

The Economic Club of New York

50th Meeting

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Collective Bargaining

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Mr. Morgenthau: Ladies and Gentlemen: I just had a slight dispute with Brother Ely because I assured the victims at my table that this was an easy hall to speak in. I told them that the unusual attentiveness of the audience enabled the speaker to make himself easily understood. But you all know that Professor Ely has his way, so I shall not tell the speakers to speak sotto voce, but to give you the benefit of their full voices.

My friends, this is the fiftieth dinner of the Economic Club. We have had, as the older members know, some very interesting periods and some magnificent speakers. We have gone through the war and discussed the needs of Victory and the requirements of the war. We now feel that for a while we should discuss some of our domestic problems and one of the most important of all is the relation between Capital and Labor and your committee deemed it desirable that we should discuss “Collective Bargaining”.

We have fortunately with us several Englishmen who are going to tell us the condition of the Labor market and the relations between Capital and Labor in their country. I think it forebodes of the pleasant relations that exist and it is going to increase them in the future that we will work side by side with our Anglo-Saxon cousins. (Applause).

As some of you know, we have a strict timetable and I am entrusted tonight to enforce it and the first one that will fall under that table is myself. I have been permitted to allot to myself a few minutes and I therefore shall not speak at any length.

I think we are particularly to be congratulated that we have with us Mr. Gardiner, who for 17 years has been the editor of one of the leading English papers, “The Daily News”. I hardly need introduce him to you. All of you know him. I take great pleasure in presenting him to you. Mr. Gardiner. (Great Applause)

Alfred George Gardiner

Formerly Editor of “*The London Daily News*”

Mr. Chairman, Ladies and Gentlemen: When Mr. Ely asked me to accept the honor of addressing you; he suggested that it might be useful if I said something about the condition of the question of Collective Bargaining in England. I don't propose to offer you any of my personal views on the subject, and I don't suppose you would really desire to have them. What I propose to do is to say, as briefly as possible, what has been the history of the question in England, what the present situation is and what the present tendencies as to the future are.

Perhaps, remembering Mr. Ely's remark, you will indicate if I am being heard or not, or at all events, you will indicate if I am not being heard.

The first point to make, I think, is to remember that there are one or two very vital differences between the situation in England and the situation in the United States.

England is an old and settled country. All the good things have been picked up, or most of them, and exploited, and labor, therefore, is not in the position in which it finds itself in a country like this, with enormous possibilities, with enormous unrealized resources.

In the next place we are fortunate enough to have no alien question. The working people of England are practically of one language, one speech, one tradition and one culture. That, I think you will agree, is an extremely important difference and a very great gain to us. It means that in all our controversies we are speaking the same language. I mean not the same language philologically, but the same language in mind and spirit. That is a very important gain as compared with this country, which, with its enormous needs, has had to call upon the surplus labor of nearly all the countries of Europe in order to supply its requisites.

The result, I think, naturally is that the labor movement in England, the industrial movement has had perhaps a more coherent and logical development. It has a history. The labor question in America can hardly be said to have had a history.

Labor organization developed in England out of the misery and misfortunes of a hundred years ago. Those misfortunes were the product of a great good fortune. They came out of the industrial revolution which was wrought by steam. That revolution, while it made enormous fortunes for the manufacturers, ground the working classes very terribly under its heel. About the same time the Great Enclosure Acts in England had driven the people off the soil and the needs of the new industry made them easily subject to the worst conditions. The only opportunity for getting a decent share of life for these people was to organize themselves and they did organize themselves.

Anyone who knows that remarkable book of Mr. Hammond on the “Town Laborer” in connection with the industrial revolution will not need to be told how great the necessity was. For a considerable time, the attempt of the trade organizations, or the trade unionism, was fiercely resisted and it was accompanied on both sides by many disastrous results, but you might say that by the 70’s, the principle of Collective Bargaining was established in the skilled industries, practically all the skilled industries, and as a result of the great Dock Strike in 1889, it was established also in the unskilled industries.

Therefore, we may be said to have had a generation’s experiences with Collective Bargaining. You will ask, what has been the result of that experience? And I think the reply would be, with a fair consideration of events, that it has been extremely successful.

I may remark that the general experience is that the better the trade has been organized on both sides, that is, on the side of the men and on the side of the employer, the less disturbance has there been and the greater prosperity has there been. That applies, for example, to a trade like the cotton trade, which is extremely well organized and in which, as in some other industries, there is an agreement between the employers and the employed that in the case of a dispute arising a time barrier of some months should be set up between the occurrence of the dispute and the actual hostilities taking place.

There is another difference, which I think it is necessary to keep in mind in considering the relation of labor, another difference between the experience of England and the United States. That refers to the attitude of the labor movement to political life, to Parliament and to national affairs. I think it is the fact that in America there has not been a single representative of the labor party returned as such to Congress. In England at the present time the father of the House in Commons, Mr. Thomas Burke, is a member of the Labor Party, and I venture to say that there is no more respected member of that House than he is. He was returned to it something like forty years ago, a working miner, and several other miners, I think, were returned at the same time and subsequently.

In the beginning that movement was not a separate movement. They did not set out to establish an independent labor party. They worked in connection with the Liberal Party with

a certain measure of independence, but on one or two occasions they furnished members of the government itself.

That was the situation up to 20 years ago. Twenty years ago, or rather more, Mr. Kier Hardie was returned to Parliament as an independent labor man, and that was the beginning of the labor political movement in England, the Independent Labor movement. In the Parliament which was returned in 1906 there were nearly 40 members of the Independent Labor Party returned, that is to say, a separate party, detached and in opposition to both the historic parties in the state.

In the present Parliament there are 70 members of the Labor Party and they represent now definitely a third party in the state and I do not think anyone who is familiar with the facts of English political life doubts that in the future, probably in the relatively near future, it is possible that the Labor Party will have the power in Parliament.

You will ask, what is the attitude of mind of the average thinking reasonable Englishman with regard to that prospect and my reply, I think, would be this: That on the whole we are agreed, that is, those who are free to look at affairs in a detached and objective way, we are agreed that the political movement in labor has not been a menace but has been a gain. It has been a gain for this reason: In our country as in most countries, the peril of the time and the peril of the future is what we call, under one name or another, “Direct Action,” that is, the

action of independent industrial bodies against the ordered life and the constitutional processes of the state. That is the danger.

Now what is the way in which that danger can best be met? We are agreed in England, those who look at the events as I and Liberals who think like me look at them, we are agreed that the first necessity of all in defeating “Direct Action” is that Parliamentary Institutions should be strengthened, upheld and subject to the entire confidence and approval of the nation, and in order to increase the repute, the authority and the position of Parliamentary institutions, it seems to us necessary that the body, that great mass of labor should be directly represented, and for that reason, I repeat, we are convinced that the political movement in labor, so far from being a menace, is a very important gain.

I may point out that the labor movement at present is this: That the labor men do not accept office under any government which is not of their party, but that rule has been departed from during the abnormal conditions of the war and there have been several members of the Labor Party who have joined the government, among them Mr. Henderson and Mr. Kleins and several others and most of them have fulfilled their duties, I think, with admitted success.

But while this double track movement in labor, that is, the political and the economic movement, has made very great progress, it cannot be said and no one here I think will imagine it can be said, that the millennium has been reached in our country. Very far from it.

The war has had a profound influence upon the situation. It has disturbed the whole machinery of life. It has given men new demands and new ideas and labor has come out of it with a new policy, which is very much in the direction of demanding a larger share, not merely in regard to wages but in regard to the management and the control of the conditions of their industry.

This demand is especially noticeable in regard to the great monopolies, coal and the railways. These two industries have during the war, as in this country to some extent, have during the war, been practically under the control of the State. Whether they have been well controlled or ill controlled is by the war. In any circumstances, the conditions were so abnormal that any judgment would not be fair on the subject. But the demand at the present time is that those great monopolies should no longer be worked for private profit and I think that there is a general consensus of opinion that in no circumstances can those industries ever return to the condition of their administration prior to the war. Even those who are most hostile to the idea of extending the authority of the state over industry are agreed that we can never get back to the old basis of private ownership. We shall probably move towards a system in which the private interests are bought out and the administration is handed over to a council elected as to half by the producer and as to half by the consumer and that this council will be the Parliament of the coal industry or of the railway industry and will elect its own management

for the purpose of running the concerns. That is the tendency which seems to be most powerful in regard to the settlement of those great questions.

But in regard to industry generally there is also a very strong conviction that we have to find what we may call a new way in industrial life. This constant conflict between capital and labor menaces the common life of the community and it is realized that the menace can only be removed by the substitution of a new frame of mind by the action and operation of a real new spirit in the community both in regard to the workmen, the men, and the consumers.

Now this idea, which is bound up with the profound necessity which the world is in today of having the highest possible production of commodities, this idea has taken form in what is known as the Whitley Councils. The Whitley Councils are so-called because they emerged from a commission, a Parliament Commission consisting of the most representative men in labor, in capital and in those interests which belong neither to labor nor capital, and which was presided over by Mr. J.H. Whitley, the Deputy speaker of the House of Commons. I dare say most of you are familiar with those councils, but I might perhaps just briefly, in the event of you not being, I might just briefly indicate what their scope and nature is. An industrial council is composed for a given industry of a certain number of representatives of the employers and an impartial chairman. This body, which is, as it were, the high court of Parliament in that industry, is given very important powers, both executive powers and advisory powers, in regard to the conduct of that industry, its development, the education of

the young who are brought into it and a multitude of other questions, aiming at consolidating the interests of the whole body, regardless of whether they are employer or employed, by giving them a sense of a common responsibility and of turning their minds away from the merely personal and material point of view to the larger conceptions of the industry and of the public need.

Below this high court of Parliament of the industry, as it were, there are formed District Councils, which deal with subjects as they arise in the district and if they are unable to deal with them and unable to settle them, pass them on to the high court, and this I think is a most important fact of all, there is still another body connected with this government and that is the Work Shop Committee.

I don't know whether you have heard of the shop movement in England. I dare say you have and I dare say you have a similar movement in this country, the shop stewards movement. That is a movement, which has caused a great deal of disquiet and, a great deal of alarm and a great deal, I think, of misunderstanding for some time in England. It represented what seemed to be an effort to break up the trade union movement and to make it purely anarchy, but at the back of that movement, and usually we find that there is some reality behind all of these movements, at the back of that movement was a very real thing, that is, the discontent of the man in the ship with the difficulty of reaching that far off place, London, and getting his own difficulties settled quickly and satisfactorily. It represented in fact a feeling after that

very necessary thing, decentralization of control, and the aim of this movement has been to bring down the responsibility for the industry down to the work shop itself and up to the Parliament of that industry and to fuse the whole with the same kind of constructive idea and the same kind of moral purpose. It is impossible for me to say at present or for any one at present to say what measure of success has resulted from this very interesting and important experiment. At present there are something over 20 industrial councils formed in connection with most of the important trade of the country. Judging from the experience of the industrial council formed in the building trade, which was the first to be put into operation, the promise is extremely satisfactory.

That federation of industrial councils, which was begun before the Whitley Commission made its report, which was the work of a man named Malcolm Spokes has now been in operation something over a year and the results have been, I understand, quite remarkable.

In this connection you will, I believe, hear tonight from Mr. Leitch something in regard to a movement of a similar kind in this country. I myself have been profoundly interested since I have been here during the past few weeks in such a movement in connection with what is known, I think, as the garment trade. I dare say some of you may be familiar with the movement. It is a real attempt to organize the employer and the employed not merely on a material basis but on a moral basis with the idea of the trade being something which should serve the community, with the idea that the worker does not simply sell his labor, but does

sell himself, owes something to the community, and I have given a great deal of attention to that movement. It seems to me one of the most interesting things I have come across here and deserves very really the attention of anyone who hasn't come across it. It represents, as the Whitley movement does, and as most of the hopeful, constructive and statesmanlike movements of the present time do, it represents an attempt on the part of the reasonable, thoughtful men, both in labor and in capital, to establish a new relationship, to put their common interests in the pot and to work, not merely for some immediate motive, but for the general interest of the community, working for it, that is, with not merely a material aim, but also with the aim of national improvement and common benefit. I think I have exhausted my time. (Great applause).

Mr. Morgenthau: Ladies and Gentlemen: I think that all of us feel under deep obligation to the telephone system, though some of us have been known to feel slightly displeased at times with the service we have had lately, but I think that Mr. Fish, the next speaker has had nothing to do with it recently. We are very happy to have Mr. Fish, a prominent member of the Boston Bar and a former president of the American Bell Telephone Company, here with us tonight, and I have great pleasure in introducing him to you. (Great Applause).

Frederick P. Fish

The Boston Bar

Mr. President and gentlemen: Whenever I am thinking of the subject of industrial relations, one thought comes into my mind which I wish might permeate this country, and that is that the industries are not primarily for the advantage of the men who have money invested in them and their management, they are not primarily in the interest of the workingmen, but that they are to be treated and considered in view of the interest of the people of the United States as a whole. (Great Applause)

This is a proposition that every citizen, whatever may be his station in life or his relation to the industry, should definitely recognize and accept. We are today in a critical position, as England is and the rest of the world on the question of employment relation, and it is the duty of the people in this country not to think ignorantly, or to act ignorantly, not to develop prejudices, not to develop prejudices one way or the other, not be carried away by emotion, but to try to get at the real truth of the situation as it exists and then use their judgment and their powers of reasoning in taking sides, on the issues, in so far as it is essential that sides should be taken.

Now, this subject of collective bargaining is one that is much talked about. The phrase “collective bargaining” needs interpretation. I shan’t undertake to go far in interpreting it,

except to give my own conclusion, which is that, as it is generally and commonly used, it refers to an ideal situation which is more nearly exemplified in the English conditions to which Mr. Gardiner has referred to than in any other that exists in the world, that is, where the workmen are all organized in labor and trade unions, where the employers are organized and where the individual shops and the relations between the management and the individual establishment and the workmen of that establishment are ignored and sidetracked, and everything settled by collective bargaining between the enormous power of the labor union on the one hand and the enormous power of the employers on the other. This seems to be the situation to which England is coming, if she has not got there already, but gentlemen, that is not yet the American situation. The American situation, on the contrary, is primarily today the open shop as against collective bargaining in the sense that I have given to that phrase. Mr. Gardiner in his very interesting talk about English conditions has put his finger upon some distinctions in the situation there as compared with what exists in this country. He has also called attention, among other things, to the fact that England is very thoroughly organized, as far as labor is concerned, and the difference between England and this country is tremendous in that respect.

At the time we went into war there was a careful investigation made by the Washington Government, which resulted in the publication of a report, which I think was the basis for the proposition that not ten percent of the establishments of this country and not ten percent of the workmen, the wage earners in this country, were organized into trade unions, as

compared with the very much greater percentage in England. That has been up to date the American situation, the closed shop and what it means domination the employment relations in England, the open shop and what it means domination the employment relations in this country.

Now, there is one thing which Mr. Gardiner didn't say, and which I think a study of the books, a study of the available evidence will justify, and that is this: that whatever may be the cause of the situation, the labor union domination in England had not succeeded in bringing about efficiency in production at the time the war began, that I had not succeeded in getting for the English wage earner very good pay. I believe that the books establish the proposition, based upon scientific investigation, that at the outbreak of the war, the English workman was producing not more than a third to a half at the outside as much as the American workman, and I believe that it is perfectly clear to those who have studied the matter and have recorded the results of their studies in books, that the English workman wasn't getting anything like the compensation the American workman was getting. And why? I won't undertake to answer that question directly, but should like to state that was the situation in spite of the domination of the labor unions in spite of the domination of the labor unions in Great Britain, and that I was a most serious situation. It was impairing the standing of England as an industrial empire; it was reducing the standard of the individual workman in England.

Now, Gentlemen, an illustration of the why of that situation, I think is shown by what happened in England when the war broke out. It was evident to the powers over there, that the war couldn't be won unless there was a most tremendous increase of production which meant work, work, work on the part of everybody and the government officials persuaded the labor unions to do what in order to get this increase of production? To abrogate their rules by which there was efficiency of production, and there were many of them which I cannot stop to go into, to abrogate those rules, and with what result? That the production in England per unit per workman increased tremendously through the country and saved the situation.

Now, I think there is a definite connection between those two facts, that the production was very low before those rules were abrogated and those principles abandoned and the situation which arose after those rules were abrogated and the situation abandoned. Now, coupled with this agreement on the part of the English labor union was a definite promise on the part of the government that at the end of the war those rules and those principles should be reestablished and the world today is waiting with interest to see what happens if, in fact, those rule and those principles are reestablished. I don't believe they can be reestablished. If they are, I think England, as a commercial nation, is doomed. I think the labor union and the labor union leaders will have to see and recognize that fact in England and voluntarily adopt new principles and if they do it over there, maybe they will do it in this country, because in this country I think the evidence is complete that the rules, principles of the labor union, are such as to reduce production, to limit efficiency and to suppress development of the industries that

is of such vital importance to every man, woman and child in this country and to the whole world. (Applause).

But that is not the only kind of collective bargaining that is conceivable. There is another kind and I won't come to that for a moment, because the other kind to which I refer is simply one way of bringing back in the industry the relations that existed between the management and the men up to the time that modern conditions made those old conditions impossible. We all know what a tremendous and radical change has occurred in industry during the last fifty years. We all know the development of electricity, of power, the work of scientific men, inventions, the extension of transportation systems all over the world, of the substitution of machinery for hard work and the crowding of people into great establishments and into cities has led to a condition utterly unlike that under which men worked and lived fifty years ago. To deal with the mechanical and engineering and physical side of that problem, which has been forced upon us by these marvelously new conditions, has required, what I believe to be, one of the greatest exercises of intellectual force, of power, of intelligence, of imagination and of capacity that has every been known by the human race in its whole history. It is perfectly marvelous how men who had no training for the new conditions went to work and succeeded by organization and by careful research and investigation and by the most intense energy in adjusting our industrial methods to these new conditions. It is a triumph of which we should be proud and a triumph that future generations will recognize as one of the greatest that man has achieved.

But, gentlemen, the stress and strain on the effort in dealing with all the questions from selecting the right coal and the right raw material that the product might be perfect all through the organization, that the invention and design of machinery, looking after floor space, the saving of effort, the development of power in all its forms and the dealing with these modern conditions of transportation and of production that were so radically new, all those things took so much of the thought and energy of the men who were responsible, for that management in my opinion they neglected certain other things that were equally important and which should have dealt with in exactly the same spirit, exactly the same mental alertness, exactly the same power as the physical, material, and engineering problems which they dealt with so admirably. Among those was this: The relations with the workmen. The workmen were working under new conditions. They were crowded together as they never had been before. There were any number of new situations under which they worked. I cannot stop to go through the list but among others the change from the older fashioned generally easy going work to the work that is speeded up and timed by a machine which requires concentration and where men specialize to such an extent that a workman's job at which he starts is likely to be his job all his life. All those things brought in new elements of psychology, new elements of mental relation to the situation on the part of the workmen and they needed study and analysis and researched that they might properly be dealt with. There were many more of them, gentlemen, there were many more of the same kind, but in addition to all there was this tremendous development of energy, of power, with this enormous

production and the results of production which showed in profits, which showed in the creation of a few abnormally rich men who stood out from their neighbors with having made fortunes beyond the dream of anyone in prior generations out of this condition of things.

That brought about a ferment on the part of the workingmen, and it was naturally inevitable that this should be so, that they did not look at things as they had before. That situation was one which should have been definitely attended to and studied. There should have been the same kind of research and the same kind of attention given to it as there was to the more material problem, and, gentlemen, I am satisfied that it wasn't done.

But it has begun. A number of years ago attention began to be given to these things. It was begun to be recognized that working conditions were not right and although this country in the industry men have attended to that side of their obligation, the management has attended to that important and conspicuous thing, for I know there is no element of industry that is anything like so important as the relation with the organization, the loyal workman, the sympathetic workman, the man whose work is a joy to him is invariably more effective in every possible way and more than that, we have to recognize now that we are beginning to think about it, and we have got to consider him not at all from the point of view as a part of a machine but as a man with so much aspiration, human feelings and human strength as well as human weaknesses. (Great applause)

As we all know there has been great made in the direction of sanitation, of insuring good conditions of work and good conditions of living, assuring safety and that work shall be done as easily as is consistent with efficiency. But that is not enough.

There is an old doctrine which people had in the back of their heads, all the time, although they didn't think about it—that the question of wages was a mere question of demand and supply, that is, the market will fix the worth automatically, although we recognize at the present time, I am happy to say, that there are qualifications to that law, that while that law controls and always will control, it cannot help controlling, yet there are qualifications to it and that an effort should be made to bring out, to reward, to develop, to reward every individual effort, every individual efficiency, every individual vex power, every individual capacity, every individual with loyalty, and also that any industry that is worth providing, that is worth perpetuating, ought to be able to pay everyone that enters in its employ a decent wage that will support him in a fair degree of comfort that is satisfactory to a right minded man in the situation and that will give him a chance for relaxation, a chance for saving something for old age or for accident.

That I think has come to stay with the industrialists throughout this country. Another thing which I think they are beginning to recognize is this: that the employment situation is a most serious matter in industry and that it isn't necessary that there should be so much unemployment and steps are now being taken, as you all know, to select men rather than to

take them haphazardly, to fit them for the job rather than to put a man, a round plug into a square whole where it won't fit.

Also there is the thought in many of our establishments today that if a man is employed there is an obligation to him that he is not to be fired merely because he isn't fitted for the job.

Before that is done, it is the duty of the management to look around to see if there isn't a job for him somewhere else, and I believe that they can in this way gradually deal with the evil of unemployment.

I hear story after story among the industries of a management which desires to hire 200 men and has to employ a thousand or fifteen hundred before they can get that 200, all of whom have to be trained, and the training is wasted and thrown away, so as a matter of plain, scientific common sense that is a thing that needs to be grappled with.

These questions of fluctuation, seasonal fluctuation, fluctuation in business, I believe, can be controlled. These questions properly handled would lead to the only possible solution from this present feeling which is in the air of antagonism between labor and management, between employer and employee, and this present hostility that is talked about so much is simply due to this: that these questions have come to us because the management throughout this country has failed to study the employment relations, to study the men in its service, with the same intelligence, the same care, the same quality and the same thought that they

have given to the mechanical side, the physical and engineering side of their work, and the only cure, it seems to me clear, for this feeling of unrest is to get back to the older conditions where when workmen working under much more unfavorable conditions and with much less return for their work, there wasn't this unrest, there wasn't this antagonism, there wasn't this feeling of disloyalty.

Gentlemen, the workmen naturally do not want to be antagonistic. They do not want to be disloyal. They are good fellows, and like all the rest of the world they get interested in their work, and they get to be partisans in their work, if their minds are not disturbed by something out of the ordinary, and I think, gentlemen, I submit for your consideration this single proposition: that it is the duty of every employer in this country to study in his own establishment the relation between himself and his workmen as intensely as he has studied any other department of his plant and to find out how he can get into touch with his workmen, which alone will save the situation.

Now, out of the 450,000 industrial establishments in this country almost all, some 95 or 98 percent of them, employ less than 250 men. If the employer of that small number of men goes at the matter intelligently and sensibly and thinks about it, as he thinks about the other phases of his work, he can get at these men sympathetically and intelligently, and he doesn't need any machinery for doing it, but the great troubles that we hear about are in the big organizations, where there may be in the two percent or so of the big organizations,

according to the standard as I have set up, of that figure which I gave, there may be anywhere from 500 to 50,000 men or more, and there it is utterly impossible that there should be that personal relation that existed in the old days and which may exist today in the small shop if the employer gives attention to the matter. There you have got to have some organization, just as you have to have an organization, just as you have to have an organization to solve the mechanical problems and there are many forms of organization and each individual manufacturer, each individual management should study the employment in its own shop and see which is the best. One form that is successfully employed in some places is simply to establish a department of good men for devoting themselves to the study of that question, to find out what the men need and want and thing, to meet them and explain to them the situation and to talk things over with them and endeavor to bring them to see the truth as they see it or to be converted to the views of the men, if necessary, and to handle the question of wages, hours and everything else that are individual to that particular establishment and which must be settled satisfactorily if that establishment is to prosper of it there are to be good wages, because unless the establishment prospers, there cannot be good wages.

Another form is what we sometimes call shop committees or shop councils, where in the individual establishment the workmen elect, and it should be by secret ballot of the fairest kind and counted fairly, representatives from their own number who meet the representative of the employer, who are men selected because they have the right characteristics and the right views of this important relations, because they recognize that the employees are men

like themselves and are entitled to be treated respectfully and frankly and fairly, then let the representatives of the two get together around a table and there is no question connected with the business that they cannot discuss to advantage to both of them. In that way the management will learn just as much as the men, and the men will learn just as much as the management. I believe by that sort of arrangement complaints and grievances can be taken care of, which, if there is not something of that sort, will lead to brooding and will grow and ultimately get so they cannot be handled or gotten hold of at the start. Men are fair, gentlemen; the management is fair. The employers are fair in this country. If they only stop to think and get at the situation accurately, I believe many of these can be taken care of at the start. I also feel, and experience shows, that the workmen soon get into the frame of mind where they want to cooperate. Experience has shown that the men who are elected are good, fair, straight men, those men that are elected by the workmen in secret ballot, because they want fair play, and they want to select men who will give them fair play, and among the things that can be taught in that way, and in no other, in the big establishments, are some of the simple economic problems, for instance, that no rule which suppresses production is consistent with prosperity or with good wages. When it comes to a question of hours of labor, the principle it comes to a question of hours of labor, the principle that should be applied is not an arbitrary eight day or forty-eight hours a week. That might fit some conditions and might not fit others, but that there should be in every establishment that amount of work and the maximum amount of work that can be done without in the slightest degree impairing the health of the operatives and which leave them an opportunity to lead comfortable lives.

Now, there, gentlemen, is a form of collective bargaining that appeals to me. It is a form that is consistent with our American ideas of individuality, of freedom of contract, and the right of men to look each other in the face and come to an understanding based upon their own apprehension of the two sides of the situation upon an understanding of the views of the other and by the exercise of fair play.

Now, no machinery in the world can accomplish anything of that sort of machinery. There has got to be behind it sympathy, good faith, fairness, frankness, loyalty, a certain recognition of the weaknesses of human nature, because human nature on both sides is weak, and the desire to get results. For that kind of collective bargaining I urge you to stand, it involves the open shop. It involves that the employer shall not be forced into that kind of collective bargaining to meet the labor union delegate or the representatives of the labor union who are not in his employ, if elected as representatives of his men, because the moment he does that, that moment the labor union gets into his establishment that moment he is beginning a course that will lead surely to the closed shop, which I submit to you, gentlemen, we do not want, for it is an un-American institution. (Great Applause).

There are good unions, there are bad unions; there are good leaders, there are bad leaders. I have sat next to two tonight, whom you will ultimately hear. I believe, gentlemen, you will find when you hear them that they are good straight men, but think of the temptation, think of

the difficulty in handling a rich, powerful organization in such a way as not to do harm to the underlying principle of our American institutions, which is exemplified in the open shop and a government that is for all under equal conditions, with no privileges, no special privileges to any class, whatever it may be, or whatever may be the completeness of its power of organization or its worth. (Great Applause).

MR. MORGENTHAU: The next speaker is at the head of the labor union of the Pressman and their assistants in the United States and Canada. It had a membership of 46,000. They have only had two strikes since the war and in both of those strikes Major Berry who on the side of the employer and against the striking organizations. During the war he was abroad for over a year and earned the title of Major. I think we will all be delighted to hear from Major Berry. (Applause).

George L. Berry

President, International Printing Pressmen and Assistant's Union of North America:

Mr. Toastmaster, ladies and gentlemen: I am very happy to have this opportunity of addressing this club or association upon the very important question, "Collective Bargaining". To those who represent labor and to those who have studied labor and to those who have labored, we believe that collective bargaining is the very foundation in the matter of the stability of our government, the United States. (Applause).

We believe that the successes attained in this country have been largely the results, if not wholly due to the principle of collective bargaining. We take the position that to deny the principle of collective bargaining you introduce into American life confusion, confusion breeds Bolshevism, and the American labor movement as such is opposed to confusion and opposed to Bolshevism. The American labor movement stands for collective bargaining, moreover, because we believe in American traditions and American principles. I am no different, my fellow countrymen, than hundreds of representatives of labor in the United States, but I am prepared to say to you, as a representative of labor, that I am opposed, and I believe I voice the sentiment of the great overwhelming majority of the American workingmen when I say I am opposed to the stifling of the ambition of men, I am opposed to the stopping of the race of men in life to get ahead, and for that reason we have stood for the principle of collective bargaining, because its prohibited slavery and it prohibits Bolshevism, both of which are equally destructive.

We believe that only through the principle of collective bargaining, arrived at by sanity, by a sane consideration of facts—and what is that?—Conciliation and Arbitration—that the men of industry, employer and employed alike, can progress, and advance in the interests not only of the industry, but of themselves.

To deny collective bargaining in the United States not only brings confusion, will not only in the end breed Bolshevism, but it breaks down that standard of equity that now exists in the competitive life of the industries of this country. It is all well and good, my friends, for you and for me to set ourselves up as an example of good fellowship, as an example of liberality, as an example of philanthropy, but it isn't everybody that will acknowledge that you are a philanthropist.

By what force of circumstances, by what condition, by what instrumentality are you and I determining for ourselves the conditions that shall operate in our plants? Who is it that is to say that it is just, that it is right, that it is equitable to the men that we employ? Are we American employers or American labor to set up an autocracy of our own? Who is the employer in this country that has an unqualified right of determining the life and happiness of the men whom he employs? Haven't they something to say about it? Should they not be considered in the determination of such vital matters as their life, their existence, their happiness? That is what collective bargaining means. It contemplates that men of industry, employer and employee, shall sit down at the round table and there discuss and there adjust the matters in respect to their operations and to their relationship, and if they are unable to adjust their differences, man to man, then they shall proceed to arbitrate the differences to the end that industry might have a continuous life and a prosperous life.

Let me submit to you, gentlemen, that upon our investigation and survey of the printing industry of American we found this: that wherever there existed an arrangement of collective bargaining between employer and employee, and the unions recognized and respected, there is where you found the most prosperous, most satisfactory condition, not only for employer, but for employee, and wherever there has been an absence of that relationship between employer and employee we have found, at least in the printing industry in this country, an unsettled, an unsatisfactory responsive condition to the men of labor as well as to the employer. And what is that?

I can go back to the individual philosophy that may exist, that if there are a dozen employers in Kokoma, the chances are that there are a dozen employers with a dozen different points of view and if there are a dozen different points of view, there becomes a dozen different conditions prevailing. The result is that labor being the chief cost in production, becomes a very uncertain quality when those 12 men go into the field of competition, because John Brown, employer one, may see through an entirely different eye-glass than Sam Smith, employer two, and in the production of his article, whatever it may be, he is forced to meet possibly an unfair condition from employer one, or the opposite may be the case.

But in the application of collective bargaining, there is a definite and specific agreement, arrived at, founded upon fact, if, of course, the principle is applied, and we should not be so insensible to the fact that the men of the world are very much of the same temperament, yet,

we must not overlook the fact that he have bad boys in the employers' side as well as bad boys in the Union's side, and it is to be expected that in the course of human events we shall not always be confronted with a pink tea party, it is quite possible that occasionally we shall have trouble, occasionally we shall have fights both with the employer and with the union, everything is not all peace, and it is quite often that we do not predicate our acts upon facts.

But, I repeat, carrying out the principle of collective bargaining, it predisposes that the difference between employer and employee that be settled upon facts, not upon theory. If they are unable to settle upon facts in conference, then they are to proceed to arbitration, and in the meantime the business in which they are mutually interested shall continue without disturbance. (Applause).

Now, has that worked out? Let us take an example, an example that I can speak of fairly intelligently, the International Printing Pressmen and Assistant's Union. They are interested in the printing industry of this country and we have educated the great majority in all of our membership to realize that they are as much interested in the printing industry as the employer is, that if the industry is not profitable, that if there are to be no surplus, no profit made, that they, the employees, are to suffer to a greater extent than the employer.

That has been the point of view that has actuated the representatives of the International Printing Pressman and Assistants' Union in building up in this country a feeling of

cooperation between the employers and the employee in the interest of the printing industry. Now, is that true? Has that worked out in fact, or is it still a theory? We are working under the proposition of collective bargaining. This union, in order to prove its sincerity and genuineness in the advancement of that principle, why it didn't adopt a policy of curtailment in product nor did it work twelve hours a day or ten hours a day or nine hours a day, but it worked eight hours a day, and its membership had been educated to the point of giving the best possible service to the industry in order that the profits of the business might be increased, and did we prove that?

Here is a union of forty thousands of men, scattered over this continent, not an organization with ten percent members throughout the North American Continent, one of those strong, one of those so-called arbitrary unions, but here is this union with its ninety percent membership, what have they done to prove their interest in the printing industry of this country? They have spent of their money more than \$750,000 in the establishment and maintenance of a trade school, for the purpose of elimination inefficiency and raising the standard of craftsmanship. And that is not purely a monument, that is an existing fact, with more than \$250,000 worth of machinery, printing machinery in their school, giving correspondence instructions to hundreds of men throughout this country, members of our union, and receiving into that school yearly hundreds of young men and old men, who come there to learn the printing business, in order that they might save, in order that they might all

make their industry more profitable, not only for themselves, but for the industry in this country. Is that proving it?

Let us go a step further in respect to the relationship of the employer of our industry and the employee. Under our rules a local deals directly with a local group of employers, and if those two groups, are unable to settle, I repeat, then they proceed to conciliate, and if unable to conciliate, they proceed to arbitrate, and in the meantime, the presses run. If they fail, then it goes to national arbitration, as in the case of the American Newspaper Publishers Association and our national body, or, as in the case of the International Joint Conference Council, made up of the three or four employing printers group of this country and the printing trade unions.

Now, let us see what has been the actual fact. A member of a local union can appeal from a decision of a local union, where a fine has been imposed upon him. His appeal goes to the president. If the president decides against him he has the right to appeal to the Board of Directors. If the Board of Directors decide against him, he has a right to appeal to the Convention of the International Union, and what constitutes, my fellow countrymen, the great majority of the appeals coming to the International Union, what are the majority of these appeals? Seventy percent at least of the appeals coming to the International Union today are from members who have been fined by their local unions upon the recommendation of the chapel or chairman of the shop, for the curtailment of product or the malicious destruction of machinery. Seventy percent of the appeals today come because men in shops

have come to the point of seeing that if John Brown on press two is maliciously spoiling paper or machinery, or becoming intoxicated, or in any way failing to perform the functions of his office, John Brown has come to the point of realizing that that man is cutting his throat when he fails to produce and he immediately prefers charges. As I repeat, seventy percent of the appeals come from men who have been reprimanded or fined for the failure to turn out product, and let us go a step further and prove as to practicability of collective bargaining.

This union with its more than forty thousand members, as the Chairman of this meeting has told you, had two strikes. Mind you, with 460 local unions with more than 40,000 members, both had two strikes on this continent since the declaration of war by the United States Government, and those two strikes were unauthorized strikes, illegal strikes, and in both instances this International Union joined with the employer in spanking those unions that called the strikes. (Great Applause).

You may not be aware of the fact for the past eight or nine weeks in New York City you have been without your magazine and you have possibly observed in the course of time that the employer publisher, periodical publisher and the five International Printing Trade Unions, not employers union, but unions of men, the workers acting with those officials in accordance with the policy of the great majority, but those employers and the unions represented, joined in crushing insanity and Bolshevism in the printing industry of New York, and that we succeeded is proved by the fact that every press in New York is running

today and every man that is running those presses has accepted conciliation and arbitration of their differences with the employers of this city. (Great Applause).

Oh, you might say, that is a most extraordinary union, but, my fellow countrymen, that is only one of the average International Unions. A gentleman that will follow later on who has had somewhat of a similar experience in your city and he will prove to you that there is another union. You know, the attack upon unions reminds me very much of the reputation that the wife-beating husbands get. You always hear of the man that beats his wife but nobody says anything about the thousands of good husbands that never beat their wives. (Laughter and applause).

You hear what the Bolsheviks are doing in this strike or that strike, but you have never heard before and I wonder if you, in considering this important question, have ever attempted to ascertain the percent of men of labor that have struck or have been on strike or are now on strike in the United States by comparison to the total. If you would make that analysis I am quite sure that you will be converted to the fact, that instead of opposition, instead of antagonism, you would join in making collective bargaining contracts throughout this country; and if every industry in this country had collective bargaining contracts, we could very easily call at Washington a meeting of representatives of the industries of this country and decide this high cost of living in about fifteen minutes.

We could do that very easily if the employers and employees of this country were together instead of being against each other and antagonistic.

Gentlemen, I am pleased to have had this opportunity to have met you and I hope that what I have said in respect to the one example that I know the most about, the Pressman and Assistants of this country, I hope that you will find the opportunity to investigate the truthfulness of my declaration, and if you find it correct, I hope that you will give a kindlier thought to the question of the union shop, collective bargaining, conciliation and arbitration between employers and the continuity of peaceful relations in this country between employers and employees. (Great Applause)

Mr. Morgenthau: The next speaker is Mr. John Leitch. Many of you have read his book, "Man to Man". He has made a study of how to reconcile the differences between employer and employee and I am sure he will add to this very splendid set of speeches that we have had so far. I take great pleasure in introducing Mr. Leitch. (Applause).

John Leitch

Author of "Man to Man: The Story of Industrial Democracy

Mr. Chairman and Ladies and Gentlemen: I have heard some new views on Collective Bargaining tonight, as well as several other things. I want to thank your club for having

invited me to be here. It has been a feast. I delight to hear such things as I have heard in this talk by Major Berry. It is a wonderful thing that men should understand in groups as large as his group is, the needs of all men, as well as merely their own needs.

When Collective Bargaining is thought of in my mind, thinking as I do in pictures, I think of a triangle. All history seems to have been worked about that triangle. Artists tell me that no real picture is painted unless in it you can see that triangle. The Creator has always been portrayed in three particular attributes; Man has always been defined in three specific ways and I think Business, too, can be defined in the language of the triangle.

I think that our mistake, I think that our lack of education, which is rapidly going, will add the other line to the triangle. We have been talking about capital and labor and there seems to be no other subject and we have forgotten that there is one more line to be considered by both parties so prominently mentioned in our recent publications and in our speeches. I would like to see the phrase coined and kept for life, "Capital, Labor and the Consumer". (Laughter) I would like to see when capital and labor get together for discussion, whether it be unions of capital with unions of labor, an equal consideration given to the absent friend. (Laughter).

In business when wages are mentioned and hours of services and the parties in the controversy think only of what it costs and what they can get and do not think of what they can give, only two sections of the triangle mind is working. It is up to capital and up to labor

to figure on what it costs the consuming public to pay the bill and when they do not consider that, then they do not fully function in thinking.

I am particularly interested and I thoroughly and sincerely believe in the principles of my country. I give all honor to those men, who 150 years ago conceived a wonderful idea in management and were able by those principles to manage a business consisting of now, 110 million people, and carry that business to a success. (Applause)

It is because of those wonderful principles, appealing as they do to me to be vital and thoroughly life-giving, that I believe they are big enough to conduct a business where there may be only a thousand, ten thousand or a hundred thousand interested.

I think if principles are great enough and glorious enough and grand enough to establish America, that they are equally great and grand enough to establish a simple manufacturing company.

So I have merely followed the wonderful leadership of men who think, yet I feel of myself that I am but a secondhand clothes dealer, because I am taking the wonderful thoughts of Adams and of John Hancock, of men of that note, and putting their thoughts into industrial activity and establishing in business a cabinet system of the executives, a senate consisting of the department heads and a house of representatives elected by secret ballot from among

those whom we call the workers. With all justice to all parties, I think we should no longer call those who merely hold no position, as an official or sub-official, I think in justice to all parties, we should include the man who is in the private offices a worker.

I have seen men sweat blood. I have seen the man at the bench sweat all he can sweat, but I never saw him sweat blood. (Laughter) I have been with an executive not once but several times, different executives, where they have been to the bankers who controlled the deposits of the working men as well as the man with capital, and I have been with employers to the banks and in a nice and friendly open and very hopeful way made application for a considerable loan of credit and when it didn't come over easily for him, I, too, have prayed. I have begged, I have shown him what we were trying to do and plead that we be not put out of business, which mean not only that company goes out of business but thousands of working men supporting families also to be put out of their jobs. I call that sweating blood. I need not explain that to you who are mostly employers and have done sweating similar to that. (Laughter)

I say that when we get together as an industrial democracy and when the chief executive, as he does in an industrial democracy, appears before his people, though they be thousands, there is then again re-established that personal human touch that our forefathers had.

I say that these things can be brought about again only they must be brought about by wholesale, because we cannot in a large union of business as conducted today meet personally each man and know him as Jim or Tom or Harry. But I have seen executives, chief executives, I have seen chairmen of holding companies controlling other corporations, meet their men face to face, man to man, and meet their wives and meet their children and dance with them at these parties they get together in Industrial Democracy. That is the personal touch that is needed in order to show to the employer that his people are human, that is the personal touch that is needed to show to his people that the employer is human. That is going to bring back the condition that we need not cry for, we will get that; that will bring back that fact as I know it to be, for I have been in hundreds, possibly thousands of private offices and have met the employer, face to face, and in my business, with my intense desire to know the man, I split that employer straight down the middle, open him up, and see his heart, and I will tell you that the employer today is a man, wanting to do the square thing, but the people don't know it. (Applause)

I have been in the homes of workingmen, under conditions of peace. I have been in the homes of workingmen under conditions of war or strike. I have seen cobblestones thrown through windows. I have seen an axe sticking in a piano. I have seen carpet and rugs ripped up off the floor, torn to shreds, wallpaper ripped and torn, furniture smashed and the household utensils and things of that kind a workingman had struggled hard to conserve, I have seen those things ruined during times of strike. I have seen a woman, white, whose baby

was then but ten days old, plead that her man be not taken back to work, she feared for his life, “Don’t let him into the factory.” I know that is all due not to antagonism, that is looking only at the surface of things, it is all due to misunderstanding and it is not a consideration as it should be of man to man dealings or misunderstandings, the man not knowing the fellow he calls the boss and the boss not knowing the fellow he calls the man.

No longer should we look out through or organization or picture when seeing our payroll hands only in our factory. I wish we could amputate that word and use it no longer in business, because it compels us to think of workers only as hands.

Must I express this? Is it necessary to put into words? Hands do not represent these men who labor, do not represent these hearts that are back of overalls, do not represent the brains, the hopes, the ambitions that are in the man who labors, and let us consider, whether it be the private office to whom we refer, or the man at the bench to whom we refer, let us consider it a matter of man to man, for both are human, and when we take that attitude toward each other, there will be no attempt to get the best of the other fellow.

I have seen all kinds of conditions in business brought up in the houses of representatives, in senates and in cabinets. My time will be up before I give you a little evidence here and there of a few things that have happened where so-called capital and labor got together as man to man. Let me put it in these few words: I believe in men. That’s all that’s necessary.

You men believe in the men in your shops and it will help your business and when you do, they will believe in you and that will help your business.

A little evidence. Here is a thing that is so new that hasn't been tried yet. (Laughter), excepting by one party of the triangle. This happened to the cabinet of an industrial democracy and this is their final decision; and this decision, arbitrary? Yes, the only time they have been an autocracy. This cabinet of an industrial democracy will hand this paper on Friday to the Senate and the House of Representatives. It is their decision, without having yet been acted upon by the house or senate. Let us see what such an autocracy means in a democracy? What does the paper say? I will cut out a part of it, because I cannot give you the names, the senate and the house have the right prior to yours, "That this attitude on the part of the company was sincerely appreciated. They have done just that, these people, for what has been done for many months past; that this attitude on the part of the company was sincerely appreciated by our employees and was shown in substantial form in many instances by the work they have shown. I believe that this good, mutual understanding and appreciation have been a very good factor in welding together all the members of our organization into a loyal and homogeneous batch of workers whose spirit and loyalty are unsurpassed by any that I know of," or this to be signed by the president of the cabinet, the president of the company. While under existing conditions the company cannot well afford to increase wages for the reasons already pointed out, justice, our first cornerstone is applied in this as in all cases and

justice demands that our employees should receive a wage equal to that paid anywhere for similar classes of work and if our standard of wages is relatively low, particularly as compared to the wages paid by our competitors, then this standard should be raised, so that our employees receive a compensation equal to that paid anywhere for similar classes of work. In addition to which, will be paid, of course, our dividend of wages as a premium for faithful service. Industrial Democracies pay market wages plus dividends, for the extra services of the men, because they think cooperatively for the good of all and that brings about a lower cost and the savings are divided by the people and that is called dividends. This being an industrial democracy, I place this matter before you, who represent all our people with full confidence that your investigation will be carefully conducted and that your report and recommendations will be based, as always, upon the cornerstone and the capstone of our business also.” In other words, “Here, House of Representatives and Senate, you settle this wage question and the suggestion made by the cabinet,” and I can tell you what their reply will be; I can tell you what any man’s reply will be or 99 out of every 100. When you meet men in absolute confidence and square dealing you have very little to fear. He will come back to you in confidence and in square dealing and particularly when you meet him man to man. It is absolutely safe, perfectly safe; the biggest, soundest bank upon which to put your confidence, and you can draw from them unlimited returns in surplus if you will give to them unlimited confidence.

Men are square. They will make a report on that, I can tell in advance, and the president of that company is in this audience; I can tell you, Mr. President, that they will make a recommendation of less than you expect in the way of an increase. I know men are square. (Applause).

I have got too much evidence. I couldn't give it during the time that I will be here. Here is a letter dated November 5<sup>th</sup>, from the Packard Piano Company, Fort Wayne, Indiana, of whom I wrote in my book and they have had an industrial democracy for six or seven years. If you have read that book you will know that they have made remarkable progress in decreasing production costs, increasing the quality and increasing the quantity of goods turned out. This is a private letter from the president to me. I will read only the last paragraph:

“Things with us are moving fine. Everybody happy and getting good results. We have doubled our production since March and that taking into consideration the length of time it takes to get out our product, pianos. They are not turned out every hour. We consider that a pretty fine showing. I am almost convinced that we are one of the few or possibly the only piano manufacturer in the country which has been able to increase production to say nothing of doubling it.”

Now the question is in your mind, “How many more people did they employ?” Well here is the record: From January 1<sup>st</sup> until November 1<sup>st</sup>, five days before he wrote that letter, the

labor turnover, in other words, the number of people coming in was 6% and the number of people going out was 3% in ten months' time. (Applause)

I believe in men, Why shouldn't I when I have evidence of that kind. I am not talking about my business; I am talking about your business. I am talking about your men. You may believe in your men as thoroughly as these men have believed in their organization.

Men who work want a square deal. In spite of all the noise you hear concerning profit sharing and the radical talk that you hear concerning the taking away of all the assets of the employer, don't worry. That is such a small percentage of men who are talking that way. They are a small but loud noisy hand of people. They people don't want to disturb industry that way.

A little evidence, just a little. Here is a letter written to a company, who have been working as man to man with cooperation in their plant for some years and plant is fairly well-known, and a workingman in the employ of the DuPont's writes to the president of the company, this company operating as an industrial democracy and he says, "If I am not asking too much, I would like very much for you to write a letter to each of the following gentleman and explain your experience with industrial democracy", and he now gives the two names: Mr. Pierre S. DuPont, President of the E. I. DuPont de Nemours Company, Wilmington, Delaware; C. H. Trask, of the DuPont Engineering Company, of Pontiac, Michigan.

Men are asking for only a square deal. They are not asking for your property. They are not asking for your assets. It is the radical agitator only, not even his followers, the radical agitator only who is asking for all your assets.

I know labor. I know they are square. I know the majorities are constructive. I know they are not destructive. I have met those men, face to face, for years. I have done nothing else for 11 years. I know that labor is square and I am not worried at all about the agitator, the agitator of the radical kind.

I would like to say in relation to a wonderful example of constructive unionism that I wish all unions were that way, the facts are, as I understand them correctly, that there are in the Federated Union about 4,000,000 men; that there are in the unions outside of the Federation labor about an equal number, and it is the fellows outside of union labor that are making most of the trouble and some of those have penetrated into union labor and are trying and that is the thing I fear.

Industrial Democracy, or a method of Collective Bargaining, where men meet met, where both sides take into consideration not only their sides, but the consuming public and the cost to the public.

I want to say that I have never seen of but one example of what I might call an unfair deal and that was not done by the agitation of the men of the plant, but done only by a radical Bolshevick leader outside, who stole the money of those men, who collected their dues, making them believe that they were joining a Federation Union, and telling them that although they were getting \$25, \$30, and \$35 a week, that we would get them \$60 and \$65, “and we won’t be content with that; we will get all of the profits.”

Well, I can get just as much excited as any agitator you ever saw and I can inflame you men here if I undertook that work. It is easy. I don’t yield any great respect to a man who gets up and harangues a mob and gets them going to commit some killing or some wrecking. He is the fellow that we have to be mighty careful of. I think we have got to put him away and I hope it will be clear across the water. (Applause)

I see these same men who went out on that strike, who were misled for the time being by this firebrand, who had inflamed their minds, I see those men come back, meek, knowing they had been stung, knowing that they had taken from them some two or three weeks in wages, knowing that they had taken from them their dues to this fly-by-night union, knowing that there had been taken from them in every case where he could something that he called a loan, where he had borrowed from some men \$50, borrowed from other men \$200, and borrowed in two cases that I know of, \$300. Those are the fellows that we are afraid of; those are the

fellows for whom we need to have in our Washington headquarters a stiff backbone and a sound, strong fist. (Applause)

I believe in constructive unionism; I believe in constructive anything. I don't believe in destructive unionism, nor in destructive anything, and I believe that primarily man is constructive and wants to do the right thing.

I know that my time is nearly up and I am going to tell one story whether you like it or not. It is the keynote of the whole situation and it is a story that everyone of you know, but you are going to know it better.

A certain man came back to his hometown and he met a friend and the friend said to him, "Why weren't you here three or four days ago?" "What is the matter?" "Lazarus is dead." And he said, "Where have you laid him?" And they said, "In the tomb." "Lead me to the tomb." "It is too late; he has been dead four days." But he said, "Led me to the tomb" and they led him to the tomb. He said, "Remove ye the tombstone," and they removed the tombstone, "and remove the grave clothes" and they removed the grave clothes, and then he did a wonderful thing. He didn't say, "My heavenly Father, I thank Thee, because I know you are going to hear me." No. He didn't say, "Please help me do this thing." No. He said, "I thank Thee that Thou hast heard me." That is Faith. Maybe that isn't just the way the old

bible stories tell it in their symbolical language, but anyway, these times are telling it to us in concrete facts.

Then he turned to the dead body of Lazarus and said, “Lazarus, come forth,” and Lazarus came forth. About that time this man Christ said to his disciples and people around him, “These things ye shall do and more also” and in two thousand years since that time we haven’t believed it, but we are going to believe it now.

Employers are taking the job from the man who died two thousand years ago. Men are speaking to their people today and they are not speaking to dead bodies. No. They are speaking to entomb sick spirits, the sick spirits of men, sick because they have no hope, because there seems to be no chance; trouble at home, sickness at home, and in some cases hardly enough to live on; prices going up, nobody to teach them how to earn more; nobody to teach them how to save more, to teach them in a sympathetic way, and our businessmen are going before these people today, getting acquainted with them and speaking to these tombs alone and behind these tombs to the man buried inside and saying to him, “Lazarus, come forth.” The man of today is going to be the man that is going to save these men and we are in the business of making a race of master men and we are going to pull them out of their slavery, just as Moses took his people out of slavery and led them into a promised land. That is your job and mine and it is going to pay.

We have had engineers who knew all about steam and we have engineers who knew a great deal about electricity and we have converted those wonderful powers to our economic life. This has helped us in our social life, it has helped us in many ways to live in this old world of ours and we are just passing on to the third stage, passing the steam stage, passing the electrical stage, not through with it, no passing it to one side, but passing on to a bigger power than either steam or electricity, and that is the power that has been talked about in churches and not understood in churches. It is the power that the man in business is going to realize from now on, a new power—no, an old power, the oldest power in the world, that existed before the world itself began—spiritual power, and we are going to raise it in the men around us, we are going to appeal to the man who works, and it has been done and it is being done, and when you go before your people and dig up that spiritual power that has been waiting for centuries and has been buried longer than coal has been buried, and when you go before your people and dig up that spiritual power, you will put into your business a wonderful thing. I wonder that business has been able to run without it.

Come on, get on the job. Go after your people first. They are the greatest asset you have. You can't supply them if they are wiped off the earth. Machinery you can duplicate, money you can get along without, you can get something else to take its place. The Creator made man last after he had made all other raw materials. Get away from your steam proposition, let your electrical engineer take care of those problems, and you, the executive, the chief

executive, get on the man's job. Become a human engineer. It is the biggest job there is.

(Applause)

I appeal not for criticism of Industrial Democracy. I get plenty of that. I would like to have your help and I am sending out an S.O.S call, not from me, but from millions of men who need you.

Come on, get on the job. Help to make a race of master men. Do not criticize Industrial Democracy. Maybe it is rotten, but the work that it does is pretty good.

Get on the job. Get a representative form of government. Let your people have something to say. They not only have a spirit that I have been telling you about, but they have got brains, too. They will improve your machinery, they will improve the tools you use in your shop; they will improve the quality of the goods you make; they will improve the quantity of the goods you make and will improve the profits that you make and will improve the wages that you pay, and it will improve the conditions between you and the other fellow, so that you will have peace instead of war.

Come on, get on the job. I am almost alone in it so far. I have been for 11 years.

Come on; get on the job with me. Let's help make America what it should be: A race of master men that may lead the world. Thank you. (Great Applause)

MR. MORGENTHAU: I think the gentlemen that are leaving, are making a mistake. We have got a splendid speaker to hear from.

There have been heroes in the war. There have been heroes among the labor people. You have heard from one tonight, Major Berry. We want to hear from Captain O'Connor, who stood up and bravely defended the right of contract during the Longshoremen's strike, and I ask you to remain seated and give him your full attention. Captain O'Connor. (Applause)

Thomas V. O'Connor

International President of the International Longshoremen's Association

DR. ELY: Come along now, let's give three cheers for a labor union leader who believes that a contract is a contract and there is only one thing to do with it—to live up to it. Come now, one, two, three, ("hurrah, hurrah, hurrah").

(The entire audience gives three loud cheers amid great applause.)

Mr. O'Connor: Mr. Chairman: I want to thank you for the kindly sentiments expressed in those three cheers proposed by Mr. Ely and also for the opportunity of saying a few words here tonight.

Mr. Ely says that a contract is a contract. It always has been with our organization and always will be. We may have an insurgent movement that may attempt to set that aside, but right is going to prevail, as it did in the case of New York. (Cries of "hear, hear" and applause.)

I have been a believer of collective bargaining from the time before I really joined the labor union and the man that got me believing in collective bargaining was the late Senator Hanna. I was a tug Captain working seven days and six nights a week. We maybe got the seventh night off a week if we could be spared or if there wasn't any work to do, and that went for eight months a year, one day a week off, probably seven hours, probably eight hours.

I remember one time of serving on a committee with four other men and asking our employer if he couldn't arrange some way to give us the twelve hours off once a week, and a whole committee of five was discharged (laughter).

I want to say to you that I was just after being married and I couldn't obtain a position in that port at my vocation for the balance of the year and had to go back firing a tug for \$35 a

month and support a wife on it, because we had asked if they couldn't give us twelve hours off a week. But I want to say to you that that was the turning point in that industry. We organized in that port the following winter and we organized in the other ports in the Great Lakes and the next spring we told the employer we wanted every third night off. They gave it to us. The next year we asked for every second night off and we had a strike. That strike lasted five months and we didn't lose a man in our organization during that time. Then when Senator Hanna became interested he sent for us and said, "Is there any way this thing can be settled?" I said, "Surely, we are willing to meet with the employers and talk it over." We were about as sick of the strike as the employers were. (Laughter) Senator Hanna arranged a meeting and we went back to work under the old conditions, pending an adjustment or arbitration, Mr. Hanna being the arbitrator. We continued the balance of that fall and that following winter we had a meeting and Senator Hanna granted us every second night off with an increase in pay, as the arbitrator.

We weren't satisfied. There wasn't any man going to be satisfied working under those conditions. But we had made up our mind that we had all the strike we wanted.

We tried to induce the employers to give us better time off. They wouldn't. We went to Congress and we had a law passed giving us every twelve hours out of twenty-four off, but the law stood dead for four years on us, as Secretary Nagel, who was then Secretary of Commerce, rendered a decision that if you worked eleven hours of those twenty-four, you

could start off after having an hour's rest and work eleven in the next twenty-four, and that is what they did with us. (Laughter) When Secretary Redfield came in he decided that our day's work was twelve hours, no matter what time we started, and we have been doing that since. Last year the employers, after a conference of some duration, granted that class of men a day a week off and now they are working twelve hour days, six days a week, which is a greatly improved condition to which they used to have, and are getting much better wages.

That was the first collective bargaining that I entered into. Mr. Keefe, who was my predecessor in office and later appointed Commissioner General of Immigration by President Roosevelt, followed up that idea through Senator Hanna, and when I succeeded him in office, I followed up his ideas. Collective Bargaining was the best thing for both the employer and the employee.

We have worked under that system on the Great Lakes from that day to this. We do not hear any talk of open shop or closed shop. We have a hundred percent organization, so there isn't any need of talking about open or closed shop. I never hear it mentioned (Laughter), so we do not have to waste any time on that phase of the situation at all. But I can say to you that every industry on the Great lakes in the transportation business, except the steel Corporation, which we are not on speaking terms with, are working under contracts or trade agreements.

As an illustration of that we have just terminated an agreement with what we call the lumbar carriers. That agreement covers 54 ports, unloading and loading lumber in all the ports of the Great Lakes after a three-year agreement. There was a clause in that agreement that called for a committee on grievances to hear grievances on both sides and we met in Detroit. Mr. Blatch, representing the lumber carriers said to me, “Have you got any grievances?” I said, “No.” “Well, neither have we”, and we proceeded in to make a new agreement for the following year.

I believe the employers will agree that when men, longshoremen, can get together with their employers and make an agreement and carry it out for three years without a grievance on either side, that collective bargaining is an ideal situation for both to be in.

Now, in the collective bargaining in New York we weren't quite so successful. Although we had carried out an agreement in this port for a number of years, due to agitation this last fall, a number of our men being incited for weeks previous to the strike, literature distributed on the water front by thousands of copies, telling the men that they should get a dollar an hour, or two dollars an hour, telling them they could get it if they struck, and they really made the men believe it, the saner element in our organization had agreed, after a referendum vote, not an action taken by anyone or two men, but after a vote of all our organization, had agreed to abide by the decision of the National Adjustment Commission, which was appointed by our organization, the employers, and the United States Shipping Board. That decision was

handed down. They called it the “Woolworth” decision. I wasn’t satisfied with the increased pay the Commission gave the men and I voted against the decision, but we had agreed to abide by the majority of that decision.

They called a meeting in Cooper’s Hall. I attended that meeting and it was some meeting. I don’t know how many men that hall will hold, but I believe there were only two of us in the hall that evening that advised or stood for the carrying out of that agreement and that was Mr. Ryan and myself. But we never wavered, we never changed our position when they came and said that 40,000 are out on strike, I said, “I don’t care if the other five go out, they are still wrong and they must return to work before they will get any consideration.”

Now, if the men in this audience will consider what our International Organization did in that matter, they will say that the International was entitled to a little credit. (Applause)

Remember, when these men in New York went on strike they were affiliated or a part of the organization of Boston; they were a part of the organization of Baltimore, Philadelphia, the Hampton roads District, Halifax, St. John, and the whole southern country, and when the order went from headquarters saying there wasn’t an authorized strike in New York, they remained at work, there wasn’t another port quit with them, they all stayed at work.

(Applause)

Then your wonderful Major injected himself in the situation (great laughter). He had called me up in four or five days before and asked me whether there was anything he could do in the situation. I told him “No, (laughter), that we had the thing on the way and the men were coming to their senses, realizing that they had made a mistake”.

The following Monday those men took a vote to return to work. That same Monday night, Mayor Hylan called a meeting in Tammany Hall and they voted not to go to work.

(Laughter) If Mayor Hylan had told those men the same as I told them in Cooper Union, “Men, you have entered into an agreement, you have pledged your word, keep it,” those men would have returned to work that morning. (Applause) But no, on the contrary, he was going to see what he could do with the steamship companies and get Mr. O’Connor taken off of the National Committee.

He called the Commission together the next morning and tried to get Professor Ripley of the commission to agree to give the men a hearing. Well, I didn’t wait for Professor Ripley. I knew my position. We had entered into an agreement and if there was any redress the men must return to work before they got that redness. (Applause) Professor Ripley took that same position.

I want to say that the employers of longshoremen in this port took the position that they should take, stood up like men. They realized that it was a question of organization rule or mob rule, and they decided that they would sooner have the organization.

I want to say now and say it publicly that the injection of Mr. Hylan and his famous conciliation prolonged the strike of the longshoremen in this port for at least three weeks. And I don't blame the Mayor, only for letting himself be deceived. I don't think he had any wrong intention. I don't. He didn't. He was just simply deceived by a lot of people that were trying to advance their own interest, as you might call it.

When the men returned to work, they did, or the conciliation commission did as I predicted ten days before election. I had made the statement publicly to the newspapermen that they will tell the men to go to work the day after election, and they did. (Laughter) They he says, or the paper comes out and the report comes in, "The Mayor settled the strike". Why, gentlemen, there isn't a steam shipman or a stevedore in the city will question this statement; That the day we told the men to go to work, or in other words, on the 5<sup>th</sup> of November, there was 25,000 of the men had returned to work, and he told them to go to work on the 6<sup>th</sup>.

The figures I mention here, gentlemen, of the number of men working on the 5<sup>th</sup> of November can be verified at the Shipping Board Office or at the Embarkation Service of the

Army Department, which kept tabs of the number of men working every day and were out of it.

The men are back to work, under the award of the National Commission, agreeing to abide by it. The first time in the history of the longshoremen's organization that an attempt has been made to repudiate an agreement and I hope it will be the last attempt. I believe it will. I believe the men here realize now that they were tricked and fooled by false promises that they would get a little more. There wasn't a chance for those people that were misleading them to do anything more for them than they had done.

Now, gentlemen, I want to say to you that collective bargaining has proven a success for longshoremen and when you say longshoremen, realize this: That just as many tongues as you have in the United States, just so many different classes of membership are there in the Longshoremen's Organization. We have our locals in New York City that take care of the work of handling meetings in the Italian language, the Lithuanian language, and the Polish language, the German language, English language, and some of them ought to be handled in the Irish language. (Applause and laughter) But with a cosmopolitan crowd of men like that, if they can be educated up to the carrying out of an agreement when it is entered into, it cannot be much trouble education mechanics and men working at one class of work all the time. (Applause)

I want to say to you, gentlemen, that if there is a class of men that have cause for unrest in this country it is the longshoremen. Just a complaint that came to me the other day: The longshoremen were going to quit the loading of a French ship down here. I said, “What for?” “Well, I haven’t got a bit of sugar to put in my mouth this morning and we are loading 15,000 tons of it on that ship.” (Laughter)

We received the same complain from New Orleans at a conference we had in Washington. They were paying twenty-two cents a pound for sugar if they could get any in the city that the most sugar is manufactured of any place in the world, and they can’t buy a pound, and they are loading 15 to 20,000 tons on a ship, those men handling it. It don’t set good with them. Those are a few of the things that lead to the unrest of these men.

The question of I.W.W and Bolsheviks has been mentioned. We had everything injected in the longshoremen’s strike under the sun. (Laughter) We had I.W.W handbills, Russian Soviets; we had the Italians condemning President Wilson in the Fiume question; we had the Irish and the Sinn Feiners condemning him in the Irish question. There wasn’t a question under the sun that I didn’t hear argued in the strike. (Great laughter) Everything entered into it. But, in spite of all that, we gradually—the first day after the strike started, we gradually got one local bank after the other, to carry out the agreement that they entered into, and today, as I said, the thing is peaceful of the waterfront, and there is nobody going to be able to disturb those men again.

Our organization works under the collective bargaining agreement throughout the country and in Canada, St. John, Halifax, British Columbia, and the Pacific Coast, the Great Lakes, the Gulf District and the Atlantic District and we do not have much trouble, gentlemen.

I can stand here and say proudly that during the whole course of the war there is no one can point at one instance where a ship was delayed through the longshoremen's strike, all that time of the war. (Great Applause) And I see them working in Hoboken over there most every night, eighteen degrees below zero, where we had to get hot coffee and hand it out to them every hour and relieve them every two hours, so as to get those transports out with men aboard and supplies and food stuffs and ammunition that was going over. (Applause)

Many problems were put up to the longshoremen before and after the strike. Attempts made before we got in the war to get the longshoremen involved in a strike; amounts of money offered, ten dollars a week, offered for longshoremen that will be pulled out on a strike. That is the first public statement that I have ever made on that, but that offer was made.

A voice: By whom?

Mr. O'Connor: But a gentleman named Cummings, after talking to George Sylvester Vierick on the telephone (Great applause). That matter was turned over to the government and with

the assistance of Secretary Wilson and Chief Flynn, it was headed off. Our organization kept clean.

If there is any employer here that has the idea in his mind that the men working in his shop haven't the right to belong to labor unions just as much as the employer had the right to belong to this club or some other club, he should forget it. (Laughter and applause) You must concede the right, that if you have the right to belong to the New York Athletic Club, or a golf club, that a man has got the right to belong to his union.

And the closed shop and the open shop and the minimum wage scale—they are jokes. I saw one minimum wage scale established and it immediately became the maximum wage scale. I have seen the open shop established, but not open for a man that belonged to any kind of union. I am going to say to you gentlemen here, and if Ole Hanson were here, I think he would have to verify this statement, that the employers of steamships or the employers of longshoremen in the city of Seattle were more responsible for the I.W.W movement in that city than any other possible thing. They were absolutely responsible. I will tell you how they did it. They were so afraid that the longshoremen would get a 100 percent organization in Seattle that they took every means in their power to see that not over fifty-fifty was granted to the union men. They hired every man that came in there, whether he came in on the box car or a soap box or how he got in, he was hired so as to keep the ratio even, fifty-fifty, fifty union and fifty non-union, with the result that our union out there made up their mind that if

these fellows are good enough for the employer to hire, they are good enough to join our union, with the result that they almost wrecked our organization, as well as wrecking the city. The I.W.W got control out there for a while and they made things hum while they had it. Thank God, we got control back again and that the safe and sane element is in control.

If the employers would choose their employees with a little more care as to their qualification, as to the day's work they can do or would do, instead of whether they were union or non-union men, they would get better results. There isn't an organization in America, I know our organization doesn't have working rules, we don't want working rules, all we want to know is what we are going to get per hour per day for so many hours a day and the man to do the best day's work he possibly can and get the best day's pay he can for it. (Applause)

There isn't any organization in this country that wants to reduce the efficiency of the work. If there are, they are not an organization, they are a detriment, and the legitimate organizations of this country are taking action on that very thing, to cut out that class of men, to weed out the men that have brought a curtailment of production, and I believe, Mr. Berry, that is the main thing that meeting is called for Saturday, to take that question up of weeding out the agitator, the fellow that says, "Enough today, I won't do anymore," we don't want him, gentlemen, anymore than the employers do. He is a bigger detriment (great applause) to our organization than he is to the employer, because one or two men doing that kind of work, the

employer is going to blame it on the union anyway. The employer is going to say, “All union men are alike,” because one or two does it, and we want to get rid of him, we want to cooperate with you to get rid of that class of men. He is no use to use and no use to you, and God knows, there are a lot of them to get rid of. (Great laughter)

I will tell you a little story that may not go amiss. Immediately after the war started, I was sent for to come to Washington. They were in a quandary on getting ships loaded and unloaded on the other side. They didn't have men to do it. They wanted to get the men and they wanted to get practical men. I was asked to assist in that work and we had to assist on that question. They were turning ships in France in seven and eight days and when we got our boys over there they turned those same ships in thirty-six to forty hours (applause). The army men looked at me in surprise when I told them I could furnish them captains and lieutenants under conditions. General Goethals said, “What are the conditions?” I said, “That it doesn't matter whether they ate their pie with a fork or a knife.” (Great laughter) And beyond any question of contradiction, we did furnish those right men out of the ranks of the longshoremen, who were longshoremen today and who were captains in the army in the Stevedore Regiment tomorrow, but who did the work. During the course of those negotiations, General Goethals said to me one day, “Will you take the Colonelcy of the Stevedore Regiment?” I considered that a high honor, gentlemen. When you figure there were only seven men in the whole civilian life in the United States offered that honor, I considered it a high honor, but I thought I could be of more benefit where I was and told him

if the chairman of the Control Committee of the Shipping Board would agree to it, I would gladly accept, and when he consulted those two men, Mr. Franklin strenuously objected to having me tried up in any one place, but I made this offer to him in return. I said, “General, if I cannot take the Colonelcy, will you make me a corporal of a firing squad and put me in New York,” and believe me, gentlemen, at that time I could have used ten of them to good advantage, but it wasn’t done.

Those fellows were let run wild. They are let run wild today. Eighteen of the loudmouthed agitators of this recent strike that we had run are eighteen men that just got out of internment, men interned for the whole war. Those were the fellows that were on the committee going down to City Hall.

I don’t want to take up you gentlemen’s time anymore.

(Cries from all over the hall of “Go on, go on.”)

I don’t want to take up your time anymore. I just want to thank you for the courtesy extended here to me this evening and assure you that the labor movement of this country wants to cooperate with the employers. We want to cooperate; as Brother Berry said here, we have got some bad actors, so have you. (Great laughter)

I can cite you some serious cases. I can cite you a case in Gulfport, Mississippi, where a man owns the town, and he came from my own time, and belongs there by the way. Now, that gentleman was as honorable a man as I ever met, when I got talking to him, but here is what his underlings were doing. There were fourteen men in a gang handling crowbars, costing \$19 a dozen at that time. If those fourteen men lost a crowbar they were each charged fifty cents apiece—seven dollars for a crowbar, that cost \$19 a dozen. Those poor Negroes in that town didn't know that Abraham Lincoln had fought the war and had been shot. They didn't know the war was over and they didn't let them.

When we started in New York here, gentlemen, one of the big oppositions that we have got today in this port is the padrone, some of the fellows that agitated this strike, the padrone, the Italian padrone. The abuses heaped on men working on the waterfronts from that class of men that we have cleaned out—fifty cents a day from each man to get a job, but when that got to the employers, I want to say that they cut it out when it was shown to them, the big employers, the real men, and I believe as this man does, I believe in men if you get to them. I have never yet—I am going to say that ninety-eight percent of the employers that I have met and attempted to talk to, and tried to get them to talk to me, that we have never left the table without coming to an understanding. (Laughter and applause) We may not always get all we look for or get all we want, but we leave wanting all we can get. I thank you. (Great applause)