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A CAPITALIST LOOKS AT LABOR

CYRUS EATON*

THE one real threat to the capitalistic system in America today is the cleavage between capital and labor. Despite the wishful thinking of most of my fellow capitalists, labor alone is not to blame. An equal, if not a larger, share of responsibility rests on the shoulders of the capitalists themselves. Take last fall's coal controversy as a concrete illustration of my point.

All that the coal miners had been asking for was an opportunity to discuss their desire for somewhat shorter hours and other small adjustments in their working conditions. But the government, fronting for the owners of the mines, declined to consider any changes as long as the mines continued in federal possession. And the mine operators, hiding behind legal subterfuge and federal possession prolonged beyond need, disclaimed any obligation to negotiate with the miners.

While publicly pretending a dispassionate aloofness, the mineowners, under cover, were working feverishly, night and day, to keep a torrent of abuse turned on the miners and their leaders, through every channel of publicity, and to urge all three branches of government—executive, legislative, and judicial—to crack down on labor. Thus led to believe that the miners were out to destroy our economy, public opinion worked itself up into a dangerous state of hysteria.

The nation was driven from one fit of madness to another by ranting oratory on the radio and by blazing headlines, inflammatory editorials, and brutal cartoons in the press, until civil war would have been inevitable, had it not been for the wisdom and the restraint of the miners' leader. Throughout the entire time, John L. Lewis never uttered a syllable of complaint and never issued a statement criticizing anybody.

The casualness with which we capitalists seem willing—nay, even eager—to invite the collapse of our economic system in almost every industrial dispute for the sole purpose of thwarting labor is utterly incomprehensible. Labor not only produces the goods and consumes a large part of them; labor also has the votes. In a democracy like ours, where the majority rules, therefore, capitalism cannot survive without the support of labor.

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WILL LABOR AND THE FARMER UNITE AGAINST CAPITALISM?

The division that has existed in the ranks of labor itself has tempted many of our captains of industry to believe that it is safe to attack one union or group of unions without incurring the ill will of others. Here, again, the coal case is illustrative. Organized labor closed its ranks and expressed unanimous opposition to the short-sighted measures taken against the United Mine Workers last November and December.

There is an active movement under way now to translate that momentary unanimity into permanent solidarity. Whether or not these efforts are crowned with immediate success, eventual unity is practically a foregone conclusion, which cannot be dismissed lightly. The prospect of labor united should be sobering to even the most embittered and embattled capitalist.

I also believe we may ultimately see a strong alliance between labor and the farmer, accompanied by a tremendous expansion of the manufacturing and selling co-operatives. The effecting of such a formidable combination awaits only the magic touch of some dynamic personality. Then, if capitalism has not already gone by the board, its continued existence will be completely at the mercy of an estranged 95 per cent of the electorate.

To avoid extinction, if for no loftier motive, we who are capitalists will have to make immediate and radical changes in our attitude toward labor and our methods of dealing with labor. We will have to begin by muzzling such organizations as the National Association of Manufacturers and by recognizing, and sincerely regretting, that there is bad feeling on both sides. For every corporation officer who characterizes a union official as a crook there is a labor leader willing to label an industrialist a bandit.

Our next step ought to be full and ungrudging acceptance of labor as human beings and as our partners who do the work. American management has exhibited the greatest genius in mass production and mass selling that the world has ever seen, but no automobile manufacturer ever thought of making denunciation of motorists the keynote of a sales campaign. On the other hand, many are the scathing statements that have been issued from the skyscrapers of Detroit against the United Automobile Workers.

IS THE PRESS MENACING ITS OWN FREEDOM?

Those statements and other anti-labor propaganda have received far more attention from the press and the radio than news of labor's constructive activities, simply because the proprietors of our agencies of publicity are capitalists, forming a strong community of interest with their indus-

trial brethren. Any labor dispute, however inconsequential, is fair game for a front-page article, with an indignant headline.

There is no greater news value in the minor and natural differences of opinion between employer and employee than there is in the ordinary disagreements within the family, the church, or any other human institution. The press devotes less space to the trifling infelicities of these other institutions, perhaps, because it is not out to destroy them. I am a firm believer in freedom of the press, but certainly freedom of the press becomes a downright menace to society when misused in this manner.

One of the worst sins committed by our corporations is entrusting the handling of labor relations to lawyers. The lawyer's whole outlook is colored by his constant searching of statutes and his intensive training in the artificialities of courtroom procedure. So far as I know, no appeal to the courts and no amount of flyspecking of statutes for technicalities to prove labor in the wrong ever settled a strike. Labor relations are human relations; they require the human, not the legal, approach.

SHOULD CAPITAL LOOK TO WASHINGTON FOR HELP?

For similar reasons, there can be nothing but criticism for the capitalists who have lately taken to running to Washington like crybabies for help from the politicians and the bureaucrats in suppressing labor. The whole story of governmental interference in business is foreign to free enterprise. And government, whether it be the executive branch, the legislative or, of course, the judicial, is loaded with lawyers.

Last fall the nation witnessed the spectacle of a few stubborn men in high places in the administration, puffed up by applause from the press and industry, preventing the settlement of the coal strike. The Secretary of Labor and his entire department, incidentally, were excluded from any participation in the case, although they are the government's specialists in the labor field.

The Supreme Court, after weeks of internal wire-pulling and manipulation, finally managed, by the barest majority, to reach a decision against the miners that will be productive of untold evil in the whole field of labor relations. With only three of the Justices in accord on all of the issues involved in the coal case, and with the other six Justices embracing five other viewpoints, the Supreme Court has merely served to confound confusion.

It will take the nation a long time to recover from the effects of official recklessness in dealing with the miners. When election time comes around again, moreover, the administration will feel the lack of the labor vote.

Industry need not delude itself that it will often enjoy the support of the politicians. Politicians have to have votes to be returned to office and, as I have already pointed out, labor, not capital, has the votes.

One of our peculiar national traits is a pathetic eagerness to believe that passage of a law will solve any problem we have. Let no business man be naive enough to believe, however, that restrictive legislation will be any more effective in bringing about industrial harmony than the Volstead Act was in discouraging drinking. Let it be recalled that the elaborate law that was passed to strengthen the transportation industry resulted in the establishment of the Interstate Commerce Commission, the biggest bureaucracy of them all, which has brought every known woe to the railroads. Bureaucracy in America is a failure; there are so many better opportunities in business and the professions that the regulatory agencies of the government simply cannot compete for the best brains.

WHY NOT DEAL DIRECTLY WITH LABOR?

The only recourse we capitalists have, if we want to preserve our system, is to deal directly with labor ourselves. The mine owners, for instance, would find John L. Lewis the most constructive man in the coal industry if they would sit down and exchange ideas with him, instead of persistently refusing to let him play a more constructive role lest his influence increase.

Among my warm friends are a number of labor leaders. They are very able and attractive men. In common with the rest of humanity, they have ambition and pride. We capitalists are overlooking a great reservoir of talent by not inviting these men onto the boards of directors of our corporations and the boards of trustees of our universities and other public institutions.

It is true that the leaders of labor have risen from humble beginnings to their present positions of influence by hard work, but so have many of America's most eminent industrial leaders. And while the descendants of the industrial pioneers are disporting themselves at cocktail parties, the horny-handed sons of toil are hard at it to represent their union constituencies with first-class talent of every kind. Their corps of workers and thinkers include experts in law, economics, research, politics, and publicity. Philip Murray, the skilled leader of the CIO, has assembled an organization that compares favorably with the best that business can boast. The AFL and the Railroad Brotherhoods, likewise, are staffed with earnest and competent men.

This is not to say that labor is perfect, any more than management is.

Labor is guilty of many abuses. The one that calls for the strongest criticism is the small production per man in some industries in comparison to the output that could be achieved. It is difficult to berate labor for demanding more pay for less work, however, while many corporation officials who devote half of their time to golf, vote themselves enormous "incentive" bonuses at the expense of their stockholders.

WHAT EXAMPLE SHOULD CAPITAL SET FOR LABOR?

The classical example of managerial folly is found in one especially vain and strutting corporation head who some years ago announced that he would retire from business before he would let his plants be organized. He wasted twenty million dollars of his stockholders' money in a futile fight against a strike for union recognition. Having spearheaded the attack on labor, he expected his fellow industrialists to reward his company with more business, but found that they placed their orders with other concerns whose more dependable labor relations assured better delivery. Needless to say, he failed to keep his promise to retire, and, although business fell off, he and his fellow executives—none an owner of more than a nominal amount of stock—continued to pay themselves fancy salaries while giving the stockholders only a meager return on their investment. The only tangible result of his whole performance has been an occasional word of praise from Westbrook Pegler.

Such extreme cases are the exception, but they do capitalism untold harm. The men at the top may think that they are omniscient, and that their system is omnipotent in that, of itself, it can confer on humanity all of the material blessings. But both capitalism and the men in it have all the weaknesses and limitations that have racked every system, economic, political, and religious, devised by man during his millions of years of martyrdom. What counts in any system is the intelligence, self control, conscience, and energy of the individual.

I prefer capitalism and democracy to all other economic and political forms. I believe they will only survive as long as their leaders set an example of hard work and restraint toward those who are less well off. It is the job of capital to convince labor of the dignity and glory of the strenuous life. Hard work appeals to me as the only sure way to happiness, health, and good morals, for rich and poor, high and low alike. There is no spiritual reward to equal the one that comes from a good day's work, well done.