

The Economic Club of New York

61st Meeting

Strikes and their Prevention

May 3, 1922

Hotel Astor
New York City

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Introduction

George W. Wickersham, Presiding

The meeting will please come to order.

I am confronted this evening with a new installation of amplifiers. I have not tried them and if any of the audience find their ears assailed by something proceeding from this rostrum, I wish they would put up a flag of distress, because whoever speaks here must accustom himself to this apparatus.

Gentlemen, the first business of the meeting tonight is to receive the report of the nominating committee. This is the meeting at which the officers for the ensuing year are always chosen. The present administration having had 2 consecutive terms will now, according to rule, retire, and the new administration will come in. Dr. Aughinbaugh has the report of the nominating committee.

CHAIRMAN W.E. AUGHINBAUGH OF THE NOMINATING COMMITTEE:

COMMITTEE: After careful deliberation your Committee respectfully nominates for your consideration the following candidates for the offices of the Economic Club of New York, to be filled at the election this evening:

For a term of one year, from October 1, 1922 to September 30, 1923

President: William Church Osborn

Vice Presidents: Robert S. Lovett and Michael Friedsam

For a term of three years from October 1, 1922 to September 30, 1925

Executive Committee: Nicholas F. Brady, Otto H. Kahn, Paul D. Cravath, Dwight W. Morrow and George W. Wickersham.

Respectfully submitted,

W.E. Aughinbaugh, Chairman

William M. Chadbourne

Same A. Lewisohn

Samuel McRoberts

William R. Willcox

MR. WICKERSHAM: It is moved and seconded that the report of the Nominating Committee be accepted and that the secretary be instructed to cast 1 ballot for the election of the candidates reported by the Committee. All in favor of that motion please say "Aye;" contrary, "No." the motion is carried, and the secretary reports the ballot has been cast and the officers nominated for these positions have been duly elected. (Applause)

This meeting is devoted to a discussion of a very large topic, namely, “Strikes and their Prevention.” But, as a preliminary to the discussion of this subject, we have with us as one of our guests on honor, a very distinguished explorer. Whether he comes to tell us how they settle strikes in Wrangel or not, I don’t know, but at all events he is going to introduce us gradually to this subject by taking us first to the frozen North where I had supposed people were free from industrial disputes of any kind.

However, Mr. Stefansson has encountered every form of experience known to those who penetrate those waste regions and whatever he is to say to us I know will be interesting.

Mr. Stefansson will now address us. (Applause)

VILHJALMUR STEFANSSON: Ladies and Gentlemen, I am hoping eventually to conduct you to the north but I shall not do it immediately, and I want to introduce myself not so much as an explorer but as an instructor in anthropology. When I was in college and later on became a teacher in one of the older universities here, I studied and later on taught ancient history and pre-history.

It attracted my attention then, and, doubtless, has attracted your attention, too, that civilization rose in the tropics. I know of only 2 theories which account for the origin of civilization. One would have it that we are descended from anthropoids, and the other, that we came from the

Garden of Eden, but in either case, the location is supposed to have been tropical, and civilization has been spreading north ever since.

It is a long time ago now that Bishop Berkley composed a poem which is now forgotten, but 1 line of it has become a classic: “Westward the course of empire takes its way.”

At that time Bishop Berkley was telling people that civilization some time or other might cross The Atlantic and at some time or other the colonies on this side of the Atlantic might become civilized as the nations on the other side were. We, in this room will conceded that that point has now arrived. (Laughter) But at that time it was considered merely an absurdity and Bishop Berkley’s poem was an argument.

I call your attention to the fact that although civilization during the last 400 or 500 years has been branching steadily westward, that for thousands of years civilization of the Old world has been spreading north.

If the Economic Club of the Middle Nile had a meeting in Egypt 3,000 years ago they would have agreed that the mouth of the Nile was about as north as civilization was ever likely to go. Crete and Greece and Italy were barbarous then and it is likely that the wise men of Egypt would have thought that civilization would never have penetrated as far north as Greece, but we don’t know that. But we do know the history of Rome, and the Roman Empire in some respects as well

as we know the history of our country, and some of the classics of Caesar are still with us, and we know what they did about 2,000 years ago. And the Grecians and Romans were of the opinion that civilization would never pass north beyond the mountains which sheltered Italy and Greece on the north.

Take, for instance, Tacitus, who knew about Germany more than any of the people of his time; and said that he could not conceive that anyone unless forced by the stern necessity of way, would ever spend a year north of the Alps. He could not conceive of it, but it has come to pass that here are people now who live in Paris by choice. (Laughter)

At the time when Columbus was a boy, a little earlier than that, the Moors were the most civilized people of our part of the world. I am not speaking of others, but on our side of the world the Moors were the most civilized people and Draper tells us in this "History of Intellectual Development of Europe," that they were, and possible he does not say so, but I will interpolate it -- but at that time the Moors were the leaders of the world. Their literature is still with us. We can read it, we can study it if we like, and we find out that they at that time were of the pinion that Great Britain could not exist. They said, "How can anything exist in those clammy isles, so far distant, and without resources?"

In 1763 the world had fought a great war, and over here we had an echo of it, which we called the French and Indian War. And so it happened that at that time the plenipotentiaries of the

various nations met in Europe. They met to arrange a peace as they met recently. Lately we were wrangling a good deal over the oil lands, because oil is one of the great commodities of the earth. In that day they were wrangling over the sugar lands, because sugar was the coming commodity. It was an amazing thing to anyone interested to read the medical journals in the late war and to see that many of the eminent physicians especially the dietitians were worried because they said we did not have an adequate sugar ration. Sugar was unknown in Europe 400 years ago, and there was no more honey then than there is catsup in this country. Even 300 years ago there was very little of it used. 200 years ago there was very little of it used, down to 1763 when the nations of the world realized that it was the coming commodity, and so they wrangled over the sugar lands.

At that time Britain and France were not on the same side they were on in the late war, but on opposite sides, and Britain, having had somewhat the best of it, said, "We would like to have from you, among other things, the Island of Guadeloupe," and the French replied? "We are not willing to give up that island; it has cocoa and sugar plantations. We would much rather give you Canada," and Britain replied, "Why, of course, Canada is bigger, but what is it good for?" And so they haggled over it for some time. Then Benjamin Franklin, one of the wisest men of his time, is credited with having settled the matter by publishing a pamphlet, and Benjamin Franklin said, "It is true that Guadeloupe is not worth as much as Canada, but Guadeloupe is a distant island while Canada is contiguous territory, and if we allow the power of France to grow up at our very door, we will have political troubles", and so for political reasons they took Canada and

let go Guadeloupe, and now, in this audience, not more than 50% of you can tell even where Guadeloupe is. (Laughter)

In that country which was worthless 150 years ago there are second-rate cities and towns like Calgary, which people don't hear about a great deal, and the real estate on Main Street in Calgary is worth as much as the whole Island of Guadeloupe.

Time passed again and we in this country fought a great war, and during that war Russia is credited with being on the side of the north more consistently than any other power. I have read all the historians, Woodrow Wilson, Hart and Channing, and the rest, and they do not agree, but they do agree on 1 point. The general view is that at the end of the war the Secretary of State purchased -- I am not sure it was the Secretary of State, but Seward was his name -- purchased Alaska for \$7,200,000. Some say he did it for political reasons, and I think it is Channing says he did it to show off, but at that time American credit was not very good in Europe. They thought we were broke, having fought a great war, and so it was a grandstand play to hand out \$7,200,000 in gold to show Europe we were not broke, and those historians who have taken that view say our credit rose so rapidly that we got back the price of Alaska incidentally. Nobody expected to get the price of Alaska back in that way, but now Woodrow Wilson says that we took Alaska to extend the Monroe Doctrine. I will leave you to figure out the reason why we did it, but it has not occurred to anybody that we bought Alaska because it was worth it.

We come to another great war and Alaska helped out by sending soldiers and supplies. There are many resources in Alaska, copper and gold and forests, and many that have not yet been developed. There are fisheries only partly developed. There are many kinds of fish in Alaska besides Salmon and it was sent across to help win the war by feeding out soldiers, and it might interest you to learn that only a portion of the salmon was canned in 1918, and the part that was canned was sold for \$23,000,000. Thus times have changed and the lands that have been worthless in the past have always been of value.

It is commonly said now, "It is a long lane that has no turning," and then we come down now to the point where the land beyond Alaska is considered worthless. We have seen how in the past lands that were considered worthless have turned out to be of great value, but I do not believe we will come to that point until north meets south on the shores of the polar seas exactly as east met west on the shores of the Pacific. There was nothing to stop westward progress except the fact that west met east, and there is nothing to stop the northward growth of civilization except the fact that north will meet the south.

If I had a longer time in which to make my argument, I could show you that point very readily, but I only want to take up 1 point. About 100 years ago, this country was growing rapidly and there were some people in this country who thought we were growing too rapidly, so much so, that they feared that we would fall to pieces from our own weight, that our weight would be too big to hold together.

At that time the Government sent a man by the name of Dikes across the Mississippi River and when he came back he reported that he had found a desert west of the Mississippi which was going to stop the westward growth of this country which, as he said, was Providential. He looked upon it as Providential, believing the Lord had put the desert there to stop the country from growing too fast.

That desert became popular. It got into all of the encyclopedias, and everybody became familiar with it. And other men crossed the Mississippi, and, for instance, there was one of them as late as 1842 who discovered a triangle between the Mississippi River and the Missouri River and reported there was scarcely a blade of grass in the whole triangle between those rivers which he had covered.

The great American desert kept tripping along for about 50 years and it gradually vanished because it was not there.

I have just learned -- I am about to publish a book -- and in that book I was referring to the Australian Desert, and a friend of mine has published a book in which he tells me that a railroad in Australia runs through a 1,000 miles of desert, and I have learned from the next speaker that the desert is imaginary.

I call your attention to a 3rd desert that is imaginary, and that is the frozen desert of the far north. It is supposed to be without vegetation, but you will find blue bell and water cress and various other forms of vegetation on the north coast of the most northerly land of the world.

It is supposed to be without life, and the ocean was supposed to be without life, and yet we have traveled over it year after year and never missed a meal, and we are of the opinion that the amount of life in the sea there is probably almost as great as on the banks of Newfoundland, on the average as great as on the Atlantic.

The great American desert has vanished and so the desert on the north will vanish. It may take time. It took us 50 years to kill the great American desert and so it will probably take 20 to 30 years to kill the great Polar desert, but it will be done. (Applause)

MR. WICKERSHAM: Speaking of deserts and other obstacles to progress, the next speaker comes from a country that, according to the average geography, has more desert to the square inch than any other part of the world except Africa. But out there in that island that we knew very little about before the Great War and learned to respect profoundly by reason of the valor of its sons during the war, they have done a great many things to remove impediments such as deserts and that stretch of desert between man and man that separates the employer and the employed and makes the land occupied by them little better than a desert. They have tried great

experiments in Australia. In some respects they claim to be more advanced than any other part of the world, but at all events, they have produced some very extraordinary things.

We have tonight as our next speaker the Honorable Randolph Bedford, member of the legislature of one of the great Australian States, Queensland, who will tell us something about the labor question in his country as an introduction to the study of the relations between employer and employed in our country. It will be very interesting to hear something of what they have done in that most interesting laboratory of human experiment, Australia. (Applause)

THE HONORABLE RANDOLPH BEDFORD: Mr. Wickersham, Gentlemen of the Economic Club: I will try to tell you a little during the time that is given me about what Australia, the most forward country in the world in the matter of industrial legislation, has done for the purpose of bringing labor and capital a little bit closer together. The wild pious aspiration of having labor and capital lying down as the lion with the lamb -- and mostly with the lamb inside of him -- we saw that to keep that superstition alive only meant that for so much longer would we fail to keep off a labor strike, and the fact is that there, in a country some hundreds of square miles bigger than the United States, and with a total population of less than 2/3 of the population of New York State, we had ample public estate, little money, tremendous necessities for expansion, and therefore, the greater necessities for trying state ownership of public utilities, seeing that there was no private capital around to do the work.

So in the State that I come from 1/3 the size of the United States, with a population of 750,000 we have 7,000 miles of railroad, of state owned railroads, and as you will naturally judge from that, the state is one of the biggest employers of labor. The states and the Commonwealth are the biggest Australian employers of labor. In a country where 85% of the population are wage-earners, and where for 20 years woman suffrage has been the law of the land, it is perfectly natural that sooner or later labor would rule, and those people who were afraid that labor, with its bitter knowledge of what had been done to it by capitalists in the past, that it would take its revenge, have been presently disappointed.

The total number of working people are represented by a union membership of 65%, so therefore, it was not long when, in order to break down the iniquity of a blouse sold in shops for 25 cents it was necessary that the law should go into the sweat dens, it was necessary that the law should call even a private house where a woman worked at these prices a factory, in order that it should be inspected, out of the necessity for that grew the fact that we made the minimum wage the beginning of our labor legislation.

We have, in order to prevent strikes, started conciliation and arbitration courts in all the states of the Commonwealth. The Commonwealth acted in those cases where 2 industries overlapped from state of state. In the year 1920, the last year available for figures, -- and I may tell you that in Australia we are whales for statistics -- Nibbs' Commonwealth Year Book has no peer in the world.

In the United States you have statistics on one subject at one end of Washington and statistics on another subject at another end of Washington, and it is almost impossible to get a complete review of the people of the United States as a whole. But in Australia these are all brought into one book and the passion for statistics has gone so far that it makes the position look much worse than it actually is. Statistical information is such a passion in Australia that during one census which was being taken a conscientious chairwoman, a widow, with an idiot son, put down the description of herself as “Takes washing” and in the next column the description of her idiot son as “Takes fits.” (Laughter)

People therefore, with that passion for statistical information very often, in the interests of limiting space, are forced to make what is not actually an accurate statement of the case. For instance, we had 554 labor disputes. These state courts are made up of a Judge, a representative of the employers and a representative of the employees. Counsel for both sides appear and argue. The cost of living is taken into consideration. The cost of rent and the difference between the purchasing power of, say, \$4.00, in 1911, and in 1920, which is double, \$8.00, is also taken into consideration in the fixing of a basic wage, the basic wage being based on these lines, that an industry must pay a wage which will suffice to keep a man, his wife and 3 children in comfort. That, of course, keeps the single man in more comfort, but then if you are going to invidiously single out the single men, it really means that you are going to put a premium on marriage, although the single man may be doing just as much work as the married man.

However, the basic wage then being fixed, preference to unionists being the law of the land, 65% of the total workers being unionists, naturally, most of the reasons for your disputes have gone, but we had 554 disputes which were listed for the courts in 1920, the last available year for figures, and 226 of those which are called strikes and disputes, did not last more than an hour. They represented a stop work meeting at which the men stopped work for half an hour to argue. Those cases were fixed without going to the court, although the employer and the employed know very well that behind them both stand the courts, and that the conclusions come to are perfectly fair, the employers and employed in 226 out of 554 cases fixed up matters without going to the court at all.

There were only 24 cases which lasted more than 4 weeks. There were 36 which lasted more than 4 and less than 8, but 450 of the 554 cases which would have represented potential long and bitter strikes, had not the Commonwealth ordered the courts instituted, were finished within 3 days.

So, therefore, conciliation and arbitration has not failed. Very often you find, as you find unreasonable employers, you find unreasonable employees who will say, "I will consent to arbitration as long as I am the arbitrator and I will abide by the arbitration only so long as it is satisfying to me." But the general rule has been that our courts of conciliation and arbitration

have done away with most of the ill-feeling and the bitter industrial strife that took place in the old days. We have had it in existence for many years and we are not likely to get away from it.

The strike situation in America is the same which we have had in those state industries which provide intermittent labor. The man who is in work for 52 weeks finds it very much harder to go on strike than the man who is at work for 3 or 4 days, and somehow or other it seems to me, not only with your coal industry but with the coal industry of the whole world, that it is in the hands of people who cannot properly co-ordinate the supply and demand. In the one case they produce an over-supply and naturally, they cannot operate at a profit owing to the tremendous quantity of over-production. Then, in the second place, there are far too many men in the industry, so that either for the purpose of keeping up prices arrangements are made for some mines to work half time and short time, and the men are consequently made discontented and made bitter by the fact that they are not getting 52 weeks work in the year.

It seems to me that these intermittent periods of labor are the things that demand all the ability that any of the governments of the world can give to them.

The great crime of the laborer that of slowing down on the job has been tried in Australia and universally reprobated. The Australian workman is the best workman in the world. The president of the mining congress, who was mining for some years in Australia where we knew him well, told me that he got more work out of the Australian miner than any other miner in the world. I

myself was in charge of coal mines in Australia and during the war in charge of coal mines in Italy, where we were paying something like 50 cents a day, and we discovered there that it cost us more to sink a shaft at 50 cents a day than it did in Australia, because it took 5 days, so that cheap labor is poor labor.

Then, too, these people during the war, came over to preach the damnable doctrine of loaf on the job, and I heard a rather interesting story of a man who came up to North Queensland where he got 2 of the best workers, Australians, loaded up with this poison of lazy strike, go slow, and so on, and so it was decided to put the 2 Englishmen who had made the trouble, who were asking our people to slow down on the job, simply because they could not work next to an Australian, could not keep up with him those men who were preaching this gospel of lazy strike, at last they were put on the track and gotten rid of, and their mantle descended on to the best single-handed driller of the men, a man who held his own drill and there was left one cockney in the mine, a trucker, and he, acting on the I.W.W. doctrine of do as little as possible for your wage, rolled 10 or 12 trucks of spoil so that the man who was working single-handed in the mine could not get along and he said to the cockney, "Why don't you get this stuff?" And the cockney said, "What were you saying about loafing on the job?" he said, "Go to the devil, I haven't got time to talk to you."

So you see he could preach it but he could not practice it, and so the worst curse of all labor having gotten out of Australia, we see nothing but betterment in the future from the arbitration

and conciliation legislation which we have had established now for 20 years and which, being human, is still faulty, but which, after all, is the best thing that experience in a new country could find; not a new country so tied to old traditions, not a country so governed by conservatism that it is not ready to take up any one of a dozen new remedies, try them out and drop those that are not good, and I say emphatically, that arbitration and conciliation will be as great a success in America, probably slower, because you have got a more mixed kind of community in your labor fields that we have, but I am thoroughly satisfied that what is possible in Australia, can happen again in America and can be done in all of the other labor countries in the world. (Applause)

MR. WICKERSHAM: The program of the evening, this subject of “Strikes and their Prevention,” will be opened by a man who needs no introduction here, perhaps no better-known employer of labor in the United States, Mr. Edward A. Filene, of Boston. (Applause)

First Speaker

Edward A. Filene

Mr. President, Gentlemen of the Economic Club: AS the result of the last war, the conditions of the chief markets of Europe and the world were such that we were unable to export our surplus, and when the time comes, as we fervently hope it soon will come, hoping sometimes against hope, we are going to run up against a very great and severe competition, the competition of nations who have got a heavier urge than we have even to sell their goods.

In the meantime, having a surplus here, we are going to run up against an internal competition that will probably tax all the American energy and all the American ingenuity that we have been storing up through the generations through which we have been building up our country.

Under such conditions of the most intense competition possible to imagine, to which I look forward, which I think you will agree is likely to come, the labor question is going to be a very important question, and in the shortening of profits through the competition there is going to be a greater temptation than ever before to look to the reduction of wages, to be forced even to the reduction of wages on a scale that has hitherto not been current in this country.

Under those conditions we must look forward to not only the danger of labor troubles, but also the danger of political and social troubles.

We are beginning to get an idea of the things to come in the Bloc Congress. I have seen a good deal of Bloc government and I am very sorry to see it here, but in a great labor struggle continuing for years, there will be very definitely a chance that we shall get into our Congress Bloc Government, and the indications are already in hand.

All this leads up to the fact that anybody who attempts to address an audience such as this on the labor question has got to do so with great intent of honesty and with great plainness of speech.

I am going to try, whatever the quality of what I say, to talk to you absolutely honestly and simply, from the experience of an employer, of what seems to me the reason why men strike. I am making no apology for using my notes, because the most of my work is with employers and I want to be absolutely sure that when I am quoted that I will be quoted not with the idea of what people would like to have me say, or what they thought I said, but with what I did say.

Why do men strike, primarily because they instinctively dislike to be bossed? All men dislike to be bossed, employer and employee alike. They dislike it because experience has shown that no man is wise enough to have autocratic power over another man. Being mere mortals, at our best, we make mistakes; and if these mistakes affect other men who have to submit to them, they are liable to exaggerate them, and rebel against them. They believe that if the decision had lain with them the mistakes would not have been made.

Constructive criticism of a kindly nature is scarce. But the average man finds it easy to criticize the mistakes and evils in a thing. There is, therefore, a tendency on general principles to criticize and resist the employer. If the major part of strikes is to be avoided we employers must recognize that the inevitable and normal trend is this way. By careful study of the whole situation and wise, sympathetic organization we must meet the tendency.

Men strike because they are injured by real mistakes or because they believe themselves to be injured by the terms of their employment. In such strikes they are often unsuccessful and the grievances remain. For these reasons they sometimes dwell upon the objectionable features of their employment until they become tense and bitter. There grows up in consequence a distrust or hate of the whole present system. Irresponsible leaders who voice and trade on this discontent easily get a following. There is also a reaction towards socialism or communism which are presented as panaceas for the ills that are complained of.

For many years I have studied carefully the relations between employer and employee, under our so-called capitalistic system. I have also studied socialism and communism as proposed substitutes for it. I am forced to the conclusion that as men are constituted at the present time socialism and communism are not practical remedies. I am convinced also that the greater part of the wealth of employers is legitimately gained and that all the world is richer because of their wealth. Henry Ford is not the only man who has become rich through serving the public. Many employers' wealth has been as Mr. Henry Holt has well pointed out, "Derived from processes and economies of his own devising and directing without which his income would not exist at all and the income of his employees would be less."

But firmly convinced as I am of this truth, I am just as firmly convinced that the present wage system is not infallible or final, but is only a step on the road from serfdom and slavery to improved forms of just and effective cooperation that the experience and wisdom of men will

evolve from generation to generation. But as the present system is the road that must for the present be utilized for the upward march of all of us, employer and employee alike, we employers will do well to study it carefully with the object of understanding its weaknesses and remedying its defects.

My study of industrial relations has convinced me of 4 things:

1. That in a political democracy such as ours the autocratic control of industry by employers is a fruitful breeder of strikes and is in the long-run impractical.
2. That we often pay counterfeit wages when we intend to pay real wages, thus causing discontent, conflict and strikes.
3. That the present so-called capitalistic system has accumulated and is still using, outgrown ideas and customs that are needlessly offensive to our employees and that it needs to be brought up to date.
4. That the basic remedy for the evils of industrialism and hence for strikes lies in making business a profession -- that is, in realizing, in act as well as in thought, that a business has no right to make a profit except as it serves the community.

Let us briefly review these 4 conclusions:

All of us employers are believers in the right of private property. Almost all of us translate that faith, consciously or sub-consciously, into a conviction that our property is so completely our own that society should keep its hands off of it. We hold that if it must touch our property at all, it should do so only to the slightest possible extent, and only after having first recognized and acknowledged that it was interfering with our rights. Of course any analysis of this position shows that it is not very sound. It amounts to setting up property rights as superior to personal rights; to an appeal to society to safeguard our selfish interests against the common interests of the society to which we appeal; to an insistence at times on the duty of government to protect us in our imagined and artificial rights to the detriment and loss of the whole group of citizens of which we are a part, and this view tends, unfortunately, to develop an autocratic spirit among us.

Applying this idea of property as exclusively our own to our relations with our employees, we probably feel that we have undoubted right to determine the conditions under which these employees shall work, provided we do it lawfully. And here we find one of the reasons why men strike -- a source of grievance which can be shown to be the real cause of many strikes where other reasons are put forward. Most of our employees -- all of those who have been educated in this country -- have been taught from childhood that it is their inalienable right as free men to have a hand in determining the political laws under which they live. They have heard it reiterated

by their teachers in the public schools and by the interpreters of our free institutions on every public occasion. They read it in the daily press.

Men so taught are not going to stop short of applying this axiom that grows out of the political system under which they are governed. To the industrial system under which they live and labor. Inevitable they are claiming the right to have an effective voice in the determining of conditions under which they work. These economic conditions are even more important to them than the political conditions. They have occasion for the expression of their political views at infrequent intervals. They are conscious of the exactions and burdens of government only now and then. But the urge to have an adequate voice in determining industrial conditions is daily, yes, hourly, insistent. Every accident that is costly to labor, every additional expense in their living, every new baby, every new ideal, every new material desire such as an automobile or a house, serves as an occasion for reopening the question whether their wages are justly and generously determined. The result of such questioning is surely a further incentive in their minds to the greater assertion of their rights, as the preponderant human factors in industry, to have a voice in the control of conditions of labor and of the rate of wages. And this assertion of right, if opposed by employer, often means another strike.

Then to this is added the periodic recurrence of bad times, with its masses out of employment, and the fear of the loss of the job -- one of the most terrifying apprehensions of the average working-man with a family. Under these conditions men feel themselves compelled to fight, by

strikes or otherwise, for a greater voice in determining the conditions under which they labor.

They are led on by the idea that if they have this greater voice they will so regulate and control production and distribution that not only will there be no fear of loss of the job, but there will also be sufficient wages to satisfy their needs and their desires.

My own life-long experience and study as an employer convinces me that autocratic control by employees would be even worse than autocratic control by employers. There is nothing in democracy that can perform miracles in production and distribution. There is nothing in the democratic principle in industry that in itself will take the place of expert knowledge, technical skill and trained industrial vision. No man in the factory, whether employer or employee, if he were hurt by a machine, would be willing to have a committee of his fellow-workmen meet and vote how badly he was hurt and how he should be cured. They would send for the trained, skilled specialist, the doctor or the surgeon. Likewise, when the business is hurt, it cannot be cured by a vote of management-sharing employees, unless those so voting are mentally and technically trained to know what they are voting about and are basically so interested that they will put their best into their decision.

It all comes to this, that autocratic control whether by employer or employee, is bad -- the one almost as objectionable as the other; and that men are striking today as a protest against autocratic control by capital, and as the most effective way of expressing their demand for an adequate voice in the conditions under which they work. They are vitally interested. They will

continue to strike until provision is made for giving them adequate representation in boards of directors or in those shop committees, by whatever name they may be called, in which employers and employees work hand in hand to advance both the business and the legitimate interests of the human beings who put their lives into it and get their livelihood from it. This is largely recognized by employers now and the growth of these joint committees has for some years been marked.

But even if joint-control of management is immensely successful, it will not alone remove all the grievances that make men strike. It is necessary now to examine into the second of our causes.

A large proportion of the industrial disputes and strikes are due to the fact of the employee receiving an inadequate wage without the direct fault of the employer. An industrial system that sub-divides the manufacturing process until the individual worker is only a part of the machine, and which then denies him participation in management, must of necessity leave him with little if any interest in the business. His main concern will then be in the wage return he gets for his work. Under such conditions, any interference with those wages that reduces their purchasing power is a serious matter, sure to create discontent and conflict.

Counterfeit wages is a term that I have invented -- whether good or bad you must judge -- to characterize this inadequate wage that comes about from some of the many causes that reduce the purchasing power of money. Counterfeit wages are any wages however large they may be in

dollars that will not buy the necessities of life and enough luxuries to make working for necessities a desirable thing and also to enable the recipient to make modest but adequate provision for sickness and old age. Counterfeit money has no value. Counterfeit wages have too little value when measured against the purposes which wages must serve. It is not a question of how much a man receives but of what he can buy for what he gets. Wages may double, but if prices are more than double then wages are counterfeit to the extent that prices have outrun the increased wages.

The causes that turn a good wage into a counterfeit wage are various. The speculation or the profiteering that raises the cost of homes or the rent of houses, factories or shops may make a draft on the pockets of numberless employees that goes far to turn wages that have been adequate into counterfeit wages. Speculating or profiteering in the necessities of life has the same result. Manipulation of securities of public service corporations that raises the price of street car fares, gas and electricity helps to turn a fair wage into a counterfeit wage. The enactment of tariff laws that by crippling our foreign customers shuts down our factories at home, or, by fostering bad trust agreements or undue profits, increases the cost of domestic goods, helps to make wages counterfeit. The merchant who by costly methods of retail or wholesale distribution adds unduly to the manufacturing cost of commodities makes inadequate and counterfeit a wage which might be adequate of goods were sold with less expense. The excessive fixed charges that result from watered stocks and from capitalizing expenses, or unfair “good-will” values, raise the living cost of the purchaser and increase the counterfeit margin of his wage. The inefficient and expensive

government, local, state and national that results from our easy-going American methods of choosing untrained administrators and from the partisanship that neglects the principles of good government in the effort to get and keep office, cuts down the value of every dollar that goes into the pocket of the workman -- helps to make them counterfeit. The limiting of output by labor unions, resulting in fewer and higher-cost products, is a method by which the workingmen themselves turn their own dollars and the dollars of other wage-earners into counterfeit. Wittingly or unwittingly, employers and employees alike are often wage counterfeiters.

The fact that wages however large will not buy the things our employees want and need, induces discontent and a sense of being thwarted and wronged. This discrepancy between income and needed outgo makes men ready to listen to the irresponsible agitator who tells them that they are deliberately and constantly being robbed by us employers or by organized finance.

The method of thinking of wages in terms of dollars rather than in terms of commodities, recreation and savings is one that must be changed. There is nothing sacred about it. Together with many other unscientific and indefensible features of civilized life, it just "happened" to grow up. Discontent and strikes as a result of counterfeit wages will continue until a method of determining wages is adopted that will keep them fairly proportioned to the outgo essential to the maintenance of the American standard of living -- a standard on which we Americans justly pride ourselves and which we employers are generally as willing to pay as our employees are to receive.

The return for paying genuine wages rather than counterfeit, more than makes up to the employer and to society for the extra money expenditure. The genuine wage tends to provide happy, healthy, contented and loyal employees.

If their wages are adequate to provide the necessities of life for their families and allow also for recreation and provision for illness and old age, they are increasingly freed from worry and are thereby made more efficient employees. If their wages enable them to buy freely, the value of the American market is maintained, to the profit alike of the manufacturer, the farmer and of the workman who makes and the merchant who sells the products of the factory, mine and the farm. Best of all, it will remove one of the most fertile causes of strikes.

An important part of the responsibility for the adequacy of wages must be assumed by us employers. We are sometimes little schooled in theories of social welfare, have little imagination outside of our immediate field of business management and are prone to think of our duties in terms of money, success or failure to the exclusion of terms of human welfare. It is most often members of our own employer class, also, who turn real wages into counterfeit. This being the case, we cannot easily justify ourselves in taking a position of irresponsibility in the premises. The responsibility for reducing the excessive costs of retail distribution belongs to me and to my fellow-retail merchants. We employers should fight all excessive capitalization whose fixed charges help to turn into counterfeit the otherwise adequate wages we pay our employees. Our

men of finance should see that the English law is adopted and enforced that requires a statement to be made to every purchaser of stock showing the promoter's profit and the real assets and liabilities of the Company. It is up to us to help provide credit unions or other safe and democratic means of saving and investing earning. The training of the wage-earner in the use of his money so that by purchasing merchandize of good quality at the lowest possible price he will help to keep his wages real, is also our responsibility at least to a degree. Our responsibility is at least equal to that of our employees to see to it that they are not compelled to pay a street car fare of 10 cents to get to and from our places of business when devoted and wise administration of public service corporations might make 5 or 7 cents adequate. The same thing applies to railroad fares and freight rates. The responsibility to provide comfortable, attractive and sanitary housing at fair prices primarily belongs to the employer of labor. In any event we are responsible if we allow speculation in land and housing so t increase rents as to make wages counterfeit.

Our influence should be thrown, I believe, against excessive tariffs and other forms of interference with trade that, if they increase the profits of the employer at all, do so at the expense of the wage earner, of the farmer, and of the general public.

We employers should also, make use of the price indexes provided by the Department of Labor at Washington and by several private agencies, as a scientific and business-like aid in an attempt to solve the problem of counterfeit wages through use of a sliding wage scale. It may be that the stabilization of the purchasing power of the dollar along the line advance by economists will

sometimes help to remove some of the problems of the counterfeit wage. A scientific solution is highly desirable, but may take many years to bring about.

If we employers are to have fewer strikes, in the meantime, we must learn to think more of wages in terms of what they will buy than in terms of dollars and cents. When we do this we shall do away with many of the causes that make wages counterfeit. Because a man belongs to our club or our church will no longer be a reason for our standing by supinely and allowing him, by manipulation, speculation or profiteering to make counterfeit the wages we pay. Let us now turn to a third reason why men strike.

We all recognize the truth of the statement that our present so-called capitalistic system is still using inherited ideas and customs that, although not discarded, have really be outgrown. We know also that it needs to readjust its ideas, get rid of old abuses, and reduce the number of points as which friction between employer and employee is generated. Because I am not ready to burn my house down is no reason why I should not repair or replace a dangerous plumbing system. Because we are not ready to destroy the present organization of industry and put socialism or communism in its place, is no reason why we should not get rid of its abuses and bring it up to date.

Many employers and important organizations have made and are still making attempts further to humanize and improve our industrial system. One of the most significant, as well as most

courageous, is that made by the Federal Council of Churches of America in formulating and publishing its social creed. This social creed is of very great significance, emanating as it does from a body that represents substantially a half of the American people, and which is one of the most conservative elements in our American life.

This formulation is a creed and an ideal rather than a program of action. Difficulties and differences of opinion will no doubt be encountered in forging these ideals into a working program. Some of them may need to be restated and revised. It is a statement, however, which employees cannot afford to overlook or ignore. Progress is going to be toward their achievement, and leadership will come into the hands of those who undertake to apply, in good faith, such principles as the churches have here formulated. It can hardly be doubted, moreover that the stability of our social and economic institutions will depend in no small part on the growth among employees of confidence in the right-mindedness and right-heartedness of the leaders of business and industry.

I do not have time at my disposal in which to discuss at length a social program, I may be indulged, however, in pointing out certain as yet partially achieved goals which a consensus of informed opinion, both among employers and employees, recognizes as practical and just, include:

1. The right of employees to unite for purposes of collective bargaining.

2. A gradual and reasonable reduction in hours of labor.
3. Compensation for industrial accidents as a just charge on industry.
4. The right of labor to be safeguarded in all matters pertaining to health, steady employment and good working conditions.

Men and women fit for American citizenship, the working hours of whose lives must be spent in stores and factories, in mines and on farms and railroads must and will demand just solutions of such problems as are presented by these statements of principle. It is to the advantage of us employers to lead in finding these solutions. It is to the advantage of the consumer and of society that we shall do so. If the elimination of outgrown ideas and the righting of old wrongs is left to labor alone, wage conflicts and strikes will continue on an increasing scale. The strike is their principal weapon. If they are forced to fight for their rights they must and will use it.

A great employer of labor said to me during the war, “When we employers in the past have had the advantage of our employees by reason of an over-supply of labor, we have used it for our own selfish ends. Labor now has the whip-hand and is merely doing to us what we have done to it in the past. I wonder,” he added, “which of us will be wise enough to end this wasteful process of industrial conflict by first using its period of power wisely and generously?”

The opportunity of the employer has now arrived. The future relations of employer and employee will depend in no small degree on whether or not employers as a group, by hard

thinking and friendly conference with or employees, go honestly at work to bring the industrial system up to date.

Important for the establishment of good industrial relations as are the 3 matter of which I have spoken, there is in my judgment a 4th reason of a still more fundamental nature -- namely, that business shall more and more become a profession and be carried on in a spirit of service to the community.

The motive with which the employer directs his business and with which the employee works will in the last analysis determine whether there will be industrial war or industrial peace.

Asked recently by the editor of The Annals to prepare an article on A Simple Code of Business Ethics as one of a series of studies on the ethics of the several business and professional groups, I ventured to base it on these 2 brief formulas:

1. That a business, in order to have the right to succeed, must be of real service to the community.
2. That real service in business consists in making or selling merchandise of reliable quality for the lowest practicably possible price, provided that merchandise is made and sold under just conditions.

The merchandise must be sold as cheaply as possible so that as many as possible may buy as much as they need. It must be made and sold under just conditions, as one must not oppress his employees in order to make merchandise cheaper than it should be to his customers. But the chief point of the ethics of the profession of business, as I understand it, is that the great buying public is to be served by giving them dependable merchandise at an ever cheaper and cheaper price.

One of the tragedies in our industrial life of today is that when we employers are finally successful and the difficulties and perplexities are over that in our earlier years prevented us from giving full cooperation in solving the problems of our employees, and we have at last gained the financial freedom that enables us to decide questions between ourselves and our employees on their merits, we so often fail to use our new-found freedom to this end. We often begin, instead, to use our thought, time and money to build bigger houses than we need, to buy too expensive pictures and live in a needless luxury. We men have learned to simplify our clothing so that neither in cost nor styles is there a yawning gulf between those of employer and employee. But only rarely do we keep our living simplified to any such degree. But even if we are too sensible or public-spirited for ostentatious display, we feel that it is our first duty to give large sums of money to hospitals and other philanthropic purposes. For these and like reason, we throw away the opportunity, won by a life of successful labor, to heal the wounds of industry.

Philanthropy becomes a sin and an offense, when it uses for charity the earnings of industry that should be used for justice to employees and the public.

The first legitimate use of large profits, and the main use, is to reduce prices. These lower prices will, in turn, cause increased demand, increased production and increased total profit, at which point prices can again be reduced. It is worse than useless to merely increase production. Prices must at the same time be reduced enough to bring in the greatly increased number of purchasers needed to absorb this greater output. Employers are wrong when they endeavor to obtain mass production through lowering wages to a degree that lessens the number of possible consumers for their product. Employees are wrong when they try to get higher real wages or more work through limiting output. Both will find it far more profitable in the long run to join hands in efforts to furnish reliable and essential merchandise to the public at prices lower than it has been sold before. In this way they will greatly increase the number of consumers and increase the demand for workmen. They will at the same time increase wages, and the purchasing power of those wages.

When this spirit of service comes to be generally recognized for what it is, namely, good business as well as good ethics, the reasons for strikes will have been greatly lessened. The cooperation that will result between employer and employee -- between management and labor -- is perhaps the nearest we shall need to come to common ownership or the socialization of

industry. Perhaps here is the door through which the strike will make its exit and industrial peace will enter.

The practical and compelling thought in any analysis of the reasons why men strike is found in the fact that the elimination of the cause of strikes is not only good ethics but equally good business. We employers like to think of ourselves both as good businessmen and as good Americans. In studying and removing the reasons for strikes, we shall find the road to that real cooperation with our employees that will largely satisfy our aspirations in both directions. And a grateful general public, which after all is most concerned in the solution of the industrial question, will applaud and reward our success. (Applause)

MR. WICKERSHAM: The next speaker is a well-known employer of labor who has established a system known as the golden rule in business. Mr. Arthur Nash, President of the A. Nash Company of Cincinnati and one of the large manufacturers of clothing in the United States, will now address us. (Applause)

Second Speaker

Arthur Nash

President, A. Nash Company of Cincinnati

Mr. President, Ladies and Gentlemen, perhaps it is not necessary for me to tell you that I am a Hoosier. I was born in Indiana, half way between James Whitcomb Riley and George Ade.

I have 30 minutes and I am sure that is plenty of time for what I have to say to this audience. On Monday I tried to get the same message to an audience of Ministers of a great denomination of our country assembled from all over New York State and New Jersey, and I insisted on 2 hours to get it across to them. (Laughter) I will not be able to do what Brother Filene did, use my manuscript, because if I did, you would think I was using a lot of his. I am very sorry, though, although I do not wish to be first on a program, I am very sorry that I did not precede him this time, because I feel that what I have now decided to say -- if I don't change my mind before I say it -- would be the foundation of what he did say.

Strikes and how to get rid of them. Well, I never had one, and I wonder how many here really believe that there is a panacea for strikes. I wonder how many of us really want to get rid of strikes. I wonder how many of us are in the position of the man who kept coming to his physician with a headache every morning. Finally, the physician said to him, "Now, look here, if you want to get rid of this headache, you have got to quit getting drunk the night before", and the man said to him, "I don't want you to meddle in my private affairs. I want you to cure the headache." (Laughter) Maybe we don't want our private affairs meddled in, but we want the strike cured.

As I was eating lunch this noon I looked out on Fifth Avenue and noticed on the side of the buses that your health Commissioner Copeland, I believe his name is, said that spitting might be a sign of disease. Gentlemen, a strike is not a disease any more than spittle is tuberculosis. It may contain all of the germs and poison of the disease, but there is something deeper and something in any diagnosis that we must go deeper and find out what the cause is before we can give any consistent sensible cure.

This is the first time I was ever asked to tell you how to prevent strikes or a talk was announced under that subject. Perhaps I am a little in the position of the mother that my mother used to love to tell about. The spinsters and busy-bodies of the community were having a meeting on how to raise children. This mother of 9 children, all of whom grew into manhood and womanhood and were happily married, was not at the meeting. The next morning one of the busy-bodies meeting her began to tell her about the meeting and how to raise children and she said, “Why weren’t you there?” “I was at home taking care of my children.” (Laughter)

I think anyone that knows anything of our business, the A. Nash Company, I am speaking of, and you will pardon me for this personal reference, knows that we have successfully met this issue in one of the most troublesome industries in the world today, and to show you how successfully we have met that, I first, of all want to give you a few figures.

I don't know how I ever got in this business. As I told you, I was born over in Indiana and educated for a preacher and all at once found myself in the clothing business. (Laughter) But at the end of 1918, after the war ceased, I bought a little sweatshop with 29 people employed in it. We had incorporated our little company in 1916, but we owned no shops. We did what is known in the trade as farming out merchandise to be made. We bought the shop at the end of 1918. In 1918 we had done \$172,000 worth of business. The next year, 1919, we did \$525,000 worth of business, in 1920, \$1,580,000 worth of business. In 1921, the year that clothing people like to talk about when the public went on a strike, a non-buying strike they called it, we did \$2,058,000 worth of business. So far this year, I just want to give you the total of comparative figures, during the first 4 months of 1920 and 1921 combined we did \$968,786 worth of business, and during the first 4 months of this year alone, we did \$1,008,036. (Applause)

Now, so that you will better understand these figures, we are known as what is called in the west tailors to the trade. You have no tailor to the trade in New York of any consequence, except a branch of the International tailoring Company, and their headquarters formerly were in Chicago. Some of their people are here now, but our garments are made to order to the individual measure. We put our samples out in barber shops and livery stables, (Laughter) and they take your measure and send them into us. There is e. B. Price, Lamb & Company, the International Tailoring Company and 1 or 2 others in Chicago and the west where the headquarters for this particular class of business is, and these are what is known as ready-made manufacturers, so that each order with us is a suit or an overcoat, and during the first 4 months of the 2 previous years

added together we made 55,900 suits and overcoats. During the first four months of this year, 59,684.

In other words, gentlemen, so that you can grasp this growth more readily, at the end of 1918 we were the smallest special order clothing manufacturers in this country. Today we are the largest in the world. (Applause) That is in suit units, perhaps not in dollars, but in suit units.

From 29 people in a sweat-shop of every nationality that could be represented in 29 people and every religion I know anything about, except Mohammedanism and Seventh Day Adventists and we have grown to over 2,000 people working in a brewery which we transformed into a clothing factory. (Laughter and Applause)

Now, I am only giving you this as my credentials. The reason for my audacity of standing before you and trying to get to you some conception of right human relationships and in right human relationships is the solution of the strike problem as well as all of the other out breakings and evidences of social or industrial disease. The real germ, the real disease that we have got to strike out if we want to get rid of strikes, is the doubt, the lack of faith, mutual lack of confidence, and let us use the word “confidence” instead of the old Bible term “faith.” That is the modern word. Without confidence you can do nothing, and that applies to everything in life.

Out of a lack of confidence, grows mistrust, envy, hatred, strikes, sabotage, and all the other out breakings.

Now, we have talked about many cures for strikes. There are some well-thinking people who think we can cure strikes by law. There may be a way to get at it along that line, but to make a law that we cannot strike would be much like the doctor that would come in and see a baby with the measles and say, "We have got to do something to keep it from breaking out." They can give him an ice bath and keep him from breaking out but it would be awfully hard on the patient, and if we leave this discontent, this lack of confidence, this envy and hatred and class consciousness in our social order, any law that might prevent an outbreak of strikes will be to the detriment of the patient itself.

Now, I am very firm in my belief, as I tried to get across to those Ministers that the solution of all our problems is in a real religion, and that is the reason it is so hard to get across the dogmatic preachers, because you are talking about a real religion, and if I use the term, "philosophy of Jesus" here tonight, I want you all to understand that I say just that. I am not talking about any of the 57 varieties of philosophies about Jesus. I am glad that He did not say, "If any man hear all the things that are taught about me and he believes them, I will liken him unto a man that built his house on a rock." That is not what He said. He said, "If any man hear those sayings of mine, and do them, then I will liken him unto a man that built his house on a rock."

But let me put that same statement in the language of another prophet 2,000 years before the prophet of Galilee. Moses said to the children of Israel, in the 12th Chapter of Deuteronomy: “Behold, I set before you this day a blessing and a curse; a blessing if you will obey the Commandments of God and a curse if you will not obey.”

Jesus said the same thing in the language I have just quoted, “If you hear these sayings of mine and do them, I will liken you unto a man that built his house on a rock,” -- a blessing -- if you do not do it then you are like a man that built his house on sand -- a curse.

I want to dwell on this for just a moment before I come back to this concrete thing under discussion. When Moses gave what we have come to know as the Commandments of God to the children of Israel which had been chosen for his special work, they were told that if they lived in harmony with the laws of God, a blessing awaited them, harmony, peace and brotherly love, but if they did not, a curse awaited them, and the old Scriptures is the history of that people, sometime obeying these Commandments and enjoying the blessings; then they apostatize and disobey the Commandments of God and immediately the heathen about them come on them; their fields are destroyed, the walls of their cities torn down and they are carried away into captivity and slavery, until they turn their face toward their God again and rend their hearts and not their garments.

And just here I might say that an erstwhile politician, who has turned preacher, tells us that evolution is contrary to the Bible. Friends, when I left the theological school at Battle Creek, Michigan, it was said of me -- perhaps you remember reading in the papers some 32 years ago, the older men among you, that a young man claimed he could reproduce the New Testament if it was blotted out and that if anyone quoted from the books of the Old Testament incorrectly he could immediately tell them and quote them right. That was said of me by Professor D. J. Wagner of the Seventh Day Adventists Theological School at Battle Creek at that time. I am not boasting about it. If a man never studies anything but the New Testament, he ought to learn that by heart in 20 years. But here is the thing I want to say to you, that the man that says evolution contradicts the Bible, or that they are contradictory, does not know his Bible nor evolution either, (Applause) because the bible is a history of the evolution of humanity.

I wish you would take some of those Old Testament pictures of that time. Take Abraham, who was called Friend of God, the best type of man in his time, not the lowest, but a man who at different times in his life came to a crisis and turned over his wife to the princes of the country to keep himself out of trouble. The lowest type of mankind would not do that now. Is the Bible a history of the evolution of man? And another man, who was the highest type of a great city at that time, whom God took special pains to save out of it, lay with his own daughters.

Then the Bible comes on and tells us how God seeks us out and how we seek after Him and how this process of evolution in the great economy of God is going on and as Mr. Filene has just told

you his belief, in which I heartily concur that the next step in this evolution is cooperation. It may take years; it may take generations to bring it about, but men of vision can see it coming.

What do we find when it comes down to this Prophet of Galilee? And when we come over into what some are pleased to call the New Dispensation, he said, as Moses did, making the same statement in a new setting, “If you should hear these sayings and do them your building shall be sound. It is founded upon rock.”

What do we find down through the New Dispensation? I am not going to review all of what we know is contained I there. Let us come down to that which is fresh in all of our minds, the French Revolution in its various phases, from 1793 to 1812, and what do we find? What is the condition of the world religiously? Infidelity and atheism rampant; such utter disregard for everything religious that during the war in 1798 the French General, Berthier, goes right into Rome, takes the Pope of Rome a prisoner. They do not halt at anything. If any of you think that there never was such a time as exists in the world now, and such suffering as is in Russia, go back and read again the history of the French Revolution and see what went on there.

What is wrong in Russia today? Is there any of us that think the old Czarist regime ought to be restored, that it is the right thing? What s wrong? They have no regard fundamentally for religion, for this philosophy of Moses and the Man of Galilee. Consequently, they have not

found any foundation except sand to build upon, and they never will, for there is no other foundation.

But there is something else which happened recently. I presume there is not a man here who does not know who Roger Babson is, even if you don't know him personally. He has told us that what we need in business is not more laws but more religion.

A year ago in September when I was in his great institute I was impressed with his great chart drawn up in colors, representing various cycles, and in every one of those cycles when we were prosperous, when our apparent wealth was away above our fundamental wealth, there appeared a little white line, and then at the very bottom of the depression that same white line reappeared.

As I was talking with Roger Babson I said, "You say that represents a change in the religious sentiment of our country as a whole. How do you arrive at that?" "Why", he said, "just like we do everything else, by cold facts and statistics," and he said, "It is a fact that when we enter a period of prosperity, that so long as the nation retains its morality, its religious standard and stamina, that we go on prospering, and that whenever we begin to eat and drink and be merry and our morals sink to the lowest ebb, that we immediately start downhill, and we continue to go downhill until we again turn to God like Israel of old."

In the series of history of Scriptures, the history of what we call the new Dispensation, we find that, and then in Roger Babson, with his statistics, cold facts and figures, we find this same thing.

Says one; “Why are you bringing all of that out?” I am bringing all of that out because confidence, faith, is the fundamental basic principle of religion, and you don’t find it anywhere else.

Says one; “Why I thought education would solve all these problems.” I don’t want to enter into a discussion of that for fear I will be misunderstood, but I will say this, that so far education as such has failed.

Says one, “Shun religion, because we get hypocrisy,” and that is the reason I asked you when I started in whether you really want the disease cured or whether you just want to get rid of the strikes. I don’t want to be hypocritical about this thing. I want to be willing to get right down to the base of it, and as long as we have the class consciousness that has been produced very largely by the intellectualism of that class conscious power which is the most abject kind of ignorance on God’s footstool, the ignorance of illiteracy does not compare with the ignorance of class conscious intellectualism as it is usually looked upon.

When we first discovered this country we found the red man of one tribe looking out from behind a tree or a boulder ready with his tomahawk or bow and arrow to slay the red man of some other tribe on the other side. Has education done away with that doubt and suspicion that envy and mistrust? Why, we find the same spirit, the same envy and the same mistrust between

these class conscious groups that we found then, and the answer, the solution to this question, friends, is in the universal brotherhood of man that the Prophet of Galilee stood for.

So long as I look out into my factory and see there a bunch of dubs, Italians, Wops, Russian Jews and all this, that and the other, they become something distinct and apart from me, and I cannot live the Golden Rule with them. I cannot do by them as I would be done by. But when they have become my brothers and my sisters, children of the same father that I am, and entitled to the same justice and fair treatment that I want for myself, living the Golden Rule is the natural sequence. I cannot do otherwise, (Applause)

I now have 2 minutes left and I was not through with my introduction yet. (Laughter) Friends, I want to say in those 2 minutes that in the philosophy of the Man of Galilee is the solution of all our problems. I am not saying that it is not in any other philosophy, for a strange thing has happened. Brother Filene spoke of the Federal Council of Churches. Well, in a survey that they made a year ago, they found there were eighteen concerns in this country that had made wonderful advancement in right human relationships between employer and employed, and 11 of the 18 were Jewish concerns. But that was because, like the Jew that gave the philosophy, they had grasped the philosophy and had built upon it, and that is the philosophy that I am talking about.

Now, friends, this is what happened in our place. Since I have taken on all of my employees to be my brothers and my sisters, they have become my brothers and my sisters, and as I look at the old ladies that are working in our place and I feel toward them as my mother, they feel toward me as their son, and that is the reason, in conclusion, that when it was decided -- and I am not going back into the history of that, but it has all come out -- that a concentrated drive must be made upon our place by the Amalgamated Clothing Workers of America to organize it, that it must be organized, and national organizers were sent there to organize it, it was just like sending organizers to your mother to tell her that you were a naughty boy and she ought to get into the union and fight you, and they got just that far with it. They did not even start an argument, except in their own ranks, and they are still keeping that up in some of the New York papers. I thank you. (Long and continued applause)

MR. WICKERSHAM: Mr. Nash will recognize that if we do not practice the Golden Rule as least we respect it. (Applause)

Now, the next speaker has had very large experience in dealing with this same difficult clothing trade. He is a lawyer, but he occupies a very unusual

NOTE: MR. COHEN'S ADDRESS WAS SENT TO HIM TO BE RETURNED TO THE ECONOMIC CLUB AFTER PERUSAL OF SAME. MR. COHEN'S ADDRESS WAS NOT RETURNED AND THEREFORE IS NOT INCLUDED IN THIS TRANSCRIPT

ALSO, THE INTRODUCTION OF THE FOLLOWING SPEAKER IS MISSING THEREFORE THE SPEAKER IS NOT IDENTIFIED.

I was also interested in his difficulty in getting an idea over with a preachers' congregation, I remember address 400 preachers once on the unemployment question. I advised them to begin in the middle of summer to think of the unemployed question that usually strikes us about Christmas, and that they always appoint a committee in New York about Christmas, or the 23rd of December, to decide what they will do for Christmas Day, and I suggested July 1st and when the question came, after I had talked for an hour, the only question that came up was a preacher got up and said, "I would like to ask the speaker a question. Last winter," he said, "my sister in New Jersey could not find a man to chop wood for her, and how does the speaker account for it?" I said, "I cannot account for it Brother, I don't know your sister." (Laughter) "If I did, I probably could."

Ladies and Gentlemen, it is a very serious question. It cannot be joked over. It is a very old question. There is no use in anybody being dogmatic about it. It isn't any use a man feeling that he has got the whole panacea in his vest-pocket, that he knows exactly what to do. Nobody does. The best we can do is to throw a little light that experience gives us in this great question. It is a very complex question, just as society is a very complex thing and particularly in a gigantic city like the one that we live in.

Will you permit me for a minute or two to paint a picture, a very simple picture, which I think is fundamental, or I would not paint it, to picture the wealth of the United States as a great, big loaf of bread, and around it a 100,000,000 people. That loaf of bread is the thing that we eat, and wear, and the house that we live in. It is the thing that we call wealth. But there are 100,000,000 people around it.

Now, the group up very close to the loaf is what we call hands, or hewers of wood and drawers of water. They are the proletariat to the French. They are the lower class, as they used to be called, in English society. But they are the essential things in the production of the loaf.

Just immediately outside of that great group with calloused hands there is a smaller group, a much smaller one, men of brains, who direct things; the mind who direct the brawn, if you please, and these 2 things are 2 aspects of one great, big thing, the production of the loaf. Now, I am not talking from books on political economy. My hands used to be like the talons of a great bird when I worked in a coal pit for a quarter a day, 12 hours a day. I know something about that hard work. I know something about the feeling and the aspirations and the hopes of the people who worked with me.

The third group around the loaf does not produce it by hand; they do not direct its production by mind, but they also are essential to the production of the loaf. Well, they are poets, they are

authors, they are musicians they are school teachers, they are the great might multitude of distributors but they are a third party.

The fourth group is a group who do none of these things at all. They have gone away from production either by hand or by brain. They contribute nothing actually, I should say, and yet they are part of society too. They are with us, and in the evolution of society they have become a class; they are not class conscious as we think they are, but anyway, down close to the loaf we are prone to think that they are, and these are the people who invest in the production of the loaf.

Now, the one struggle -- Mr. Cohen is perfectly correct when he says that back of all that he said there is the economic philosophy. Perfectly true, and what is it? It is the production of the loaf, the production of the loaf and the trend of human society. From the misty dawn of human history until today, having reached its greatest and most powerful impetus in the industrial revolution which made England the workshop of the world, the trend has been away from the loaf.

Nearly all our education has been the training of men away from the actual production. I am not cynical. I hope you will not think that I am cynical when I say that you never heard of a man going to college with the work of his hands in his mental future. They do not do that. All our colleges, all our universities have become great, human cash registers and distributors and managers, and now, in the production of the loaf, there are things that are necessary, and there are things that are essential, and you can get along, not easily, I would not say, without that

which is necessary, but you simple cannot get along without that which is essential, and the production of the loaf, in the first instance, is the essential thing of human life.

Now, we find through history there always has been some sort of striving down there, some sort of revolt. There has been a revolution, over and over again, and we have been trying for hundreds of years to prevent that. I do not come to you with a panacea at all. I would rather come to you as one, who having left the actual production of the loaf, still has his mind with the producers. I think I can very fairly -- I would not like to be unfair -- I would not stand here and fight for an advantage for my point of view in an unfair manner. I think I can present to you the hopes and aspirations of that gigantic multitude that stands close to the loaf.

Do not think that New York is the whole United States. We New Yorkers talk as if it were. Mr. Gompers is not the labor movement. The building trades of New York are not the labor movement. The clothing industry of the United States is not the labor movement. These are aspects of it, phases of it. But there is a far bigger thing than any of these things, and, indeed, than all of them combined.

So I find down there, and I find here, I find these people have aspirations. What are they? Well, first of all, to be clean. It would seem very strange to this group of people to ask for facilities in order that our bodies might be clean down there. I could shock you with the description, but I will not do it, of the great mass of human beings who are producers who, up until very recent

times, did not have the facilities to keep clean. The factories are now putting in baths; even tenement houses are putting in baths now, and somebody once in a while will put coal in them, and the hue and cry went forth over the world, “Do not give labor its bath, because they put coals in it.”

But that accident was not characteristic of the whole. I remember how distinctly for years and years I myself, born in a filthy, rotten alley, that no ordinary man would keep a horse in -- if he did, he would not keep it long, it would not live -- and how the first burning of my mind was how on earth can I ever get a chance to be clean?

I learned to read when I was nearly 19 years of age, and yet for 10 years I remember so distinctly my ambition was to learn to read and to write. These were the primary impulses of this human, and they were characteristic of the great mass.

Well, after that, after partial satisfaction of these primary desires came, we got large ones. We became ambitious to have a place of our own to live in. I have given so much of my life to what might be called a reconciliation of class conscious people that I only own what I stand upright in. But I own my soul, and that is a very priceless possession in an age like this when you would have to get a microscope to find them.

But I had an ambition which has not been satisfied, to have a place of my own. I heard of art. I heard of wonderful art exhibitions. I heard of wonderful orators, and my soul wanted music. I heard that there were other places besides the place I was born in and the environment I was most familiar with. I wanted to see them.

I could go on during the whole of my time telling you of the aspirations and ambitions of the laborers as a class. Well, what happened? Since my day, think of it, since I was a boy, that lower class, that essential class of production without which you could not be here tonight, New York would not exist as it does, and that class has been educated. Education has gone broadcast over the civilized world. What has education meant to that class of first instance producers? It has given them ideals. Ideals of cleanliness; ideals that after all, something that one owns is a priceless possession and is an anchor to bind one to a job, to bind one to a community, to give a man the incentive to put forth the best effort that he is capable of putting forth.

Now then, when you educate people to ideals, well, if you are going to put a stop to them, there will be trouble. There will be trouble because there are so many of them. There will be double trouble because this great crowd is essential to our loaf. We all of us have fairly reasonably escaped production ourselves. We are away from the loaf. My calloused hands have become fairly white. I myself, in common with all my kind, strove to get away from the actual production of the loaf. I might say in self defense that I have not forgotten the pit, out of which I was dug,

however, and yet I cannot stand behind labor; I would not stand behind labor, if labor were wrong.

I remember when I was a preacher. I was elected as the Chaplain of a street car employees' community, a union that operated the street cars in a great city. I remember one evening they discussed a strike from 11 o'clock until 4 in the morning, and this was what they were discussing: The secretary of the union had been dismissed by the street car company. I heard the arguments for 5 hours. I had furnished myself with all the information available before I went into that meeting. It was not my job to get up and harangue them. It was not my job to do that. It was my business to do other things for that labor union; speak the strong word for kindness, the square deal, brotherhood, but I had never touched the strike question at all. But at 4 o'clock, when they were about to pass the motion for a strike I got up. I said, "I would like to have the floor. Before you take the vote I want to say, Fitzgerald is sitting here in front of me. You are going to strike over his dismissal. What are the facts? The facts are that he was absent from work for 2 days, 4 days, ten days, 18 days. The facts are that he has been spending his time in the saloons, that he has been doing other things." I said, "Gentlemen, you are workingmen, but if the wheel of fortune should suddenly turn and you should operate any kind of business from running a peanut stand to operating a railroad, or operating the Standard Oil Company, how could you run your business with me such as my friend, Fitzgerald, who sits here? You could not. You are going to vote for a strike. I will tell you what is going to happen. I have allied myself with you here, but I am going to fight the union and I will beat you alone, single-handed. You won't have

the railroad company to fight. I myself in the interest of labor will feel called upon to fight you by my voice and by my pen, and I can beat you hands down.”

They voted a strike. At 5 o'clock in the morning the executive committee came to me and said, “What are you going to do?” I said, “I will know by 6 o'clock.” They said, “Let us go over in the hall and sit down.” The whole executive committee and I went over there, and on the spur of the moment I outlined a policy I thought I would pursue, a very, very awkward situation for a man to assume, suddenly turning around on men who were supposed to be his brothers. I had devoted my life, my thoughts, all the books I have written have been interpretations of the crowd down close to the loaf, and the executive committee voted unanimously to call another meeting that night and to refuse to act if the strike went on. The strike did not go on because they knew me.

That is a mere instance, but I can assure you that it is an instance that can be put up against an arbitrary judgment even by men who occupy such a prominent position as president of the American Federation of Labor.

These things are, if you will excuse the phrase, they are scabs on the great body of labor, but the great body is rather healthy. God help us if it were not. It is rather well-intentioned. What I feel is the great trouble in the world is this: In our mad rush to get away from contact with actual production, to be a lawyer, to be a minister, to be a teacher, to be a capitalist, to be a what-not, all the time getting away from the loaf, we have not only gotten some good clothes out of the job, we

have not only gotten the power to know that which is a good picture and that which is a poor one, a fine diamond, we have not gotten merely all that kind of thing, but we have been doing something else that we ought to regret. We have been digging great chasms between groups of people in our community who are essential to the loaf. All that we need to do is to go back and build some bridges so that capital and labor might walk over that bridge without toppling each other over.

It won't do, ladies and gentlemen, it simply won't do to sneer at these aspirations; it will not do to pooh-pooh the man who comes and talks about brotherhood. It will not do to make light of a man who has the courage and the grit to act on the principle of the golden rule in his own business. It will not do. These men are pioneers. They have gone out in the front. What they are saying here tonight seems unique, but 20 years ago, it would have been impossible for Mr. Filene almost, or Mr. Nash, to say the things they said here tonight. We were not ready for them. But 20 years from now it will seem commonplace to us. The rush was too great; the eagerness to become wealthy, to get away from the loaf was so great that we forgot all other considerations, and we have forgotten a great many of them now.

The pressure will go on. You cannot settle the labor problem by an act of Legislature. You cannot do it. If you want to try it, all right, but you will have the greatest fight before you know where you are at. This great seething mass down at the bottom have minds; they have vitality, they have power.

I want to say, however, that all they want is to be treated justly, and in order to do that, we have got to talk to them. We have got to go where they are. We have got to feel the grip of their hands. We have got to feel that they are human beings, and they are the kind of people the world cannot possibly get along without.

The Emperors of Rome used to sign after their names a phrase that would do us a lot of good -- the Popes did it after the emperors -- they used to sign "Pontifex Maximus", "Great Bridge Builder." I don't care whether you call that thing socialism or Communism or anything at all. It cuts no figure at all to me, but we need bridges over which men may go into each other's compound and feel the urge, know something about the earth, something about the inspirations, something about the ambitions to be clean, to be healthy, to be intelligent, to know their own hearts, of that great mass at the bottom.

Now, capital is not going to try anything arbitrary. Labor knows perfectly well that it cannot do anything arbitrary, that after all, there is a great, big community voice, and they cannot get away with it. But the pressure will go on. It is not going to end by a cataclysm. It is not going to end by any specific specialized legislation. It is not going to be settled by lawyers, nor by ministers, nor by politicians, nor by labor leaders. It is not going to be settled that way. It is going to be settled, if it is settled at all, -- and I am one of those who believe that it will be settled -- by a new consciousness in life and industry.

I was at Oxford not very long ago, where the representatives of 200,000 workingmen -- capitalists, all of them -- were in Oxford University to consider how they could humanize the industrial processes. I got up and I asked one of the leaders this question: I said, "Professor, I do not want to be considered cynical, but I want to ask you a simple question. I want you to give me a direct answer. Has capital got a code of ethics?" He said, "It has not." I said, "Don't you think it is time it had?"

Mr. Filene propounded a code of ethics tonight. Perhaps that is for business, and I differentiate between business and industry, but what our industries need is a code of ethics, and what they need is some good staff work. An army cannot get along without fine staff work, and the staff work of modern capitalism, with all its power, is very rotten. If we had better staff work, we might have saved conflict.

Neither capital nor labor is making a great appeal to the spirit that is in man. We are appealing to his economic self, his material side. What we need, above all things, is to appeal to the spirit that is in man, and the spirit that is in man will respond to a spiritual appeal. (Applause)

Mr. Lloyd George sent for me and asked me to stay a year in England and go to the factories and present the case of the British Government to labor. I did that. I had talked to over a million and a half of men at the front, on the French front. Before the war I was a rip-roaring pacifist, but I

was born in Ireland, (Laughter) and if I were not of a religious mind I should say an Irishman makes a hell of a pacifist. (Laughter) But I am, and I won't. (Laughter) I said, "Mr. Lloyd George, I cannot be in the pay of the Government. I could not be known as your friend to do that, nor the friend of the British Government, but having spent a whole life for labor, I have a right to talk to labor anywhere on the face of the earth, particularly as I never was in labor's pay."

You know you can do a wonderful lot of good work in this world if you will pay your own bills and give somebody else the credit for it. (Applause)

I went to the factory gates and I talked for nearly 18 months to from 7,000 to 10,000 workmen a day. I knew that by the bare hands of Englishmen England only could be saved, on the edge of bankruptcy, but they were men largely who had come out of the war. They had heard me at the French front and in every audience I had men who saw me out there. I never had a single man, not a single one in all the tens of thousands, hundreds of thousands of laborers that I addressed, pleading with them for old John Bull & Company -- I, an American citizen -- pleading for John Bull & Company, whose ships were at the bottom of the sea, whose machinery was knocked out of gear, whose business interests were very much menaced. I said, "I come to you as members of the firm, asking you to be loyal to the interests of the firm for 2 years. Give John Bull & Company a chance for 2 years to get on his feet." I never had a single man rag me, shout at me, or refuse me audience, but they cheered every time I came in contact with them, pleading for their government and pleading for the higher interests of the whole community.

Now, we are more cosmopolitan, more heterogeneous than the English people are, but I profoundly believe that in any great crises I could do that same thing in this United States of ours and receive the same kind of response.

My last word to you as I go down is, if you have any influence anywhere, if you have the power, foresight or vision to build a bridge, be Pontifex Maximus, Great Bridge Builders, because over on the other side of the bridge there is a great, big multitude of millions and millions of people who are only striving, believe me, for the thing that you and I desire. (Applause)