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THE CHICAGO STRIKE

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THE CHICAGO STRIKE.

The great strike which occurred at Chicago in June and July last, and which was in reality a combination of strike and boycott, was an epochal event in the labor movement and the industrial development of the country. This was not so much so because in its influence it was constructive of new principles or systems or destructive of those existing, but because it emphasized certain principles which are now recognized as essential in the government, management, and operation of railroads. It was epochal because of its vast proportions and of the powerful influences and elements contributing to it. Beginning with a private strike at the works of Pullman's Palace Car Company, it ended with a practical insurrection of the labor employed on the railroads radiating from Chicago and some of the affiliated lines, paralyzing internal commerce, putting the public to great inconvenience, delaying the mails, and in general demoralizing business. Its influences were felt everywhere, even in localities not in immediate touch with the difficulties. The contest was not limited to the parties with whom it originated, for soon there were brought into it on the basis of sympathetic attack and sympathetic defence two other factors or forces. The immediate antagonist of the Pullman Company, in the expanded controversy, was the American Railway Union, an association of railway employés which had achieved a partial success in its recent contest with the Great Northern Railway, and which espoused the cause of the Pullman employés on the ground that they were

members of the national society. The union numbered, as alleged, about one hundred and fifty thousand members; it expected by boycotting Pullman cars to force the company to accede to the demands of its employés. The other powerful force involved in the strike, and which naturally was an ally of the Pullman Company—not through its self-interest, perhaps, but through the necessity of protecting the traffic of its lines—was the General Managers' Association, a body of railroad men representing all the roads radiating from Chicago and a combined capital of more than two billion dollars, and employing more than one-fourth of all the railroad employés in the United States. These forces, enlisted in a gigantic strife for supremacy, alone constitute the Chicago strike an epoch-making event.

It was so for other reasons—for reasons other than the effect it had upon the interests involved or the vastness of its material proportions; for as time goes on its influence is being felt in several directions, emphasizing and illuminating the contentions of the parties upon either side of the contest and drawing attention to some principles intimately connected with the supremacy of the federal government. It demonstrated to the satisfaction of the public at large the right and the power of the federal government, while not interfering in the operation or control of strikes themselves, to send its troops into a state for the purpose of protecting federal interests, whether that protection was or was not asked by the state government. In this respect it has established a precedent under the federal laws which must be recognized by both capital and labor. It has emphasized the power of the federal government to protect its great interests in the transportation of the mails.

It is further epochal in its nature and influences be-

cause it has shown the power of the courts in the expansion of the privilege of injunction, which is a twin power to that of mandamus; it has shown that the civil courts assert the right to define what is crime under certain circumstances, to execute their own views by legal processes, to interpret their own acts, and to impose sentence. It is epoch-making, again, because it has crystallized public sentiment upon a question which has often been argued, that relating to the quasi-public character of railroad employés. The country now thoroughly recognizes the absolute necessity of considering railroads as representing not only their own interests but the interests of the public; and that, as they obtain their charters by public consent and are thus and by the nature of their business quasi-public corporations, their employés are to a degree quasi-public servants and must have a status under the law independent of their status as employés of individual corporations. It has stimulated anew the inquiry which was first made some years ago, during the troubles on the New York Central Railroad and on the Southwest System, as to how railroad employés can be brought within the influence of statutory provision to such an extent as to be held accountable to the public as well as to their employers. Stability of transportation, stability of business in securing constant delivery of supplies, security in preserving life through such supplies, all demand an answer to the question, and demand emphatically such legislation as will place the railroads and their employés on a basis where they shall recognize their allegiance to the public. I believe the Chicago strike, in developing legislation which shall accomplish this great purpose, will be worth all it has cost, even admitting the accuracy of the estimates of public journals, chiefly Bradstreet's, that it involved a loss of about eighty million dollars.

The chief reason, however, to my own mind why the Chicago strike is an epoch-making event lies in the fact that it constitutes a subordinate element in a revolution which is quietly taking place in this country; it accords with that phase of a revolution depicted in a recent editorial[1] in *Harper's Weekly*, wherein it was declared that "the most momentous stage in every revolution is that which takes place silently in the popular mind." The strike was a subordinate phase of this kind of revolution, because there preceded it a revolutionary measure far more significant than that growing out of the Chicago strike, and which is being supplemented by one still more significant.

It is not necessary, in this presence, for me to say that I approach this part of my subject from a standpoint entirely opposed to state socialism as a system. I have no faith in it, no adherence to it, and no fondness for it, for I believe that as a system state socialism means the destruction of industry and the retrogression of society. Nor need I assert that I approach it from a point of view antagonistic to what is known as compulsory arbitration. I have no faith in compulsory arbitration as a system for the settlement of labor troubles. I approach it, further, from the point of view that neither federal nor state governments can or ought to be allowed, as a rule, to regulate rates of wages or prices of commodities. Notwithstanding these professions, I am not afraid of state or any other form of socialism, but am ready to re-examine these propositions to which I am opposed and, if expedient, to apply some of the features involved in each of them. Let us, therefore, consider in what respect the Chicago strike becomes a subordinate element in a revolution which is now going on.

[1] "Revolutionary Statesmanship," *Harper's Weekly*, November 24, 1894.

In 1887 the Congress at the demand of the shippers of the country, and in their interest, as it was supposed, made the declaration that all charges made for any service rendered or to be rendered in the transportation of passengers or property on interstate railroads, or in connection therewith, or for the receiving, delivering, storage or handling of such property, should be reasonable and just, and every unjust and unreasonable charge for such service was prohibited and declared to be unlawful. This declaration was made in the "act to regulate commerce," approved February 4, 1887. The act not only made the declaration which I have recited but gave power to the interstate commerce commission, created by it, to carry out its principles. It established the machinery for the regulation of freight rates over all the interstate railroads of the United States, and as a logical result over all railroads. This declaration has become to all intents and purposes a part of the constitution of the United States, because it has been sustained by the courts; for whenever an act is declared constitutional it becomes practically an active principle of the written constitution of the country. In a certain sense it modifies, enlarges or explains the constitution, through interpretation, because of the necessity for such modification and enlargement. The legislative declaration was made under the clauses of the constitution providing for the general welfare and for the regulation of commerce between the states. The Congress of the United States, acceding to the demands of the shippers of the country, recognized that existing conditions were in conflict with a moral sentiment comprehending the justness and the equity involved in the transportation of commodities essential to the welfare of the people, and so declared that justness and equity should govern rates. This

declaration was emphatically state-socialistic in its character, it meant emphatically compulsory arbitration, it was emphatically a law regulating the prices of commodities through the price of services. I understand the position of the courts in sustaining this, and believe the position to be correct, and that is the old principle of regulating pikes, tolls, etc. The declaration of the law was not the declaration of a new principle, but it was the crystallization of an old principle into federal legislation, with the proper machinery for carrying it out; and the machinery as well as the declaration gives it the character of state socialism, makes it compulsory arbitration, because it undertakes not only to regulate the affairs of corporations but to arbitrarily adjust the contracts made in connection therewith.

What is the consequence of this as shown in another step in 'that silent revolution which is taking place? There is now pending in Congress a measure which has passed the House of Representatives by a very strong majority; it, too, is state-socialistic, as much so as any socialistic legislation that has been considered favorably by any government in the closing half of this century. As a state-socialistic measure it equals the compulsory insurance legislation of Germany; as legislation establishing the most rigid and stringent laws for the most compulsory of compulsory arbitration it has no equal. I refer to the pooling bill (H. R. 7273), now pending in the Senate. I have not a word to say on the merits of this bill, of its necessity, of its effects. I cite it only to show the second phase of the silent revolution to which I have referred. This pending legislation is demanded at the instance of the shippers and the railroads of the country, and its passage is being aided by a powerful lobby in their service. The railroads base their advocacy of the bill on

the claim that it will be for the interest of the shippers to have such a law. The bill provides for a great trust, with the government of the United States as the trustee. It provides that the roads of the country may enter into contracts, agreements, and arrangements, which are enforceable between the parties thereto as common carriers, for the regulation of freight pooling, and that under proper rules of procedure every such contract, agreement, or arrangement may be changed or abrogated by the interstate commerce commission.

When the first bill to regulate commerce was passed, the great and powerful wedge of state socialism, so far as government control of railroads is concerned, was driven one-quarter of its length into the timber of conservative government, of that government which means democracy. The pending bill, the moment it becomes a law, will drive the wedge three-quarters of its length into the timber. There will then be needed but one more blow to drive the wedge home, and that blow will come at the instance of business and not of labor—entire government control of all the railroads of the country instead of partial control under the laws now existing or proposed. With twenty-five per cent. of all the railroad interests of the country now under the control of the government, through its courts, it is but a very short step to that final blow which will send the wedge its full length and bring entire government control. This blow will be struck in the most seductive way. It will come through a demand that the government shall take charge of the roads—not purchase them —shall take charge of the roads and out of the proceeds of the transportation business guarantee to the existing stockholders of the roads a small but reasonable rate of dividend. Under such a seductive movement the stock-

holders themselves, conservative men, men in this hall now, will vote for the striking of the blow. All this, as I have said, will be at the demand and in the interest of the railroads and of the shippers, and not of the labor involved in carrying on the work of transportation, as the demand of to-day for the enactment of the pooling bill is alleged to be largely in the interest of the shippers and of the public welfare.

Will the railroads now consistently demand, and keep their lobby employed to secure the extension of the same principles to labor, and ask for their employés the status of semi-public servants and thus help to prevent, or reduce the number of strikes on all interstate roads, and logically on all roads?

I can now answer why it is that the Chicago strike is epochal in its influence as a subordinate phase of a silent revolution—a revolution probably in the interest of the public welfare. It is because it emphasizes the claim that there must be some legislation which shall place railroad employés on a par with the railroad employers in conducting the business of transportation, so far as the terms and conditions of employment are concerned; it is because the events of that strike logically demand that another declaration of law and of the principles of the federal government shall be made; a declaration that *all wages paid as well as charges* for any service rendered in the transportation of property, passengers, etc., shall be reasonable and just. A declaration of this character, backed by the machinery of the government to carry it into effect, would give to railroad employés the status of quasi-public servants. The machinery accompanying such a declaration should be modeled on the interstate commerce act. It should be provided that some authority be established for the regulation of wage

contracts on railroads. I would not have the machinery of the law for the regulation of such matters provide for a compulsory adjustment, as now provided for the adjustment of freight rates, but I would have such machinery that there would be little inducement under it on the part of railroads to pay unjust and unreasonable wages and on the part of employés to quit work when they were just and reasonable.

The Act to Regulate Commerce, popularly known as the interstate commerce act, was approved February 4, 1887. Prior to that time the President of the United States sent to the Forty-ninth Congress (first session) a message relative to the disputes between laboring men and employers.[1] I commend the language of this message to all patriotic citizens. Subsequently to this action of the President a law was passed by the Congress creating boards of arbitration. The bill was approved October 1, 1888. It carried out, to a certain extent, the recommendations contained in the message, but on account of some amendments which were made in the original draft the bill did not fully comprehend such recommendations. It was under this last act that the President appointed a commission in July last to investigate the Chicago strike. It will be seen, therefore, that the federal government is fully committed to two things, and two things of most vital importance, in the management of railroads:—first, the regulation of freight rates and the control thereof, through the authorization for pooling under proper regulations, and, second, the settlement of controversies on interstate roads through the means of arbitration.

A bill is now pending in Congress which provides for the submission by agreement of all differences relating

[1] The message is given in full in the Appendix.

to the terms and conditions of employment on railroads to a properly constituted tribunal—a measure which has been called revolutionary; but I submit that if this be a step in the silent revolution now going on it is a subordinate one, and that should the principle involved be enacted into law, as I trust it will be, it could not be considered as another blow, but only a light tap, on the wedge of state socialism; it could be considered as a phase only of the great blow now contemplated by the pooling bill. The arbitration bill (H. R. 8259), being a bill concerning carriers engaged in interstate commerce and their employés, embodies more perfectly the recommendations contained in the President's message of April 22, 1886. In this message, after referring to the difficulties, etc., constantly arising between employers and employés, the President stated:

> I am satisfied, however, that something may be done under federal authority to prevent the disturbances which so often arise from disputes between employers and the employed, and which at times seriously threaten the business interests of the country; and in my opinion the proper theory upon which to proceed is that of voluntary arbitration as the means of settling these difficulties.
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> But I suggest that instead of arbitrators chosen in the heat of conflicting claims, and after each dispute shall arise, for the purpose of determining the same, there be created a commission of labor, consisting of three members, who shall be regular officers of the government, charged among other duties with the consideration and settlement, when possible, of all controversies between labor and capital.

And in closing the President urged that:

> Power should also be distinctly conferred upon this bureau to investigate the cause of all disputes as they occur, whether submitted for arbitration or not, so that information may always be at hand to aid legislation on the subject when necessary and desirable.

The bill referred to is an embodiment of these sentiments. The first seven sections of the bill relate to the administrative features of the commission. Section 8 provides that the board shall endeavor by mediation and conciliation to effect on amicable settlement between

employers and employés who are directly interested in any strike, lockout, boycott or other controversy, as provided in the act,—that is, relating to interstate commerce. Section 9 provides that, upon the request of any employé or incorporation or association of employés subject to the provisions of the act, the commission shall investigate complaints, and, further, that on its own motion the commission shall investigate any complaint properly brought before it, for the purpose of bringing the matter to public knowledge. Section 11 provides that whenever differences or controversies arise between any employer and his or its employés subject to the provisions of the act, as to wages, terms or conditions of employment, which cannot be settled by either of the preceding methods,—that is, by conciliation and mediation or by the public announcement of responsibility for the controversy,—all or any of such differences or controversies may be submitted to the commission for arbitration and settlement, by writing, duly executed by the employer and employé or by any incorporation or association thereof; and under this written submission, when the parties so agree, the decision or award of the commission shall be final and conclusive, and upon filing the same in any circuit court of the United States a final judgment or decree of said court shall be entered in accordance with the findings; or that in case either party to such submission shall be dissatisfied with the decision or award of the commission it shall be lawful for such party to apply by petition to a circuit court of the United States sitting in equity for a review of the findings and the facts, and the court upon hearing shall have the power to finally affirm, reverse or modify the decision or award of the commission, in whole or in part, and to enter its final judgment or decree according to its own findings. In

brief, the pending bill provides, first, for mediation and conciliation; second, for a public announcement of responsibility for a controversy, through the investigation of the commission; and, third, for the hearing, on submission, of all the facts attending a controversy. The courts can have nothing to do with the matter unless by the agreement of the parties.

The bill also provides for the protection of both parties during the pendency of arbitration proceedings and for the regulation of incorporated trades-unions, insisting that it shall be provided in the articles of incorporation and in the constitution, rules, and by-laws of an order that a member shall cease to be such by participating in or instigating force or violence against person or property during strikes, lockouts or boycotts; but it relieves members of such incorporations from personal liability for the acts, debts or obligations of corporations. The bill also provides that such corporations may appear by designated representatives before the board contemplated by the bill, or in any suit or proceeding for or against such corporations, or their members, in any of the federal courts. It also makes provision for the prevention of certain conditions relative to joining orders, etc., or refraining from joining them, as conditions of employment.

These, in brief, are the provisions of the bill referred to. They are in line with the recommendations of the highest authorities, of the closest students of the labor question, of statesmen in different countries, and of that great principle of ethics which requires that society shall be conducted on the basis of peace rather than of war.

If this measure for the regulation of wages on interstate railroads, which places the employés in the position of quasi-public servants, amenable to the public as

well as to their incorporated employers, is considered by any one as a piece of state socialism, I can only refer to the other features of the revolution already in active operation. I think I recognize the distinction which you of the Economic Association would make between government adjustment of freight rates and like adjustment of wage rates, and I fully agree that while government can fix the compensation of its own employés, it can not and ought not to attempt arbitrarily to fix that of the employés of railroads; but I further recognize that it is the right and duty of government to prevent the interruption of interstate commerce and the obstruction of the mails, and that in the exercise of this right it ought to have a voice in making the terms and adjusting the conditions of the employment of those engaged in such service. This it can do through some such machinery of law as that provided in the present act to regulate commerce. The prosperity of our railroads is a necessity upon which depends largely business stability, and every reasonable means which can prevent disaster should be considered.

I read the other day, in an interesting editorial from *The Nation*,[1] on the Chicago strike, that "Nothing is more needed at this crisis than the practice of treating the working classes as business men fully capable of managing their own affairs, and not as children who are being put upon by their elders, etc." The enactment of a law such as that indicated would place the employés of railroads upon a business basis and would recognize their capacity to conduct properly their own business in connection with the business of their employers; and if it be said that it would recognize them as children who are being put upon by their elders, what shall be said of

[1] November 22, 1894.

the interstate commerce act and of the pooling bill? Can it be that merchants and shippers are children who are being put upon by their elders and must be coddled?

For these reasons I consider the Chicago strike an epoch-making event. It is dissipating a good deal of the haze which has hung before the eyes of both labor and capital; it is teaching the public the necessity of placing labor and capital on a strong business basis of reciprocal interests, but interests which recognize the public as their chief master. The discussion of the personal equation in the great Chicago strike has nothing to do with the principles involved. Action must be taken on the side of law and order, without reference to individuals, recognizing, however, that law and order mean the welfare of the nation and are based on principle and not on specific, individual acts, and that governments must adopt from various systems those features which are applicable under the conditions and necessities of the time, whether they are taken from a system of government already in existence or one that may be advocated purely on theory. The experience of the American government, which has adopted more socialistic elements than any other, is a sufficient guaranty of the conservative embodiment in labor legislation of the best ascertainable methods on which the majority of men can unite, not as partisans in the interest of labor or capital as such, but as patriots endeavoring to secure freedom from strikes, riots, intimidations, and violence of all kinds, which must be condemned by all right-minded men. The dictates of lofty patriotism should be the power to demand measures for their prevention. If the principles of the act to regulate commerce, an act to which I have always given and still give most hearty adherence, lead to governmental control of our

railroads, it will be because of a great necessity existing for such control, and good citizens should have no fear. Personally I am opposed to such control, but I can not ignore certain tendencies in the action of corporations in seeking certain features in federal legislation. It does appear, however, to be inconsistent to demand even partial governmental control on one side and to insist upon *laissez faire* upon the other. The dictates of the highest patriotism again demand that there should be consistency in these matters.

APPENDIX.

NATIONAL BOARD OF ARBITRATION.

[Senate Executive Document No. 130, Forty-ninth Congress, first session.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES RELATIVE TO THE DISPUTES BETWEEN LABORING MEN AND EMPLOYERS.

To the Senate and House of Representatives:

The Constitution imposes upon the President the duty of recommending to the consideration of Congress from time to time such measures as he shall judge necessary and expedient.

I am so deeply impressed with the importance of immediately and thoughtfully meeting the problem which recent events and a present condition have thrust upon us, involving the settlement of disputes arising between our laboring men and their employers, that I am constrained to recommend to Congress legislation upon this serious and pressing subject.

Under our form of government the value of labor as an element of national prosperity should be distinctly recognized, and the welfare of the laboring man should be regarded as especially entitled to legislative care. In a country which offers to all its citizens the highest attainment of social and political distinction, its workingmen cannot justly or safely be considered as irrevocably consigned to the limits of a class and entitled to no attention and allowed no protest against neglect.

The laboring man, bearing in his hand an indispensable contribution to our growth and progress, may well insist, with manly courage and as a right, upon the same recognition from those who make our laws as is accorded to any other citizen having a valuable interest in charge; and his reasonable demands should be met in such a spirit of appreciation and fairness as to induce a contented and patriotic coöperation in the achievement of a grand national destiny.

While the real interests of labor are not promoted by a resort to threats and violent manifestations, and while those who, under the pretexts of an advocacy of the claims of labor, wantonly attack the rights of capital, and for selfish purposes or the love of disorder sow seeds of violence and discontent, should neither be encouraged nor conciliated, all legislation on the subject should be calmly and deliberately undertaken with no purpose of satisfying unreasonable demands or gaining partisan advantage.

The present condition of the relations between labor and capital is

far from satisfactory. The discontent of the employed is due in a large degree to the grasping and heedless exactions of employers, and the alleged discrimination in favor of capital as an object of governmental attention. It must also be conceded that the laboring men are not always careful to avoid causeless and unjustifiable disturbance.

Though the importance of a better accord between these interests is apparent, it must be borne in mind that any effort in that direction by the Federal Government must be greatly limited by constitutional restrictions. There are many grievances which legislation by Congress cannot redress, and many conditions which cannot by such means be reformed.

I am satisfied, however, that something may be done under Federal authority to prevent the disturbances which so often arise from disputes between employers and the employed, and which at times seriously threaten the business interests of the country; and in my opinion the proper theory upon which to proceed is that of voluntary arbitration as the means of settling these difficulties.

But I suggest that instead of arbitrators chosen in the heat of conflicting claims, and after each dispute shall arise, for the purpose of determining the same, there be created a Commission of Labor, consisting of three members, who shall be regular officers of the Government, charged among other duties with the consideration and settlement, when possible, of all controversies between labor and capital.

A commission thus organized would have the advantage of being a stable body, and its members, as they gained experience, would constantly improve in their ability to deal intelligently and usefully with the questions which might be submitted to them. If arbitrators are chosen for temporary service as each case of dispute arises, experience and familiarity with much that is involved in the question will be lacking, extreme partisanship and bias will be the qualifications sought on either side, and frequent complaints of unfairness and partiality will be inevitable. The imposition upon a Federal court of a duty so foreign to the judicial function as the selection of an arbitrator in such cases is at least of doubtful propriety.

The establishment by Federal authority of such a Bureau would be a just and sensible recognition of the value of labor, and of its right to be represented in the departments of the Government. So far as its conciliatory offices shall have relation to disturbances which interfered with transit and commerce between the States, its existence would be justified under the provisions of the Constitution which gives to Congress the power "to regulate commerce with foreign nations and among the several States." And in the frequent disputes between the laboring men and their employers, of less extent and the consequences of which are confined within State limits and threaten domestic violence, the interposition of such a Commission might be tendered, upon the application of the legislature or executive of a State,

under the constitutional provision which requires the General Government to "protect" each of the States "against domestic violence."

If such a Commission were fairly organized, the risk of a loss of popular support and sympathy resulting from a refusal to submit to so peaceful an instrumentality would constrain both parties to such disputes to invoke its interference and abide by its decisions. There would also be good reason to hope that the very existence of such an agency would invite application to it for advice and counsel, frequently resulting in the avoidance of contention and misunderstanding.

If the usefulness of such a Commission is doubted because it might lack power to enforce its decisions, much encouragement is derived from the conceded good that has been accomplished by the railroad commissions which have been organized in many of the States, which, having little more than advisory power, have exerted a most salutary influence in the settlement of disputes between conflicting interests.

In July, 1884, by a law of Congress, a Bureau of Labor was established and placed in charge of a Commissioner of Labor, who is required to "collect information upon the subject of labor, its relations to capital, the hours of labor and the earnings of laboring men and women, and the means of promoting their material, social, intellectual, and moral prosperity."

The Commission which I suggest could easily be engrafted upon the Bureau thus already organized, by the addition of two more Commissioners and by supplementing the duties now imposed upon it by such other powers and functions as would permit the Commissioners to act as arbitrators when necessary between labor and capital under such limitations and upon such occasions as should be deemed proper and useful.

Power should also be distinctly conferred upon this Bureau to investigate the causes of all disputes as they occur, whether submitted for arbitration or not, so that information may always be at hand to aid legislation on the subject when necessary and desirable.

GROVER CLEVELAND.

EXECUTIVE MANSION, *April 22, 1886.*