these questions ought to be settled, just as troubles between nations ought to be settled by brains. As I look at it, a most hopeful experiment in the cooperation conduct of business is the so-called shop council, a system by which the employers elect representatives, and these representatives in council with management thrash out troubles. The shop councils have grown enormously particularly during the war in this country. I have recently seen a list ~~of~~ collecte by an informed person of

~~They~~ have been made the subject of investigation by the United ~~States~~ Bureau of labor, and by the greatest number of our manufacturing associations. Men are experimenting everywhere with this kind of thing. One of the most interesting of these has been tried in the arsenals of the United States.

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During the war the arsenals of course were overflowed with work. The great body of employers responded nobly to the demands. ~~The~~ Immediately after the armistice these activities were cut down, this big force of skilled workmen of all trades thought the chances were that they would be disbanded. Under the leadership of some of the more intelligent of their members they made the proposition to the Ordnance Department that they be allowed to compete for orders from the Government in various articles needed in peace times, that they would calculate carefully expenses, and that they would by economy in the cutting out of waste which they believed they could manage if they were allowed to cooperate freely, that they would be able to serve the Government at lower rates than could be obtained outside. The Secretary of War agreed to this proposition. A Representative of the men was placed in Washington beside a representative of management . In all of the arsenals there was the most thorough cooperation. Every order was considered by management and men together. The men figured exactly what they could do from their side, while the management figured on raw material, transportation, cost and other elements that it was decided belonged to them. This experiment has gone on most happily. Unfortunately it has recently come in ~~conflict~~ contact with the military spirit, that ingrained conviction of army officers that they must command and not cooperate. It seems to be an inability to understand that what may be essential in ~~war~~ handling men in times of war is not only absolutely undemocratic , but absolutely impracticable in directing men in peaceful occupations; that the whole idea of democracy is cooperation, working together. If the experiments in the arsenals fail, it will be purely because of the dictatorial spirit that prevails among men in positions of power and leadership. I should say that fundamentally it was this spirit that broke up the President's First

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Industrial Conference of which I was a member. That Conference was illuminating in many ways. It demonstrated not only how much progressive liberalism there is in the attitude of a large part of our employing class, but it also demonstrated how much of reactionary autocratic spirit exists , how strongly it is entrenched, and how well it is organized. It showed that the organized employers are not alone in wishing to play the dictator, that organized labor has not a little of that spirit. At the very outset of the Conference there was a striking illustration of how difficult it is for men to dissociate themselves from the stress of the present, and look to the future. The Conference was called by the President for a distinct purpose stated in terms that could not be misunderstood. President Wilson said that he wanted the Conference to consider the future relations of industry. At the very beginning of our conference the controversy in the steel industry was thrust to the front by a demand on the part of labor that this extra-official body, having no power to summon witnesses, no funds with which to operate, no authority of any kind for this purpose, appoint a committee to investigate the difficulty. To the majority of the conferance it seemed purely outside of their province, a distortion of the purpose for which they were called. A contest immediately arose in the body over this effort to compel it to occupy itself with the unhappy situation in the steel industry, rather than with the business for which they had been called.. As an alternative to the committee which the labor group requested, came a struggle over the principle of collective bargaining; and here was where the employers group of the conference showed itself to be antagonistic to the principle of full cooperation which is working so strongly in industrial life today. The resolution on which the conference went to pieces was simply worded. It recognized the right of the wage workers

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to organize in trade or labor unions and to bargain collectively through representatives of their own choosing. One would say off hand here is a right as fundamental as any under the Constitution. It is a right recognized by the law. The organized business interests of the country operate under it. What is one of our great corporations but a union, bargaining collectively through representatives of its own choosing? But to this simple and fundamental proposition the employers group began to read all sorts of boogaboos. Their case was managed by a very able lawyer, a man of learning and honor, but a lawyer; and he took up this proposition word by word, "The right of a man". He read such dangers into the word "right" that it made you tremble. "representatives of their own choosing", and he drew the blackest picture of what these representatives might be, and what they might do! All that he said he could have as well said about any form of organization, collective bargaining, representative government in social or political life indeed, as I listened to his exposition, I could not but be thankful enough that it was not the Declaration of Independence that was before us. He would have read so many dark dangers into it that it would not have had the shadow of a chance to pass our body.

Now I would be the last one to say that many abuses have not occurred in industrial life through trade and labor unions and through the representatives that they have chosen. Frequently they choose bad representatives, but how about political life? It is the same organization, and do we always choose honorable, trustworthy intelligent representatives? We were debating a great fundamental principle and the employers group was unwilling to recognize it because possibly it might be abused. It was the same kind of argument as was applied to the constitution of the United States when it came

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before the people and today is being applied in opposition to the League of Nations., men fearing to take the chances, trying to discourage the hopes of humanity because if those hopes are carried out it is going to disturb their own status in quo. It is true that the labor group in its fight on this resolution on collective bargaining showed more than once that they wanted to limit the form of organization to those that they particularly represented. There were some of them that undoubtedly would have been glad if they could have worded it so that it would have looked as if the conference was recognizing nothing but the American Federation of Labor; but taking it on the whole the labor group was much more flexible and reasonable than the employers group . And here is the point to note. If the principles of the industrial conference had been voted by majority instead of by groups the resolution would not have been lost. We voted by groups. In order to pass, there must be a unanimous decision. The resolution on collectige bargaining was voted down, 2 to 1, the public and the labor group being the 2. If we had voted by majorities, that resolution would have had 45 for it, with 10 against. That is, the employers group itself was divided, and the public group stood 24 to 2 for the resolution. And it should be remembered that in this public group were some great employers , that is, I should say that the public group had quite as distinguished a body of employers as the employers group itself, and that those employers with two exceptions were steadfastly for the liberal and progressive spirit in industry.
The conference went to smash on this fundamental principle, killed by entrenched reactionary spirit; but its failure does not mean that the principles noble ideas of forming a liberal program for the future President's conduct of industry in which this principle of full cooperation was certain to be fully recognized , it does not mean that that is lost.

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