

## ARTICLE II.

## THE SOCIAL AND INDUSTRIAL SITUATION.

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[The following article is a report of a Committee appointed by the Congregational Association of Ohio, in 1891, to investigate the social and industrial situation, and read at its meeting in Oberlin, on May 11, 1892. The preparation of the report fell upon Dr. Gladden, but it is signed and approved by the other members of the Committee, the Rev. Sydney Strong, of Mt. Vernon, and General R. Brinkerhoff, of Mansfield. As the merits of the Report are so great and it is not to be published elsewhere, it is thought best to make no changes in its literary form.—Eds.]

AT THE last meeting of this Association, in Springfield, the undersigned were appointed a Committee "to investigate the social and industrial situation," and report the results of their studies to this meeting. In obedience to this request we have held two conferences,—one in Columbus, on January 18th, and one in Toledo, on March 15th. At the first of these conferences all the members of the Committee were present; General Brinkerhoff was unable to attend the second on account of imperative duties to the Commonwealth, which he was unexpectedly summoned to perform in another place.

Each of these meetings was in the nature of an open hearing, announced in the newspapers, and by printed circulars addressed to a large number of representative employers and working-men. At each meeting there were two sessions, of two hours and a half each—one in the afternoon, and one in the evening. The Committee is greatly indebted to the pastors of the First Congregational Church, Toledo, the Rev. Dr. Williams and the Rev. Mr. Fisk, for the use

of their social rooms, and for their very efficient services in arranging for the meeting in that city.

The circular sent out by the Committee outlined the nature of its inquiry in the following questions:—

“Do you think that the present relations of employers and laborers are satisfactory?

“If not, can they be improved, and if so, in what manner?

“Are the laboring-classes suffering under any burdens or disabilities which can be removed by the action of government, or of a sound public opinion?

“Do you think that any changes in the organization of industry are feasible—such, for example, as take the direction of industrial partnership?

“Do you think that the nationalization of industry is practicable?

“Do laboring-men, as a class, complain of the churches; if so, what are their complaints?”

Quite a number of the persons invited appeared at each of these meetings; the views of employers and employees, and of some belonging to neither class, were freely expressed; by questioning on the part of the Committee, and free conversation, opinions were drawn out and elucidated. Several gentlemen who could not be present submitted in writing their answers to the questions. By the kindness of local stenographers a stenographic report was made of the unwritten remarks and conversations in Columbus; in Toledo, as the inquiry covered the same ground, this was not thought essential.

One object of the Committee was to bring together the parties in the labor dispute, that they might look into each other's eyes, and listen to each other's voices. This object was attained, in some measure, in Columbus; at each of the sessions representatives of both classes were present, and the conference certainly helped to promote a better under-

standing. Representative working-men confessed that they were surprised and gratified by the expressions of some of the employers; and the temper of both parties was in the main generous and conciliatory. In Toledo this result was not realized. In the afternoon few persons were present who were not employers; in the evening few who were not employees. Each party would have been greatly enlightened and profited if it could have listened to what was said by the other. We are convinced by this experience that nothing is more desirable than frequent and frank conferences between employers and employees. Many misapprehensions would thus be removed and many conflicts averted.

Out of the mass of materials in possession of the Committee it is possible to present no more than a brief *résumé* of the drift of opinion.

In answer to the first question, "Do you think that the present relations of employers and laborers are satisfactory?" the answer was almost uniformly in the negative. One or two were of the opinion that these relations were about as good as they could be expected to be while human beings are in their present moral condition. But the general belief was that things are worse than they need to be; that the present discontent is well grounded. One leading employer said:—

"The present relations of employers and laborers are not satisfactory, chiefly because the wage-workers do not receive their just proportion of the earnings produced by them jointly with their employers. Comparatively few men in this country still hold that it is right to buy labor as one buys sugar or corn for the lowest price possible. But many more men practise this than will defend it."

Another employer said:—

"The trouble is that employers, in many cases, are selfish and employees are also selfish; employers, many of them, are ignorant and many employees are still more so."

One employer said:—

"This feeling of unrest grows largely, in my opinion, out of the precariousness of employment as well as the smallness of wages. In most cases this

unsteadiness is beyond the control of proprietors or managers, but in some, no doubt, it is brought about by a demand for unreasonable profits. Sharp, reckless competition, induced by favoring legislation in particular lines, thereby causing over-production, naturally leads to such a result.

"Unfortunately frugality is not the rule among the classes in question, and any disturbance of conditions which cuts off or reduces their wages causes their savings, if they have any, to be quickly absorbed, and want follows. Probably time and the elimination of the speculative feature which infests so many industries may cure this evil to some extent.

"Without question the large immigration of laborers,—some imported, as it were, in large masses,—who come inured to hardships and the cheapest way of living, seriously affects the condition of portions of these classes. There is a large evil here which certainly may be mitigated."

Some of the working-men were strongly inclined to charge this dissatisfaction upon the wage-system; and to declare that there must always be strife and unrest so long as this system exists. Some of the employers, on the other hand, declared that the wage-system, without profit-sharing, was "the result of ages of experience and judgment;" that "it is the one system found applicable to all classes of industry." "It is," said one of them, "like the law of vested rights, sustained by the common sense and judgment of mankind, protecting the common interest."

The fact of dissatisfaction was thus admitted, but there was no consensus of opinion as to the cause of it.

The responses to the first part of the second question seem to be practically unanimous. That these unsatisfactory conditions admit of improvement was doubted by none. But to the question, "In what manner?" the answers were various.

The following questions of the Committee guided, somewhat, the replies of our respondents, and it may be well to follow the order of the circular.

There were those who could not see that the laboring-classes were suffering under any disabilities removable by the action of the government. Others thought that the burden of taxation rests more heavily upon the wage-worker than upon the employer; that the government might by reforming

its taxation so relieve the laboring-classes that their wages would procure for them more of the necessaries of life; and that thus the causes of discontent would be in part removed. One leading employer of Columbus said:—

“There are two burdens that government can remove, in my opinion:— Excessive taxation, from high tariffs and other causes, and the partial demonetization of silver. The State of Massachusetts does a great deal in the way of making corporations live up to the requirements of the law. The State can see that no child labor is permitted; that the factories are properly ventilated; that precautions against danger shall be enforced.”

A lawyer who was present at the Columbus meeting briefly outlined a method of legalized arbitration, which he thought might be practicable. According to this plan all Labor Organizations were to be incorporated; and a court of arbitrators would be appointed before whom labor disputes should be brought. The decision of the court would be binding on both parties, and the incorporation of the Unions would permit of the enforcement of the decree of the arbitrators, by the levying of damages upon the funds of the society.

Others looked for large results from the action of government in measures to which another question more directly leads.

It was generally believed that a sound public opinion could do much to remove the burdens of the laboring-classes. One large employer said:—

“Labor should not be bought in market at the lowest price at which it can be obtained. I have never held that opinion. And I think that public opinion ought to be cleared up about it. I do not think any man ought to buy labor at the lowest price, unless it gives a comfortable subsistence to his employees.”

Said another large employer:—

“A sound public opinion on this subject would do much good. Did all men clearly understand and admit that it is dishonest for a man who possesses either superior intelligence or greater power of combination or better opportunities than those whom he employs to use these advantages so as to take from his employers a portion of the earnings in justice due them, it might be hoped that eventually public opinion would consider disreputable any one

who has accumulated a large fortune from the employment of others, while his employees remain poor."

It will be seen that these intelligent business men distinctly admit that competition is often practically made the instrument of injustice, and that the just price of labor will, in many cases, be considerably higher than the market price. It is not right, they say, for an employer to buy his labor in the cheapest market and sell its product in the dearest. The frank recognition of this fact by leading business men is itself a sign of promise.

Respecting the feasibility of industrial partnership or profit-sharing, there was wide diversity of opinion. The working-men seemed to think that it might be a good thing, if it could be carried into effect; but they were building, apparently, very little hope upon it. "I suppose profit-sharing might be a good thing," said one of them; "but the men should, I believe, have the right to say how many hours they shall work." "My idea is," said another, "that the relations of employers and employees can be improved by education, by thorough organization, by profit participation on the part of all the laboring-men as well as capitalists." Said another:—

"My idea of this industrial partnership—of course it is a grand one. If a factory or firm is willing to say, 'We will set aside a sum sufficient, as we think, for our maintenance; we will pay each employee a certain price per day, per week, per month, and then we will divide up at the end of the year, *pro rata*, the profits of the firm,' it shows to those employees that the employer has confidence in the men. The men are made partners in the business; they must have the business at heart, and if the firm is not a paying business they will certainly try to make it a paying business so as to secure more of that profit. But perhaps the employer would think his services were worth so much that he would virtually eat up the profits and there would be nothing to divide."

It is evident that this latter remark expresses the scepticism of the working-classes respecting this method. They see no particular advantage in the scheme, if the employer takes out of the business so large a salary as practically to exhaust the profits.

The employers were also divided in sentiment upon this subject. Here is the opinion of one:—

“I believe that much may be accomplished in this way; but not all such partnerships will prove successful,—only those whose promoters are wise enough to place at the head one man, with full power, who has ability and special training in the line of work taken up by the enterprise; such men can command large salaries; and the partnership or association must be willing to pay them if it is to succeed.”

Here is the word of another:—

“While we believe in some mode of industrial partnership we are not prepared to state whether the same is practicable or not; we only give our general opinion that this is right and ought to come.”

Another thus judges:—

“Without profit to the employer no labor would be employed; but there should be a fair division of a ratable share of the profits after paying fair market rates for labor and also allowing fair interest on the investment, fair margins for wear and tear and depreciation of plant, and fair compensation for management.”

Says another:—

“Any of the forms of profit-sharing, liberally interpreted, would remove most of the dissatisfaction existing under the present relations of employer and employed. In some cases the employed would not be benefited immediately by profit-sharing, as there are some enterprises that have no profits to divide. Under our present system, labor is usually treated like a commodity, to be purchased on the most favorable terms possible. Under the system of profit-sharing, labor is advanced to the higher level of limited partnership. This, then, takes something from the employer and gives it to the employed, and the benefits received by the employer because of the change are not sufficient to induce him to surrender so much, of his own free will, except in isolated cases. He will do so only upon compulsion. The power to compel under our form of government lies only with organized labor.”

Do not lose sight of the fact that these last are the words of one of the largest employers of labor in the city of Columbus. Other employers were much less hospitable to the idea. One thus declared his opinion:—

“The difficulty of profit-sharing is just this, you cannot make it applicable to all classes. You apply it to a few lines of industry, and the effect would be in time to draw to those industries a surplus of labor, and there would come in the law of supply and demand which would ultimately bring

down the prices of wages so that mechanics and laborers would be in just about the same position they are now. It is only applicable on a few lines; that is, looking at industries as a whole, it can be applied to comparatively few."

Another was less positive:—

"I do not see how industrial partnership can be satisfactory; there will be dissatisfaction, and I think that there is apt to be more trouble. Ultimately, I think, we shall arrive at something of that kind, but we must have some decided changes before it will work satisfactorily."

In endeavoring to educe the truth from these conflicting opinions, it is well to keep in sight one or two pretty obvious facts. In the first place, the lack of interest in this scheme on the part of the working-men may be due to several causes:—

1. It is a movement in which employers must take the initiative. Working-men cannot be expected to be active in its advocacy.

2. Many of the working-men who appeared before us were leaders of labor organizations. These leaders have generally been cool toward the project of profit-sharing, because they have feared that it might weaken their organizations.

3. Most of the working-men appear to be strongly inclined to measures more radical than profit-sharing, of which mention is to be made further on. They do not think much of this modification of the industrial system, because they are looking for an industrial revolution.

As for the employers, the confident assertion that the scheme will work in only a very few industries, does not seem to rest upon a very careful examination of the facts of the case. It is already in very successful operation in a great variety of industries. As long ago as 1883, Mr. Sedley Taylor wrote:—

"The principle has been introduced with good results into agriculture; into the administration of railways, banks, and insurance offices; into iron-smelting, type-foundry, and cotton-spinning; into the manufacture of tools, paper, chemicals, lucifer-matches, soap, card-board, and cigarette papers; into printing, engraving, cabinet making, house painting and plumbing; into stock-broking, book-selling, the wine trade, and haberdashery."

Mr. N. P. Gilman's admirable treatise on "Profit Sharing" brings the record down to a more recent date and shows much progress in the application of this principle on both sides of the sea. It would be well for employers to inform themselves respecting what has been done on the European continent and also on our own. The theoretical difficulties might turn out, upon a resolute effort to conquer them, much less formidable than they now seem. To many industries in which the method has not yet been tried, it might be found altogether practicable. There are those who believe that to the great railway business it might be applied with entire success. There would indeed be difficulties—difficulties which could be overcome only by patience and tact and invincible good nature on the part of the employer. Are there no difficulties under the present system, with strikes and lockouts and boycotts? Is it not worth while to give some study to the problem of finding a lubricating oil which will diminish the friction of the industrial machinery? If our employers had expended half as much thought and ingenuity upon the problem of wisely organizing labor, as they have expended upon the perfecting of labor-saving machinery, it is probable that we should have a much more satisfactory state of things in the industrial world than that which now exists.

Two topics of much interest not named in the circular of inquiry, were fully discussed in connection with the subject of profit-sharing—the subject of labor organization, and the question of the eight-hour day.

It needs not to be said that the wage-workers are unanimous in their assertion of the right and the necessity of labor organization. Not only for social and intellectual purposes, but for defence against the aggressions of organized capital, they regard these combinations as necessary; and they maintain that they have reaped the most solid benefits from organization. Some of them are ready to admit that the social conditions which make such combinations necessary

are not desirable; they recognize the fact that it is a state of war which calls for such organizations, and that many of the measures adopted by them can only be justified as war measures; but they insist that war is better than slavery, and that without these combinations for self-defence the laboring-classes would sink into a servile condition. Competition among manufacturers leads inevitably to the cutting down of wages; the employer who has the least mercy for his employees will undersell his competitors and take the trade away from those who have more compassion for their men; the only remedy is the combination of the men to resist the reduction of wages. It is not denied by any one that the power thus gained is sometimes abused; that there are unreasonable demands and senseless strikes; that the workmen in their blindness often kill the goose that is laying for them the golden egg every day, because she declines to lay for them two eggs a day. But it was maintained that the working-men are steadily learning wisdom, and that the frank recognition by the employers of their right to combine, would vastly improve the situation. In the Hocking Valley strikes were frequent and fierce until the miners' right to combine was freely recognized by the operators; since that time a yearly conference of the operators with the leaders of the miners' union has settled the price of mining without difficulty, and there has been almost unbroken peace in the Valley. The last conference, held in Columbus a few weeks ago, settled the question in twenty minutes. The operators said: "We trust that you do not expect us to increase the wage; we cannot afford it; we will maintain the old rate; that is the best we can do." The miners' representatives said: "No, we understand it; we have looked into the matter; we know that the rate cannot be increased; let it be as it is." Not two hundred words were spoken; capital and labor shook hands and went their ways.

This fact, that labor organizations are necessary, in the

present state of industrial society,—just as some times in political society a strong armament is necessary to enforce a righteous peace,—was also frankly admitted by most of the employers who came before us. It is true that some of them seemed to question the necessity or the utility of the labor unions. One very suggestive communication insisted that the only solution of the labor problem would be “the absolute extirpation of two great and growing evils,—Consolidated Capital and Trades-Unions. These go hand in hand as class producers; while the former is a constantly increasing menace to free institutions by its unchecked resort to bribery and constraint, and the latter a mischievous wrong to those whom it claims to serve by suppressing individuality and thus forcing the virtuous and the vicious, the industrious and indolent, the intelligent and the dull upon one common plane.” This, indeed, would be a drastic measure; are we ready for the “extirpation” of “consolidated capital”? Must the corporation go? It is difficult to see how modern industry could be carried on, upon the large scale, without the consolidation of capital. Our friend is quite right in insisting that if Labor is forbidden to combine, the interdict must also be laid upon Capital; but it is not likely that we shall very soon be able to dispense with either combination.

What was said on the subject by some of the employers who appeared before us will appear a little further on in connection with their opinions upon the eight-hour day; it is sufficient to remark that not only the testimony of those employers who were kind enough to give us their views, but the general consensus of opinion among employers throughout the country, so far as we are able to gather it, indicates a considerable change in the prevailing sentiment upon this subject. It is not too much to say that a great many intelligent employers clearly see and strongly affirm the right and the importance to the laborer and to the community, of the compact organization of the labor forces.

Upon the question of the eight-hour day there was also entire agreement among the working-men. One of them pointed out that the nominal ten-hours day meant much more than ten hours to the working-man. This was the way he put it:—

“Ten hours in the shop is the same as thirteen hours spent in making a living. You have got to prepare yourself before you go to work; your noon is consumed in getting your dinner, and you do not reach home before seven o'clock. That puts a great strain on a man and doesn't put him in a condition to enjoy the position of a wage-earner. I believe the eight-hour day would be a thing productive of much good.”

The employers were not all agreed upon this matter. One of them thought experience had proved that about ten hours, a little less, perhaps, was the normal working day; and that if the hours were shortened the cost of production would be increased and prices would rise. He thought that it would be inexpedient and impossible to govern the matter by an arbitrary law. These are his words:—

“It must be governed by natural law which mankind has discovered to be the best. I think by trial in the factories it is found that men can produce the most work in a little less than ten hours. That is the natural day's work. But to arbitrarily change the day's work to eight hours when we have discovered by natural experience that ten hours is the right length would not do.”

Another employer expressed the opinion that the reduction of time to eight hours would simply result in an increase of the number of factories, with no gain to the working-men. Another employer after speaking of the difficulties encountered by the employer who is desirous of enlarging the portion of his men, especially of the difficulty caused by the keen competition of those who have no such desire, used the following language:—

“To place all upon the same level and to overcome the general cupidity, the employer must be aided in his desire to do justice to the laborer by a more potent force than public opinion alone. Government, actuated and controlled by political parties, does not supply this power. The laborers must themselves create it, by well-directed united effort,—by combination within the law. The change must necessarily be a gradual one. All effort must be concentrated upon the gain of one point at a time. The first of these, and

the one which would give the greatest immediate relief, is the eight-hour day. This accomplished would give employment to about fifteen per cent more laborers than are now employed. I say fifteen per cent, as some few work now but eight hours and many but nine hours. This would mean more work than workers during the busy months, and an enormous decrease of the army of the unemployed during the dull months of the year. It would also result in larger consumption because of the greater distribution of the earnings. It would enable the laborer to make better terms for his services, because the demand for laborers would be greater. It would increase intelligence, because the large majority of laborers are not dissolute, as is so frequently charged, and many would make good use of the leisure gained.

"The objection of corresponding increased cost of living consequent upon the eight-hour day, is much more than offset by the one gain of more general and more steady employment; for it cannot be denied that steady employment, with a slightly reduced purchasing power of wages, is better than spasmodic employment, with increased purchasing power of wages. Although the change would materially increase their expenses by increase of plant made necessary by the reduction of hours, many employers would cheerfully concede the eight-hour day, could they be assured that their direct competitors in business would do so. The adoption of the eight-hour day, by the Columbus factories, while the Cincinnati factories of the same line retained the ten-hour day, would be ruinous to the Columbus factories. It is necessary, therefore, to adopt the eight-hour day simultaneously, all over the country. I believe that such simultaneous adoption of the eight-hour day by the manufacturers of the country, would result in a period of the greatest prosperity this country has ever experienced. An increased home demand for most necessaries of from five to ten per cent in consequence of comparatively steady employment of all laborers of the country, would so greatly increase the demand for labor that the laborer would be in much better condition to exact terms from the employer than he now is. Therefore, the adoption of the eight-hour day besides giving the much needed immediate relief to labor by giving it more steady employment, would bring us a little nearer to the condition where labor can demand and enforce the demand that the employer shall divide with his employees the profit resulting from their joint efforts, what remains after each of them and the capital employed have received their respective wages."

These are not the crude and hasty conclusions of a theorist; they are the carefully matured convictions of a practical business man who has been thinking for years upon this subject. Another leading employer, after speaking of industrial partnership, the present practicability of which he was inclined to doubt, made this statement:—

"I think we shall ultimately arrive at something of that kind, but we

must have some decided change before it will work satisfactorily. All manufacturers should stand together; one manufacturer cannot pay ten or twenty per cent more than another.

"I should be delighted to see the hours of labor reduced to eight, but it would not do for me to work men eight hours a day with their present wages, which are as little as they ought to have; but in the same way, if I cannot pay more wages I cannot work less hours. I think the method of the labor organizations, taking one trade at a time, is the better way."

Such opinions of clear-headed business men are entitled to consideration. We may doubt whether the shortening of the working day to eight hours would result in adding fifteen per cent to the number of laborers employed. In the first place it is certain that laborers working eight hours would accomplish more than four-fifths of what they would produce in ten hours. In the second place it is to be hoped that this shortening of the time would result in making the work steadier and more continuous for those who are at work. Instead of taking on extra help, the factory that now stops for a month or so every year, might keep on running all the year round. This would surely be a great gain. Probably there would be some gain in both these directions; some of the unemployed would find employment, and many of those now at work would have more steady employment. But whatever gain there was in one direction, would, of course, limit the amount of gain in the other direction.

It is clear, however, that the idea of one of these employers is that this arrangement would result in giving to the laborers a larger share of the product. That is what he desires. There can be no doubt that this would be the result. And even if no additional laborers were employed, let us suppose that those now at work, by reason of continuous employment, had their annual wage increased by even ten per cent. That would add to the laborers' share not less than \$100,000,000 a year. This amount would be expended for the necessaries of life, and would not only result in greatly stimulating trade, but would be in itself a large

demand for additional labor. Spending money is always setting people at work. And if the laborers have a hundred millions more to spend this year than they had last, the spending of it will furnish a great many people with employment. We may agree with our friend that it would result in the general prosperity of all classes.

While, therefore, we may not assent to all the reasoning of these gentlemen, the substance of their conclusions appears to be sound. The hours of toil must soon be shortened. This is the legitimate and inevitable result of the marvellous improvements of machinery. What we have won from nature by invention must be given, in larger proportion, to the men who do the world's work. Thus their leisure will be increased, and although some of them will abuse it, the majority of them will use it wisely. The aggregate result will be a gain.

Turning now to the more radical remedy discussed, the nationalization of industry, we find a variety of opinions. By this phrase, the nationalization of industry, is meant the possession and control by the government of all the capital and machinery of industry,—substantially the scheme of Mr. Bellamy's romance. Several of the witnesses were clear that this is not practicable. Here is one employer's testimony:—

“I do not believe that any good can be accomplished by governmental interference in these questions. It would be unwise, in my opinion, to enlarge the powers or increase the duties of government. What is now done through such agency is not done with the integrity and efficiency with which it could be done by private enterprise. The extension of these powers as has been proposed, would, in my opinion, lead to untold corruption, tending to destroy in its integrity representative government, and turn us over to an oligarchy. Let Congress shun all proposed legislation that may in any degree increase the cost of living, especially in articles of prime necessity; let it practise and enforce, so far as it may, economy; let our state legislatures look well to their enactments, and see that needless burdens are not put upon the people; let government and people return to simple ways and all classes will be prosperous and happy.”

Said another employer:—

“I do not think the nationalization of industry is practicable. I do not

know that it is not, because it has never been tried on a large scale; but I doubt whether the race is ready to try anything of the kind."

So also another employer:—

"I believe that the acquirement by the government of the telegraphs and railroads, especially the latter, would lead to great corruption. It all tends to increase the strength of the party in power, and besides it tends to do away with individual effort, which I believe in."

Another employer thought that many industries could be nationalized to the benefit of the general public—"such as railroads, telegraphs, steamship lines, etc., under certain safeguards."

And another gentleman said:—

"I think telegraphs, telephones, and railroads should be run by the government. The recommendation in the Postmaster-General's Report would, I think, be very beneficial."

So far as this most of the working-people are ready to go. Several of them were very emphatic in their demands that some of these industries should be controlled by the state. We do not remember that any of the representatives of the working-classes expressed any doubt on this question. It seemed to be the opinion of all of them that transportation (including street railways), telegraphs, telephones, and the lighting of cities should be controlled by public authority. They pointed to this successful control by the Government of the Banking System and the Mail Service, as proof that this service may be very efficient and very beneficial.

Others of them were inclined to go much further and to adopt the Socialistic programme in its entirety. What was said by many of the working-men showed that they had given to the subject a great deal of patient thought. There is no doubt that many sober-minded men are earnestly considering the reorganization of our industries upon a socialistic basis. They think that it is the only adequate remedy for the glaring inequalities that now exist. Of course these opinions have made much more progress among the propertyless classes than among the propertied classes; that goes

without saying; but this conference has furnished a valuable indication of the drift of opinion. This is a fact with which we are bound to reckon. Opinions ripen fast in these days. Some such issues may be confronting us before long. And it behooves the propertied classes, as well as the propertiless, to be studying, carefully, the whole socialistic philosophy, that they may be able to carry on the discussion intelligently.

We cannot go very deeply into the merits of this question, but a few inquiries and criticisms suggest themselves.

In the first place, it was evident that the speakers had well considered the evils they have, and that they had not estimated, because of course they could not estimate, those into which they fain would fly. The stern realities of the present *régime* they know very well; over against these what does the future hold? There is the bright vision of Mr. Bellamy. It is very alluring. It is very plausible. Might it not come true? Nobody can be blamed for wishing; and wishes easily change to faith. But our sober working-men do not wish to be the victims of an *ignis fatuus*. And they will bear this cautionary word,—It is not quite safe to trust in dreams. Many of us have had some experience in putting Utopias on paper, but it is hard to get them founded on the earth. Let us venture in this path of nationalization cautiously, and be sure at every step that we have solid ground under our feet.

There are a few facts of the economic realm that must be reckoned with. It was said quite a number of times in our conferences that all wealth is due to labor; that labor is the only source of wealth; that the wealth produced this year is all produced by the laboring-classes. Some admitted that capital must be joined with labor, and was entitled to its reward, but thought that the share of labor ought to be far larger than the share of capital. The fact is that labor is not the sole source of wealth; nor are labor and capital united

the sole source of wealth; another factor of immense importance enters into the product, that is brains;—the skill and sagacity and organizing power of the man who manages the business. The main reason why one business succeeds and another business fails is not that the one has plenty of capital and the other has not; or that the one has good workmen and the other has not; but simply that the one is well managed and the other is not. The successful manager of the great concern is the man who knows when and where to buy his materials; where to get his machinery; where to find the artists and the inventors that will furnish the best designs; how to select from these designs the styles that will be marketable; how to choose his superintendents and overseers; how to find a market; how to attract customers; how to push his collections; how to deal promptly and firmly with delinquents; how, in short, to bring all the many strands of a great manufacturing industry together and hold them steadily and keep them from getting into a tangle. The man of brains is master of the situation. Capital needs him quite as much as labor does. If he has proved his power, he can get all the capital that he wants, very cheap indeed; capital, as such, brings a very small return; you can get millions of dollars of it to-morrow for any investment that will net, without serious risk, four per cent.

Now let us imagine that a thousand workmen of all grades are suddenly put in possession of a great manufacturing business and left to run it for a year. They manage as well as they can to buy materials and select styles and dispose of their product; but they have no knowledge of the market, and no experience in handling such a vast concern, and it is at least problematical whether they will make it go. It is, at any rate, conceivable that they will make no profits at all; that the concern will be badly in debt at the end of the year. We will not say that it would always be

so; that is not now the point; it is at any rate conceivable that it might be so.

Now suppose after a year of this experience, some thoroughly capable manager takes hold of the concern, runs it successfully, pays the men the same wages that they paid themselves, clears off the debt of twenty-five thousand dollars, and has twenty-five thousand dollars clear profit in the bank at the end of the year. We will not say that it would always be so, but most of us have had experience enough of business to know that it might be so. It is not an improbable case. And now let us ask who or what it was that created the seventy-five thousand dollars of wealth, which was the excess of the second year's product over the first? Was it capital? Was it labor? It was neither. It was brains.

Let us keep this factor in production steadily before our minds. Under any system of production we have got to have it; and the more highly organized our system is the more we shall need it. How are we going to get it? It is possible that we may furnish motives strong enough to call it out, let us not despair of that; but the fact must not be blinked that we have got to have it.

And meantime, while we are waiting for that new order to which the old may by-and-by give place, let us remember that it is not true now, never was true, and will be less and less true as the world grows older, that labor is the source of all the wealth produced in the world. We want to clear our heads of these fallacies; for it would be a great misfortune to build an industrial order upon an economic error.

Again, it seems unfortunate that there should be so strong an opinion in the minds of some of our working-people that the present relations of employer and employed are necessarily unfriendly; that there can never be anything but strife between them. This is not true. It is possible for men to act like Christians, both as employers and as em-

ployed; it is possible for both parties to obey the Golden Rule, and when they do their relations will be perfectly satisfactory.

Most true it is that when competition is the sole regulative force, and the law of supply and demand is the only law that determines the rate of wages, and the self-interest of employer and laborer is the only principle recognized in the settlement of their relations, there must always be strife and ill-will between them; but it is quite possible to infuse a great deal of good will into this relation; employers and laborers can be friends, can recognize each other as friends, can treat each other as friends.

It seemed, however, to some of those who spoke to us, that there was something essentially oppressive in the fact that one man has, for the purpose of the business, the direction of the work of other men. As one working-man said, in reply to the question whether the relations between employers and laborers are satisfactory:—

“They are most emphatically not. I do not think there is any satisfaction in it whatever, and I don't believe that there will ever be while that relation exists. I believe there is a natural kick in men against the power of any boss to dictate to them how many hours they shall work and all that constitutes a boss. I do not believe there ever can be any satisfactory relations existing between them. . . . There is a natural disposition to equality, and that equality can never prevail while one man is subject to the will or dictation of another.”

This may be the true view of the case, but it ought to be well considered. Under any system of organized labor there must needs be direction and subordination. Nationalism, surely, involves a thorough and rigid system of subordination. The very basis of the scheme is a military organization. It could not live for a week without the strictest enforcement of discipline.

It may be said that under nationalism the workers would choose their own foreman or bosses; but they do that now; if they do not like one they leave him and go to another.

If it is possible to forecast the discipline of that nationalistic *régime*, there will be a great deal less liberty under it for men to choose their own bosses than there is under the present wage-system. The expectation that under collectivism—the elaborate organization of all the industries of the people under one concentrated rule—everybody is going to be his own boss and nobody is going to take orders from anybody does not seem probable. And if the ground of dissatisfaction with the present *régime* is that it involves some measure of subordination, it is to be feared that that grievance will never be removed in any civilized co-operative society. The present relation of employer and employed involves no necessary humiliation; it may be perfectly honorable on both sides; it ought to be; it often is. The superintendence and direction of the work by the employer may consist with entire respect for the manhood of his men.

The one grievance that evidently lay most heavily upon the hearts of most of those who spoke to us, was the wide disparity of conditions between the employer and the laborer. It seemed to them an unjust thing that some men should be getting rich so fast, and enjoying so much, while others, associated with them in the same industry, were condemned to a portion so meagre, to a life so narrow. It is a grievance. It is not to be wondered at that the honest, industrious working-man is irritated and distressed by it. It is the thing we want to cure, as soon as we can. We want to bring about a more equitable distribution of the wealth produced. Several of the working-men spoke along this line. "Of course," said one, "the relations between employers and laborers can be made better, and my suggestion would be to level up, not down. It is to raise the working-men up to a level with the employers and not drag the employers down to the level on which the working-men are." This is generous; certainly no fault can be found with this purpose by anybody, But it is a great deal easier to bring down the few than it is to lift up

the many. When you have a vast plain with a very few tall towers standing here and there upon it, it might be possible to bring the towers down to the level of the plain, but it would be very hard indeed to lift the plain to the level of the tops of the towers.

Here is a manufacturer who employs five hundred men. His income, let us say, is \$20,000 a year. His men receive on an average two dollars a day. We could easily compel that manufacturer to take for his services two dollars a day; how should we contrive to level up all the five hundred men to \$20,000 a year? The annual profits of the concern would have to be increased ten millions of dollars over and above what they had been to admit of that. It is to be presumed that the business has been run for all it is worth; that all the money has been made out of it that could be made. The men have got the whole of it, except the \$20,000 of the employer. There is nothing to level up with but this \$20,000. This is, indeed, a very large sum; we do not like to see a man getting so much while his men get no more than two dollars a day; but, after all, suppose we take the whole of it—all but one thousand dollars—we will leave him that much to live on,—and divide the other \$19,000 among his men; how much will it add to their daily wage? A little less than twelve and a quarter cents a day.

This is a fairly typical case. There are comparatively few captains of industry employing as many as five hundred men, whose income will exceed \$20,000 a year. Where there is one that receives more than this there are five that receive less. And there are great multitudes, as we must not forget, who make nothing; who simply consume their capital, or the capital they have borrowed, and are poorer at the end of the year than they were at the beginning by every cent they have expended for their living. The enormous amounts of capital that are thus consumed every year in unprofitable enterprises must not be overlooked. It is probable that a

million working-men every year are supported upon wages paid out of capital which is simply sunk in unprofitable enterprises. The levelling-down process is all the while going on at a tremendous rate. And yet the working-people do not seem to get rich very fast. In fact, this business of levelling is not going to make any of us very rich.

The figures for the new census are not within reach as yet; but a few years ago by a careful estimate the annual production of the whole country was said to be ten billion dollars. It must be more to-day; let us say that it is twelve billion. Out of that we must take at least \$800,000,000 for taxes, national, state, municipal. Then something must be laid aside for new buildings, new machinery, and repairs to keep the national plant in good condition. Three per cent on the entire valuation cannot be too much, and if the wealth of the country is now sixty billions, that would be \$1,800,000,000. Adding that to taxes and subtracting the sum from the aggregate wealth, we have left \$9,400,000,000, which is the total annual product to be distributed. Suppose now that we divide it equally—saying nothing about rents, or dividends on bonds or stock, or interest on anybody's capital; let us make a perfectly even divide of the whole sum—putting the Goulds and the Astors and the Vanderbilts all in the same boat with the rest and giving to every one of the sixty-two million of us an exactly equal share; how much will it be? Exactly \$151.61 apiece, less than fifty cents a day to each for the working days of the year. That is what the levelling process gives you. The family of four would get a little less than two dollars a day. That would be a gain for a good many of the poorest; but those who are getting two dollars and a quarter and two dollars and a half a day would have to be levelled down. They are in the same class as the Astors and the Vanderbilts—the class that has too much.

This is what levelling down gives us. Surely it does not

make us rich very fast. How would it be, supposing we were to try to level up? The only way we could do it would be by increasing our production. Doubtless it might be increased, if we all set to work with a will. But suppose that we set our mark at a dollar a day for every one of us. That, surely, does not seem a very high figure, and yet to reach it, it would be necessary to add to our annual product more than ten billion dollars a year!

These sober figures must make it evident that the hope of lifting the whole population up to the level of the favored few is exactly the problem of lifting the Egyptian plain to the level of the pyramids. It is an impossible dream. We may hope and trust that the condition of the working-classes will improve; it has improved through the centuries; it is improving to-day; but the progress must needs be slow. We may hope that a kindlier sympathy and a more genuine fraternity may lead the rich to be willing to share their abundance with the poor, and to lessen, somewhat, the social distance that now divides them; but the notion that by some happy rearrangement of the industrial order we can make everybody rich in the twinkling of an eye, is a notion that we cannot too speedily abandon.

We are confronted in our study of this question with the eternal fact that some are strong and others are weak; that some are swift and others are slow; that some are brave and others are timid; that some possess masterful talents and others but feeble powers. In nature there is no such thing as equality; you find it in none of the lower kingdoms of life; you find it not in the human kind. There never will be anything approaching social equality among men, unless in some way the strong can be brought to help and serve the weak. Every scheme for the equalization of human conditions reduces to this: it is a scheme for getting the strong to help the weak. Surely this is the one thing needful; but how to secure it,—that is the question. There are

two ways of bringing this about. We may compel the strong by law to help the weak; or we may try to inspire them with the love that shall prompt them to do it. It is not altogether clear that we can do very much by law. Nobody likes to be coerced for any purpose, and coercing a man to be kind is uphill business. It may be said that we can, by changing the environment and readjusting the motives, induce the strong to work for the weak; but there is not much use in trying to regenerate men from the outside; the ingrained selfishness will not be cured by any improved social machinery. After all, though it is a slow way, the surest and the best way of getting the strong to help the weak is the old-fashioned way of kindling in their hearts the enthusiasm of humanity. If there is only a real desire on the part of the men of wealth and power to make their business serviceable to their fellow-men; if there is only a willingness to share their gain with those who work by their side and who are just as worthy as they are, but less fortunate,—then the problem we are studying will be quickly solved. One of the great employers who spoke to us expressed the opinion that this spirit is steadily gaining possession of the hearts of the employers. There is more kindness, he said, than there used to be, more consideration, more willingness to be just and fair. We are fain to believe it. These conferences were themselves a revelation of this truth to some. And it was made to us increasingly clear that the men on either side of this dispute who mean to be reasonable and kind ought to come together and stand together, supporting one another in all just claims and wise concessions, and together seeking and finding the way of peace. One of the employers in answer to the question, "Can the relations between employers and laborers be improved?" said with deep feeling, "I would be glad to give ten years of my life to find an arrangement that would be permanently satisfactory." Nobody who heard him doubted

his word. There are men on the other side equally unselfish, equally earnest. Cannot such employers and such laborers, by studying the problem together, find the right solution? It is going to be found, doubt it not! And the way to find it is to put away anger and wrath and bitterness and evil speaking; not looking each of us to his own things, but each of us also to the things of others; and remembering that of all good law and all good social order the mainspring is love.

There was one other question to which considerable space was given in our conferences: "Do laboring-men, as a class, complain of the churches; if so, what are their complaints?" We give a few of the answers of the working-men:—

"Yes. Their complaints may be stated briefly thus: Churchianity and Christianity have become divorced, and we will have none of the former without the latter."

"No; we do not hear the laboring-men complain of the churches. They manifest indifference, and say: 'We cannot afford to go to church; cannot dress as the rich do, and feel out of place where there are so many grand people.'"

"We do not feel that ministers take the side of labor as they should. They do not bring it out in the right light. There are more of them that condemn labor than uphold labor. The pulpit is the place where the subject ought to be put in the right light."

"As a class I do not believe that the laboring-men do complain of the churches."

"I do not believe that the laboring-classes complain of the churches, but they do complain of the misuse of the rostrum and the pulpit and the press to mould public sentiment against labor organizations."

"Some men may complain of the churches. There is a breach and has been between the laboring-classes and the churches, and it has been growing wider and wider for the last few years; I have noticed it and I guess almost everybody else has, and some attribute it to one thing and some to another. My opinion is that the churches are too indifferent to the poor class of people; they are not sociable enough in the churches."

"I think it would be entirely wrong to say that laboring-men, as a class, complain of the churches. No doubt they do complain and have cause to complain of individual churches, or of individuals in the churches; individual pastors, perhaps, who are inclined to take sides with those who oppose them;

but as a class I do not think they complain or have reason to complain of the churches. I am not biased at all in that matter by church membership; perhaps I ought to be."

It will be observed that there is considerable difference of opinion here as to the fact of alienation. Several clergymen who appeared before us reported the existence of numerous Protestant churches known to them, whose membership was almost wholly composed of wage-workers. Doubtless many such churches are known to most of us. The fact that the Roman Catholic churches are largely made up of wage-workers is familiar to all. Yet there is, beyond a doubt, considerable truth in the assertion that the churches reach a far smaller proportion of the employed than of the employing classes. One very intelligent Methodist clergyman said: "My observation among the laboring-classes impresses me that they do not regard the church as friendly to them. I am afraid they are justified in some of their criticisms."

It was evident, however, in our conferences that those whose complaints and criticisms of the churches were most emphatic, were men who never enter the churches, and who know very little either of their social life or of their teachings. Their notion of what the churches are saying and doing is largely developed from their own inner consciousness. If they were more intelligent respecting this matter they would know that no class of men in this country is so deeply interested in social questions as Christian ministers, and that those who have studied the question, while they desire to do justice to both classes, are, as a rule, in closest sympathy with the laboring-men in their efforts to improve their condition.

The alienation of large masses of the wage-workers from the churches is, however, a stubborn fact. It is the opprobrium of the churches. It ought never to have been permitted. It must in some way be overcome. The churches of Christ must not lose their hold upon the laborers; if they have lost it, they must regain it. Perhaps some of these

frank testimonies of the working-men which were just now reported, may suggest to us methods of recovering what we have lost. We must have in many of our churches a simpler life, a more genuine democracy, a more hearty fraternity. Above all, we must try to have a little more faith than we have ever had in Christ as Lord of life and King of men. The Golden Rule is a working rule of life; it is the only rule that will work. It is possible for employers and employees to govern themselves by Christ's law; only thus will they find peace. It has never yet been believed by the majority of Christians that Christian principles had anything to do with the conduct of business. In all that realm, it has been supposed, competition is the only law; the equivalence of supply and demand the only gospel. But this is the very essence of anti-Christ. It is time to have it understood that Christian men do not and cannot conduct their business upon these anti-Christian maxims. It is time to insist that the Christian employer and the Christian employee must be Christians when they confront each other in the shop or the counting-room; that each must think of the other's interests as well as his own.

There is reason for believing that the Christian spirit is beginning to subdue even this intractable realm. Political economy has been baptized within the last score of years into some new name; the old hard dogmas have been cast out; no longer is it the dismal science; its teachings reflect the light of a genial humanity. The generous and truly Christian utterances of many employers quoted in this report, are another sign of promise. These men are not singular; there are many like them in the land. And one word of one of the working-men at our Columbus conference expressed what was, we trust, the feeling of many:—

“I believe more good will result from this meeting here this afternoon than has resulted from any meeting in a long time, and that, as laboring people, we ought to feel grateful to those who are taking the matter in hand, and are giving both sides a chance to come to a fair understanding.”

Such was the object of our conferences; such, we trust, may have been the fruit of them; and we hope that this recital of our inquiries may encourage both employers and employees to respect one another's rights; to bear one another's burdens; to share one another's prosperity, and so to fulfil in their daily life the law of Christ our Lord. That is the only solution of the labor question.

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