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INDUSTRIAL UNREST¹.

I have no such ambitious purpose as to announce a remedy for industrial unrest. I can be of use only in aiding you to reduce some of your problems to their simplest form and by presenting as fairly as possible the views of those who differ as to their solution. The decision between conflicting views must rest in the last analysis with the jury of the American people.

Collective judgment is the best solvent of industrial problems. But before public opinion can function wisely it must be informed. Somebody must frame the issues which the public is to decide. I shall merely attempt to state the case and then to leave its decision in your competent hands.

One factor in the industrial problem, which I will not stop to discuss, is the breaking up of fixed habits of work as the result of the war. Multitudes of people at this moment are figuring how they can get a full day's pay without doing an honest day's work.

If the individual wishes to make his patriotic contribution to the welfare of the nation, he can best do it by registering

1. Address delivered by Honorable George Wharton Pepper, senior Senator from Pennsylvania, before the Industrial Relations Committee of the Philadelphia Chamber of Commerce, on September 25, 1923.

his resolve to work daily to the limit of his capacity in that state of life to which it has pleased God to call him.

I approach my task by noting the familiar distinction, particularly important in the case of industrial unrest, between *prevention and remedy*.

Rest and unrest are states of mind. Industrial unrest is the name that we apply to the condition of the public mind when individual workmen have become restless and discontented because they are unhappy in their job.

There seem to be only three lines of approach to the problem of prevention. One of them concerns the human relationship between employer and employe; another the business relationship between the parties, and the third concerns the condition of the industry in which both are engaged.

The matter of human relationship is mentioned first because this is fundamental. Everybody will agree that there would be little danger of industrial warfare if an employer's first concern were the welfare of his employes, and if their first concern was the giving of loyal service. However complicated an industrial organization may be, it is always possible so to run it that the element of human relationship shall receive the first consideration of everybody. This is so obvious that nothing more need be said about it. It is for each employer and each employe to institute a kind of self-examination under whatever religious sanction his training and his beliefs provide. Fundamentally it is a religious question. We talk a great deal about third party intervention in industrial disputes. If the third party is brought in soon enough and if he is none other than God Almighty, there will be no dispute.

Passing over, but not forgetting, this matter of human relationship, I touch upon the possible readjustment of business relations.

We take it as a matter of course that one person or one group of people should be the owners of a business and that another group of people should do for them the work which

makes the business pay. Our most familiar phrases indicate this. We say of one man, "He is in business for himself." Of another man we say, "A is working for B."

When we describe people as employers and employes we are classifying them with reference to the opposition of their interests, and are emphasizing the fact that the fruits of the employes' work belong to the employer upon the mere payment of a fair wage. Not only the fruitage of the business, but the control of it rests with the employer.

Under such a business relationship the self-restraint of the parties is pretty much the only check on industrial war. Organization on the part of the employes is inevitable and the purpose of the organization is to bring the employer to terms.

This is not the place to discuss the feasibility of changing all this. The man may be right who says that the existing condition is inevitable and that a change for the better is a dream. The dream, however, is this: A business relationship in which all who are connected with the business are co-owners. What is an owner? An owner is one whose relation to the object of ownership is such that he has the right to enjoy it and to control it. If the thing owned is a business the right of enjoyment is the right to the profit and the right of control is the right of management. If several people are the common owners of a business each is a part owner; and, as you know, the contracted form of the words "part owner" is "partner."

The instant that you describe people as partners you are ceasing to classify them according to their opposition of interests and you are thinking of them according to their community of interest. It is at least a pleasant dream to picture an industrial situation in which all those related to the common job share profits and participate in management. I am not overlooking difficulties. Sharing profits without sharing losses is one of these. The transient nature of employment in many lines is another. The possibility of getting actual results by sharing the responsibilities of management is an im-

portant factor. After all is said, however, one inevitable fact stares us in the face; that apart from individual self-control there is only one way to avert industrial warfare between two armed groups, and that is to induce disarmament by reducing them all to one group.

A possible third line of approach to the prevention of industrial unrest is the stabilizing of the particular industry in question. It is a fact that most labor troubles develop in industries that are themselves on an unsound economic basis. Labor troubles in the bituminous coal field are a good illustration. The anthracite field lies wholly within one State. Combinations may be effected to stabilize the industry to a degree which otherwise would be impossible. The bituminous deposit lies in many States. Combinations to stabilize the bituminous industry may run afoul of the Federal laws against combinations in restraint of interstate commerce. It may be well worth while to consider such modifications in our anti-trust laws as will permit stabilization of this essential industry within such limits as will yet insure sufficient competition to be a safeguard against monopoly. Even a superficial acquaintance with the bituminous coal business will satisfy a man that under existing conditions it is a hotbed for serious industrial unrest.

So much for possibilities of prevention. Suppose, however, that prevention fails. What then?

Certain things must be taken for granted. One of these is the labor union. As long as we perpetuate the opposition of interest between the employer and his employes, the employe must organize for self-protection. In any industry there may be particular fields or particular plants which succeed in maintaining a non-union status. Where this condition exists we should oppose coercive measures by unions to compel unionization. We cannot, however, escape the conclusion that on the whole and with due allowance for exceptional cases, the well-being of the men in non-union fields or plants is in large measure influenced by the necessity of treating

them at least as well as union workers are treated elsewhere. The only example that I know of a unionless nation is old Russia. There employers had a fine time until the treatment accorded the workers drove them to an industrial and political madness of which the end is not yet in sight.

Taking the union for granted, what will be the course of events if disputes arise which are likely to lead to rupture?

Here I take another thing for granted; namely, that if the employer deals with the union at all he must deal with it as it is and not as he would like it to be. He must deal with the union representatives whether they come from his own shop or from the outside. If, as a result of collective bargaining, the parties can make a treaty of peace or patch up a truce, so much the better. We must not be blind, however, to the fundamental obstacle in the way of such a result—namely, the tragic lack of confidence which permeates both groups in such cases. The employers distrust the unions. The unions distrust the employers. It is bitterly hard to reach an agreement when such is the state of mind of the contracting parties.

If mutual lack of confidence blocks agreement normal recourse is to third party intervention. Conceivably third party intervention might be of several sorts. Somebody or some group might offer to mediate. The parties might by agreement set up an umpire with power to decide. Government might create a tribunal either with advisory or coercive functions. Finally, one or the other of the parties might appeal to the courts.

As soon as third party intervention is considered the same tragic lack of confidence makes itself manifest. The union will not willingly commit the authority of decision to any individual or group, but will insist upon itself retaining the ultimate right of decision, backed by the tremendous power of the strike. Employers, as a rule, are unwilling to enter into any agreement which does not outlaw the strike because they fear that the power to strike will be abused.

This is the actual situation which we have to face.

It is easy to make a catalog of reasons in favor of strong arm methods. It eases the mind of a man who wants coal in his cellar to declare vehemently in favor of compelling people to work or (which is the same thing) of forcing them to accept specified terms and conditions of employment. It is also to some an emotional relief to picture the courts as the tribunals for ending industrial wars.

Urgency of this sort overlooks some fundamentals. The first is that in a free country we cannot by governmental action compel people to work. The second is that when a strike is on, the strikers are enough in earnest to wish their strike to be effective; and this means that it becomes their interest to create conditions under which their places will not be effectively filled by others. The third fact is that while under all conditions government must protect life and property, yet if we insist upon holding out the courts to the mass of citizens as mere obstacles to industrial justice, we shall not only be undermining popular respect for our most important institution but we shall be straining government to the breaking point.

These are some of the considerations which must be borne in mind in deciding whether it is longer worth while to talk about compulsory arbitration or governmental coercion, either through courts or specially constituted tribunals. If neither regard for human relationships, nor a readjusted business relationship, nor the stabilization of the particular industry can prevent rupture, then we are forced to consider whether there is any possible way of dealing with the situation except by an appeal to the jury of the American public opinion.

It may well be worth while to provide adequate machinery for making such an appeal. It might be a fine thing in particular industries or in groups of industries to provide for impanelling the American public. Standing commissions and boards of professional peacemakers will not do. A governmental board which on the one hand lacks power to enforce its

decisions and on the other is infected with the taint of professionalism and aloofness from the mass of the people, is most likely to prove a failure. On the other hand, a governmental organization which in an emergency functions by calling into existence a jury or commission composed of those whom the public will trust, may both enlighten the public as to the merits of the controversy and focus public opinion in such a way that the parties to the dispute cannot withstand it. This, or something like it, is the suggestion of Secretary Hoover, and no wiser man than he is today taking thought for our industrial welfare.

I am aware that in the minds of many of you there is a feeling of disappointment because I have no formula to propose and no panacea to suggest. You must remember, however, that the problem is fundamentally one which concerns the spiritual attitude of one man toward another and that all the troubles which we are considering presuppose something wrong in that attitude. Under these circumstances there can be no formula and no panacea. If our hearts are not right all we can hope to do is to make the best of a bad situation. If employers and unions not only lack confidence in one another, but if the lack of confidence is deserved; if the obstacles in the way of organizing industry on a partnership basis seem to us insurmountable, and if the stabilizing of industry does not itself minimize the labor problem, then we must inevitably flounder. Let us at least, however, be honest enough to recognize that we are floundering and let us not make frantic appeals to government and force to work the miracles which we do not deserve. Let us put no trust in industrial coercion. Let us make no appeal to the courts beyond the barest limits of protection to life and property, and let us never make an appeal even in these cases, a covert method of imposing upon the courts an impossible jurisdiction over all industrial happiness and welfare. Let us set up sufficient governmental organization to give us official forecasters who will scan the

skies and sense the air currents. Let them be empowered to invoke executive action for the impanelling of emergency juries. Let these juries find the facts, enlighten the public and recommend the solutions, and let us be honest enough to realize that no power on earth can force the acceptance of these solutions except concentrated opinion of all the citizens of the United States.

GEORGE WHARTON PEPPER.