

C. 1894.

REPORT

ON THE

CHICAGO STRIKE

OF

JUNE-JULY, 1894.

[THE APPENDICES REFERRED TO WITHIN ARE OMITTED
FROM THIS EDITION.]

WASHINGTON:
GOVERNMENT PRINTING OFFICE.

1895.



REPORT
ON THE
CHICAGO STRIKE

OF
JUNE-JULY, 1894,

BY THE
UNITED STATES STRIKE COMMISSION,
APPOINTED BY THE PRESIDENT JULY 26, 1894, UNDER THE
PROVISIONS OF SECTION 6 OF CHAPTER 1063 OF
THE LAWS OF THE UNITED STATES
PASSED OCTOBER 1, 1888,

WITH
APPENDICES CONTAINING TESTIMONY, PROCEEDINGS, AND RECOMMENDATIONS.

WASHINGTON:
GOVERNMENT PRINTING OFFICE,
1895.



UNITED STATES STRIKE COMMISSION.

COMMISSIONERS.

CARROLL D. WRIGHT, *Ex-officio* Chairman..... READING, MASS.
JOHN D. KERNAN..... UTICA, N. Y.
NICHOLAS E. WORTHINGTON..... PEORIA, ILL.

CLERKS.

EUGENE B. HASTINGS..... UTICA, N. Y.
WILLIAM H. RAND..... KEENE, N. H.

STENOGRAPHERS.

CHARLES P. WATSON..... PEORIA, ILL.
CYRUS L. WATSON..... PEORIA, ILL.
CHARLES W. MORRIS, JR..... HARRISBURG, PA.

U. S. DEPUTY MARSHAL (IN ATTENDANCE).

H. BARTLETT LINDLEY..... CHICAGO, ILL.



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MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

TRANSMITTING

The report of the Strike Commission on the Chicago strike of June–July, 1894.

DECEMBER 10, 1894—Ordered to lie on the table and be printed.

To the Senate and House of Representatives.

I transmit herewith the report on the Chicago strike of June–July, 1894, forwarded to me by the Strike Commission appointed July 26, 1894, under the provisions of section 6 of chapter 1063 of the laws of the United States, passed October 1, 1888.

The testimony taken by the commission and the suggestions and recommendations made to it accompany the report in the form of appendices.

GROVER CLEVELAND.

EXECUTIVE MANSION,

December 10, 1894.

REPORT OF THE COMMISSIONERS.

LETTER OF TRANSMITTAL.

UNITED STATES STRIKE COMMISSION,
Washington, D. C., November 14, 1894.

SIR: We have the honor to hand you herewith our report upon the controversies which arose between the Illinois Central Railroad Company and the Chicago, Rock Island and Pacific Railway Company and certain of their employees in June last. This report is made in accordance with your directions of the 26th of July and under the provisions of section 6 of chapter 1063 of the laws of the United States passed October 1, 1888.

The appropriation applicable to the investigation which we have conducted was \$5,000, a sum which has proved amply sufficient for all the expenses of the commission.

In addition to our report covering our consideration, conclusions, and recommendations, we hand you herewith a copy of the testimony taken at the hearings conducted by the commission, a digest of the suggestions made in writing to the commission, and various other matters which have been submitted to it, all bearing upon the difficulties and controversies considered. These matters are in the form of appendices.

We are, very respectfully, your obedient servants,

CARROLL D. WRIGHT.

JOHN D. KERNAN.

NICHOLAS E. WORTHINGTON.

The PRESIDENT.

REPORT OF THE COMMISSIONERS.

Upon the 26th of July, 1894, the President of the United States issued the following, viz:

GROVER CLEVELAND,

President of the United States of America.

To all to whom these presents shall come, greeting:

Know ye, that whereas controversies have arisen between the Illinois Central Railroad Company, and the Chicago, Rock Island and Pacific Railway Company, two corporations engaged in the transportation of property and passengers between two or more States of the United States, and certain of their employees, which controversies may hinder, impede, obstruct, interrupt or affect such transportation of passengers or property;

And, whereas the premises and the representations on behalf of said employees being considered, the conditions in my opinion justify and require the creation of a temporary commission to examine the causes of said controversies, the conditions accompanying the same and the best means of their adjustment, as authorized by section 6 of chapter 1063 of the laws of the United States passed on the first day of October, 1888:

Now, therefore, by authority of the statute aforesaid, Carroll D. Wright, Commissioner of Labor of the United States, who is designated in said statute, and John D. Kernan, of the State of New York, and Nicholas E. Worthington, of the State of Illinois, hereby appointed by the President of the United States commissioners under said act, shall pursuant to the provisions of said act, constitute a temporary commission for the purposes therein specified.

The said commission is hereby directed to visit the State of Illinois and the city of Chicago, and such other places in the United States as may appear proper in the judgment of the commission, to the end that it may make careful inquiry into the causes of any pending dispute or existing controversies and hear all persons interested therein who may come before it; and said commission shall exercise all the powers, perform all the duties and be subject to all the obligations conferred and enjoined by the statute aforesaid upon temporary commissions created pursuant to its provisions.

In witness whereof I have subscribed my name hereto and caused the seal of the United States to be hereunto affixed this twenty-sixth day of July in the year of our Lord one thousand eight hundred and ninety-four, and of the Independence of the United States of America the one hundred and nineteenth.

GROVER CLEVELAND.

By the President:

W. Q. GRESHAM.

Secretary of State.

Section 6 of chapter 1063 of the laws of the United States passed October 1, 1888, reads as follows:

That the President may select two commissioners, one of whom at least shall be a resident of the State or Territory in which the controversy arises, who, together with the Commissioner of Labor, shall constitute a temporary commission for the purpose of examining the causes of the controversy, the conditions accompanying, and the best means for adjusting it; the result of which examination shall be immediately reported to the President and Congress, and on the rendering of such report the services of the two commissioners shall cease.

"The controversy" referred to is defined in section 1 of said chapter 1063 as follows:

Whenever differences or controversies arise between railroad or other transportation companies engaged in the transportation of property or passengers between two or more States of the United States, between a Territory and State, within the Territories of the United States, or within the District of Columbia, and the employees of said railroad companies, which differences or controversies may hinder, impede, obstruct, interrupt, or affect such transportation of property or passengers.

At its first meeting in the city of Washington, D. C., held on the 31st day of July, 1894, the commission adopted the following preamble and resolutions:

Whereas the President of the United States has appointed the undersigned a commission to visit Chicago, Ill., and such other places in the United States as may be proper, in the judgment of the commission, to the end that it may make careful inquiry into the causes of any pending dispute or existing controversies between the Illinois Central Railroad Company and the Chicago, Rock Island and Pacific Railway Company and certain of their employees, and to hear all persons interested therein who may come before it; and

Whereas section 6 of chapter 1063 of the laws of the United States passed October 1, 1888, makes it the duty of said commission to examine the causes of said controversies, the conditions accompanying and the best means of adjusting the same, and to report the results of such examination to the President and to Congress; and

Whereas the questions involved in such controversies affect all interstate railroads and their employees; and

Whereas it is desirable that the report of this commission and future legislation, if any, upon the questions at issue between labor, whether organized or unorganized, and employers thereof, should be based upon all facts having any legitimate bearing upon such questions, and should be the result only of clear and well-defined public opinion: Therefore,

Resolved (1) That this commission will meet at the United States post-office building in the city of Chicago, Ill., on the 15th day of August, 1894, at 10 a. m., for the purpose of taking testimony in relation to said controversies, and to hear and consider all facts, suggestions, and arguments as to the causes thereof, the conditions accompanying, and the best means of adjusting the same, and as to any legislation or measures which ought to be recommended in regard to similar controversies hereafter.

(2) That all railroads, labor organizations, and citizens having either

a personal or patriotic interest in the right solution of these questions, and who can not conveniently attend such public hearing as aforesaid, are requested to present their views and suggestions in writing to the commission at any time prior to the date of such public hearing.

(3) That copies of this resolution be given to the press and be sent to all railroads engaged in the transportation of property and passengers between two or more States of the United States and to all labor organizations.

(4) That all communications be addressed to the chairman of the United States Strike Commission, Washington, D. C.

In accordance with the above resolution the commission met at the United States district court room in the city of Chicago, Ill., on the 15th day of August, 1894, when the chairman made the following announcement:

By the act recited in the commission of the President that has just been read, this commission is directed to examine the causes, controversies, and difficulties existing between the roads named and their employees at the time the commission of the President was issued. The board is constituted as a temporary commission for this purpose, and not for the purpose of arbitrating the difficulties that existed. It is practically a court of inquiry, and its proceedings will be in accordance with the usages of such courts. It will proceed to hear, first, all the witnesses on behalf of the employees, and, afterward, those on behalf of the corporations named in the commission, and all such witnesses are requested to hand their names to the clerk of the commission. Under the law parties may appear in person or by counsel, as they may see fit, and examine and cross-examine witnesses.

After all the witnesses have given their testimony the commission will then consider arguments and suggestions to be made bearing upon the questions before it. All such suggestions and arguments presented in writing will be filed and considered by the commission; but the question as to how far the commission will hear parties who desire to be heard orally will depend upon the time left at the disposal of the commission, and will be determined after the testimony is concluded. This commission, by the act creating it, possesses all the powers and authority which are possessed by and belong to United States commissioners appointed by the circuit courts of the United States. The hours of sitting of the commission will be from 10 a. m. to 12.30 p. m. and from 1.30 p. m. to 4 p. m. Parties and their counsel and witnesses attending will find seats within the rail. The commission is now ready to proceed to business, and the marshal will preserve order, limiting the attendance to the comfortable capacity of the room. The clerk will now call the first witness.

During the session of thirteen days at Chicago the commission examined 107 witnesses, who were either presented by the parties or cited to appear. At an adjourned session, held in Washington, September 26, 2 witnesses appeared, making a total of 109.

At the first hearing it developed that the Pullman employees very generally became members of the American Railway Union in March and April, 1894, and that the 19 local unions which they had formed had declared a strike at Pullman; also that the railroad companies named in the President's commission were members of the General Managers' Association.

The contest was chiefly between these two organizations, and hence nothing relating to the strike at Pullman or Chicago that affected members of either organization could be excluded as not germane to the subject under investigation. As a matter of discretion, the commission believed it wise to permit the broadest latitude of inquiry, inasmuch as the directions to the commission were "to examine the causes of and the conditions accompanying the controversies."

LOSSES AND CRIMES.

According to the testimony the railroads lost in property destroyed, hire of United States deputy marshals, and other incidental expenses, at least \$685,308. The loss of earnings of these roads is estimated at \$4,672,916. (a) Some 3,100 employees at Pullman lost in wages, as estimated, at least \$350,000. (b) About 100,000 employees upon the 24 railroads centering at Chicago, all of which were more or less involved in the strike, lost in wages, as estimated, at least \$1,389,143. (a) Many of these employees are still adrift and losing wages.

Beyond these amounts very great losses, widely distributed, were incidentally suffered throughout the country. The suspension of transportation at Chicago paralyzed a vast distributive center, and imposed many hardships and much loss upon the great number of people whose manufacturing and business operations, employment, travel, and necessary supplies depend upon and demand regular transportation service to, from, and through Chicago.

During the strike the fatalities, arrests, indictments, and dismissals of charges for strike offenses in Chicago and vicinity were as follows (c):

Number shot and fatally wounded.....	12
Number arrested by the police.....	515
Number arrested under United States statutes and against whom indictments were found.....	71
Number arrested against whom indictments were not found.....	119

The arrests made by the police were for murder, arson, burglary, assault, intimidation, riot, inciting to riot, and lesser crimes. The cases passed upon by the special United States grand jury, which convened on July 10, 1894, related to obstruction of the mail, forbidden by section 3995 of the United States Revised Statutes; conspiracy to commit offenses against the United States, forbidden by section 5440 of the Revised Statutes; conspiracy in restraint of trade or commerce among the several States, forbidden by chapter 647 of the United States, laws

a Made up from evidence of and statements furnished by the twenty-four companies comprising the General Managers' Association.

b As to number of employees, see testimony of Thomas H. Wickes, page 586; as to loss of wages, see testimony of George M. Pullman, question 348.

c Made up from testimony of Superintendent of Police Brennan and further data gathered from the police and court records by the United States deputy marshal in attendance upon the commission.

of 1890; conspiracy to injure, oppress, threaten, or intimidate citizens in the free exercise and enjoyment of their rights and privileges under the constitution and laws of the United States, forbidden by section 5508 of the United States Revised Statutes.

Several indictments were found against Eugene V. Debs, George W. Howard, L. W. Rogers, and Sylvester Keliher, officers of the American Railway Union, under these different statutes. Neither indictments nor proceedings were had under the act to regulate commerce, approved February 4, 1887, as has been sometimes stated.

These great losses and many crimes; the vast numbers, strength, and resources of the labor that contended under the leadership of the American Railway Union upon the one side and Pullman's Palace Car Company and the General Managers' Association upon the other; the attitude of labor toward capital, disclosed in its readiness to strike sympathetically; the determination of capital to crush the strike rather than to accept any peaceable solution through conciliation, arbitration, or otherwise; (a) the certainty with which vast strikes let loose the disreputable to burn, plunder, and even murder; the conversion of industrious and law-abiding men into idlers, lawbreakers, or associates of criminals; the want brought to many innocent families; the transformation of railroad yards, tracks, and stations, as well as the busy marts of trade, into armed camps; the possibilities of future strikes on more extended lines of union against even greater combinations of capital—are all factors bearing upon the present industrial situation which need to be thoroughly understood by the people and to be wisely and prudently treated by the government.

TROOPS, MILITARY, ETC (b).

For the protection of city, state, and federal property, for the suppression of crime and the preservation of order, the city, county, State, and federal forces were utilized as shown in the following statement:

From July 3 to July 10 the number of United States troops sent to and used in Chicago to protect the United States mail service and federal buildings, and to sustain the execution of the orders of the United States courts was.	1, 936
Between July 6 and July 11 the State militia was ordered on duty at Chicago and remained so long as needed, to the number of about	4, 000
Extra deputy marshals, about.....	5, 000
Extra deputy sheriffs	250
Police force of Chicago	3, 000
Total.....	14, 186

a See testimony of John M. Egan, questions 15 to 80; also see resolutions of General Managers' Association, testimony of Everett St. John, question 290.

b As to United States troops, see testimony of Mayor Hopkins, question 13, subsequently verified at number given; as to State militia, see testimony of Mayor Hopkins; as to deputy marshals, see testimony of Deputy Marshal Donnelly, question 4; as to police force, see statement furnished to John M. Egan, attached to testimony of Superintendent of Police Brennan, page 358.

Section 4 of Article IV of the federal constitution reads as follows:

The United States shall guarantee to every state in this Union a republican form of government, and shall protect each of them against invasion; and on application of the legislature, or of the executive (when the legislature can not be convened), against domestic violence.

United States troops were not sent into Illinois upon the application of the legislature, nor of the executive, against domestic violence; i. e., violence affecting the State and its government as such. The President ordered the troops to Chicago—

- (1) To protect federal property.
- (2) To prevent obstruction in the carrying of the mails.
- (3) To prevent interference with the interstate commerce; and
- (4) To enforce the decrees and mandates of the federal courts.

He did this under the authority of section 5298 of the Revised Statutes of the United States, which provides:

Whenever, by reason of unlawful obstructions, combinations, or assemblages of persons, or rebellion against the authority of the Government of the United States, it shall become impracticable, in the judgment of the President, to enforce, by the ordinary course of judicial proceedings, the laws of the United States within any State or Territory, it shall be lawful for the President to call forth the militia of any or all of the States, and to employ such parts of the land or naval forces of the United States as he may deem necessary to enforce the faithful execution of the laws of the United States, or to suppress such rebellion, in whatever State or Territory thereof the laws of the United States may be forcibly opposed, or the execution thereof forcibly obstructed.

And of section 5299, which provides:

Whenever insurrection, domestic violence, unlawful combinations, or conspiracies in any State so obstructs or hinders the execution of the laws thereof, and of the United States, as to deprive any portion or class of the people of such State of any of the rights, privileges, or immunities, or protection, named in the constitution and secured by the laws for the protection of such rights, privileges, or immunities, and the constituted authorities of such State are unable to protect, or, from any cause, fail in or refuse protection of the people in such rights, such facts shall be deemed a denial by such State of the equal protection of the laws to which they are entitled under the constitution of the United States; and in all such cases, or whenever any such insurrection, violence, unlawful combination, or conspiracy, opposes or obstructs the laws of the United States, or the due execution thereof, or impedes or obstructs the due course of justice under the same, it shall be lawful for the President, and it shall be his duty, to take such measures, by the employment of the militia or the land and naval forces of the United States, or of either, or by other means, as he may deem necessary, for the suppression of such insurrection, domestic violence, or combinations.

Other statutes tend to confer authority in the same direction.

PULLMAN'S PALACE CAR COMPANY.

This is a corporation organized in 1867, with a capital of \$1,000,000. It has grown until its present paid-up capital is \$36,000,000. Its prosperity has enabled the company for over twenty years to pay 2 per cent quarterly dividends, and, in addition, to lay up a surplus of nearly \$25,000,000 of undivided profits. From 1867 to 1871 dividends ranging from 9½ to 12 per cent per annum were paid. For the year ending July 31, 1893, the dividends were \$2,520,000, and the wages \$7,223,719.51. For the year ending July 31, 1894, the dividends were \$2,880,000, and the wages \$4,471,701.39.(a)

The business of the company is—

(1) The operation of its cars upon about 125,000 miles of railroad, being about three-fourths of the railway mileage of the country, under contracts similar to that in evidence.(b)

(2) The manufacture and repair of such cars.

(3) The manufacture of cars of all kinds for the general market.

(4) The care and management, as owner and landlord, of the town of Pullman.

In 1880 the company bought 500 acres of land, and upon 300 acres of it built its plant and also a hotel, arcade, churches, athletic grounds, and brick tenements suitable for the use of its employees. The town is well laid out and has a complete sewerage and water system. It is beautified by well-kept open spaces and stretches, flower beds, and lakes. The whole is at all times kept in neat order by the company. The main object was the establishment of a great manufacturing business upon a substantial and money-making basis. Efficient workmen were regarded as essential to its success, and it was believed that they could be secured, held in contentment, and improved as such for their own sakes and for the benefit of the company by the accommodations and surroundings that were provided.

The principal church and its parsonage are very attractive structures, but often are not occupied because the rental required to be paid is higher than any church society is willing to pay to obtain the gospel privileges to be thereby secured.(c) In the arcade is a tasteful library of books, carefully selected and cared for by the company. Three dollars per year is charged for its use, and as many as 250 persons a year out of from 4,000 to 5,000 employees and residents have at times, as stated by the capable librarian in charge, availed themselves of its opportunities. It is possible that the air of business strictly maintained there, as elsewhere, and their exclusion from any part in its management

a See testimony of George M. Pullman, questions 4, 5, 32 to 34 inclusive, 135 to 138 inclusive, and 216; as to wages paid, see "memorandum of pay rolls" in testimony of George M. Pullman, question 148.

b See testimony of Thomas H. Wickes, page 571.

c See testimony of Rev. W. H. Carwardine, question 54.

prevent more universal and grateful acceptance of its advantages by employees. Men, as a rule, even when employees, prefer independence to paternalism in such matters.

The company provides and pays a physician and surgeon by the year to furnish to injured employees necessary treatment and drugs. It is, however, also a part of his employment to secure from the injured party a written statement as to the causes of injury, and it is his custom to urge the acceptance of any offered settlement. If suit follows, the doctor is usually a witness for the company.^(a) We have no evidence that the doctor has ever abused his confidential relation toward the injured employees; but the system is admirably conceived from a business standpoint to secure speedy settlement of claims for damages upon terms offered by the company and to protect the company from litigation and its results.

Prior to June, 1893, all went well and as designed; the corporation was very prosperous, paid ample and satisfactory wages, as a rule, and charged rents which caused no complaint. During this period those defects in the system which have recently come to the surface and intensified differences, such, for instance, as the refusal to permit the employees to buy land in Pullman and build homes there, caused no disturbance.

From the evidence presented by the Pullman Loan and Savings Bank, it appears that prior to July 1, 1893, the wages paid enabled prudent employees to lay by considerable savings. Upon these the bank has paid, uniformly and without any recent reduction, 4 per cent per annum. The statement of the bank is as follows:

DEPOSITS IN PULLMAN LOAN AND SAVINGS BANK.

Date.	Employees depositing.	Percentage of employees of all depositors.	Total.	Average amount of deposit.
July 1, 1893	2,425	88½	\$582,380.39	\$240.16
May 1, 1894	1,679	86½	422,834.34	251.84
June 1, 1894	1,539	82½	383,590.09	249.25
July 1, 1894	1,414	80	364,454.59	257.75
August 1, 1894	1,212	85	303,087.89	250.07

About one-half of the accounts are under \$100 and five-sixths under \$500. These figures illustrate how seriously the cutting down of wages and the strike ate into savings.

As the result of the Pullman system and its growth, when the depression of 1893 came, morally calling for mutual concessions as to wages, rents, etc., we find on the one side a very wealthy and unyielding corpo-

^a See testimony of Dr. John McLean, generally; but more especially from question 59 to the end.

ration, and upon the other a multitude of employees of comparatively excellent character and skill, but without local attachments or any interested responsibility in the town, its business, tenements, or surroundings.

The conditions created at Pullman enable the management at all times to assert with great vigor its assumed right to fix wages and rents (*a*) absolutely, and to repress that sort of independence which leads to labor organizations and their attempts at mediation, arbitration, strikes, etc.

THE AMERICAN RAILWAY UNION.

This is an association of about 150,000 railroad employees, as alleged, organized at Chicago on the 20th of June, 1893, for the purpose of including railway employees born of white parents in one great brotherhood.

The theory underlying this movement is that the organization of different classes of railroad employees (to the number of about 140,000) upon the trade-union idea has ceased to be useful or adequate; that pride of organization, petty jealousies, and the conflict of views into which men are trained in separate organizations under different leaders, tend to defeat the common object of all, and enable railroads to use such organizations against each other in contentions over wages, etc.; that the rapid concentration of railroad capital and management demands a like union of their employees for the purpose of mutual protection; that the interests of each of the 850,000 (*b*) and over railroad employees of the United States as to wages, treatment, hours of labor, legislation, insurance, mutual aid, etc., are common to all, and hence all ought to belong to one organization that shall assert its united strength in the protection of the rights of every member.

The American Federation of Labor, composed of affiliated unions, with a membership of over 500,000, also tends in the direction of broader union for labor. The order of the Knights of Labor, with an estimated membership of from 150,000 to 175,000, has always advocated the solidarity of labor.

In the American Railway Union there are departments of literature and education, legislation, cooperation, mediation, insurance, etc. The organization consists of a general union and of local unions. The general union is formed by representatives of local unions, who elect a board of nine directors quadrennially. This board has authority to "issue such orders and adopt such measures as may be required to carry out the objects of the order." Any ten white persons employed in railway service, except superintendents, etc., can organize a local

a See testimony of Thomas H. Wickes quoted on pages xxv and xxvi; also, near close of his testimony, as to rentals; see also pamphlet of George M. Pullman introduced in evidence by Mr. Wickes.

b These figures were obtained from the last statistical report of the United States Interstate Commerce Commission. Witness George W. Howard fixes figures at upwards of 1,000,000, but he includes other territory than the United States.

union. Each local union has its board of mediation, and the chairmen of the various local boards upon a system of railroads constitute a general board of mediation for that system.

The constitution provides that—

All complaints and adjustments must be first taken up by the local union; if accepted by a majority vote, it shall be referred to the local board of mediation for adjustment, and, if failing, the case shall be submitted to the chairman of the general board of mediation, failing in which, they shall notify the president of the general union, who shall authorize the most available member of the board of directors to visit and meet with the general chairman of the board of mediation and issue such instructions as will be promulgated by the directors.

Under these provisions it is claimed that no strike can be declared except by order of a majority of the men involved. This is a commendable feature of the union. So long as strikes are resorted to, the power to order them should never be vested anywhere except in a majority of the employees concerned. If a two-thirds or three-quarters vote were required it would be still better. After a strike is ordered the board of directors of the general union practically directs its conduct.

In its profession of principles and purposes in its general and local constitutions the American Railway Union proposes to protect and promote the interests of its members as wage earners through organization and legitimate cooperation. Its constitution reads:

First. The protection of all members in all matters relating to wages and their rights as employees is the principal purpose of the organization. Railway employees are entitled to a voice in fixing wages and in determining conditions of employment. Fair wages and proper treatment must be the return for efficient service, faithfully performed. Such a policy insures harmonious relations and satisfactory results. The order, while pledged to conservative methods, will protect the humblest of its members in every right he can justly claim; but while the rights of members will be sacredly guarded, no intemperate demand or unreasonable propositions will be entertained. Corporations will not be permitted to treat the organization better than the organization will treat them. A high sense of honor must be the animating spirit, and evenhanded justice the end sought to be obtained. Thoroughly organized in every department, with a due regard for the right wherever found, it is confidently believed that all differences may be satisfactorily adjusted, that harmonious relations may be established and maintained, that the service may be incalculably improved, and that the necessity for strike and lockout, boycott and blacklist, alike disastrous to employer and employee and a perpetual menace to the welfare of the public, will forever disappear.

It is encouraging to find that public opinion and a regard for their own best interests now demand from labor organizations such a plain recognition of conservative principles as the foregoing. The great inherent weakness of such organizations at present is that in contentions with employers these principles are forgotten and that strikes are often ordered in hasty and disorderly ways, and are frequently con-

ducted with attendant violence and lawlessness. As an instance, it appears from the evidence that the strike on the Rock Island road was ordered at a meeting at Blue Island, attended by both railroad employees and by persons not in the employ of the road, and that a rising vote was taken without confining it to employees, and that amidst confusion and uncertainty as to what the vote was or who the voters were, a strike upon a great railroad system was inaugurated.

A recognition of the principle that under this Government wrongs must be corrected in lawful and orderly ways is absolutely indispensable; a practical denial of this principle in the conflicts incident to strikes would be fatal to both business and society and is unendurable under any government. Wage earners can not deny that this would be equally true were this Government one entirely "of labor, by labor, and for labor."

The omission of a direct provision in the constitution of the American Railway Union for the punishment or disqualification of a member who commits or instigates violence toward persons or property in strikes is a usual and a grievous omission, and deserves severe condemnation. Until labor organizations take hold of this question vigorously and control their own members effectually they are certain to lose sympathy in their contentions and to be defeated, even though their cause be just and deserve success.

In March, 1894, the employees of Pullman's Palace Car Company, being dissatisfied with their wages, rents, and shop treatment for the first time in the history of the town, sought organization, and joined the American Railway Union in large numbers. (a) Their meetings were held outside of Pullman, because the town has no facilities for such purposes. (b)

The Pullman company is hostile to the idea of conferring with organized labor in the settlement of differences arising between it and its employees. The position of the company in this respect is clearly stated in the testimony of Mr. Wickes, its second vice-president, which is here cited:

Q. 222. Has the company had any policy with reference to labor unions among its help?—Ans. No; we have never objected to unions except in one instance. I presume that there are quite a number of unions in our shops now.

Q. 223. What are they?—Ans. I couldn't tell you, but I have heard of some of them. I suppose the cabinetmakers have a union, and I suppose the car builders have a union, and the carvers, and the painters, and other classes of men. We do not inquire into that at all.

Q. 224. That is, unions among themselves in the works?—Ans. Members of the craft, belonging to other unions; that is, the cabinet union might have its headquarters in Chicago and our men would be members of it; but we did not object to anything of that kind.

^a See testimony of Thomas W. Heathcoate, question 3; also page 432.

^b See above reference; also testimony of Thomas H. Wickes, questions 230 to 234, quoted on page XXVI.

Q. 225. The only objection you ever made was to the American Railway Union, wasn't it?—Ans. Yes, sir.

Q. 226. What is the basis of your objection to that union?—Ans. Our objection to that was that we would not treat with our men as members of the American Railway Union, and we would not treat with them as members of any union. We treat with them as individuals and as men.

Q. 227. That is, each man as an individual, do you mean that?—Ans. Yes, sir.

Q. 228. Don't you think, Mr. Wickes, that it would give the corporation a very great advantage over those men if it could take them up one at a time and discuss the question with him? With the ability that you have got, for instance, where do you think the man would stand in such a discussion?—Ans. The man has got probably more ability than I have.

Q. 229. You think that it would be fair to your men for each one of them to come before you and take up the question of his grievances and attempt to maintain his end of the discussion, do you?—Ans. I think so; yes. If he is not able to do that, that is his misfortune.

Q. 230. Don't you think that the fact that you represent a vast concentration of capital, and are selected for that because of your ability to represent it, entitles him, if he pleases, to unite with all of the men of his craft and select the ablest one they have got to represent the cause?—Ans. As a union?

Q. 231. As a union.—Ans. They have the right; yes, sir. We have the right to say whether we will receive them or not.

Q. 232. Do you think you have any right to refuse to recognize that right in treating with the men?—Ans. Yes, sir; if we chose to.

Q. 233. If you chose to. Is it your policy to do that?—Ans. Yes, sir.

Q. 234. Then you think that you have the right to refuse to recognize a union of the men designed for the purpose of presenting, through the ablest of their members, to your company the grievances which all complain of or which any complain of?—Ans. That is the policy of the company; yes, sir. If we were to receive these men as representatives of the unions they could probably force us to pay any wages which they saw fit, and get the Pullman company in the same shape that some of the railroads are by making concessions which ought not to be made.

Q. 235. Don't you think that the opposite policy, to wit, that all your dealings with the men, as individuals, in case you were one who sought to abuse your power, might enable you to pay to the men, on the other hand, just what you saw fit?—Ans. Well, of course a man in an official position, if he is arbitrary and unfair, could work a great deal of injustice to the men; no doubt about that. But then it is a man's privilege to go to work somewhere else.

Q. 236. Don't you recognize as to many men, after they have become settled in a place at work of that kind, that really that privilege does not amount to much?—Ans. We find that the best men usually come to the front; the best of our men don't give us any trouble with unions or anything else. It is only the inferior men—that is, the least competent—that give us the trouble as a general thing.

Since the strike, withdrawal from the American Railway Union is required from those seeking work. (a) The company does not recognize

• See testimony of George M. Pullman, question 319.

that labor organizations have any place or necessity in Pullman, where the company fixes wages and rents, and refuses to treat with labor organizations. The laborer can work or quit on the terms offered; that is the limit of his rights. To join a labor organization in order to secure the protection of union against wrongs, real or imaginary, is overstepping the limit and arouses hostility. This position secures all the advantage of the concentration of capital, ability, power, and control for the company in its labor dealings, and deprives the employees of any such advantage or protection as a labor union might afford. In this respect the Pullman company is behind the age.

To admit the Pullman shop employees, however, into the American Railway Union as "persons employed in railway service" was not wise or expedient. The constitution can not fairly be construed to include as eligible members those who build cars and run them in and out over private switches. Such loose construction of a labor constitution is certain to involve any organization in such an infinite variety of conflicting positions and to force it into so many contests demanding different and perhaps apparently inconsistent treatment at the same time as to curtail its usefulness and threaten its existence. To reach out and take in those so alien to its natural membership as the Pullman employees, was, in the inception of the organization at least, a mistake. This mistake led the union into a strike purely sympathetic and aided to bring upon it a crushing and demoralizing defeat.

It is undoubtedly true that the officers and directors of the American Railway Union did not want a strike at Pullman, and that they advised against it,^(a) but the exaggerated idea of the power of the union, which induced the workmen at Pullman to join the order, led to their striking against this advice. Having struck, the union could do nothing less, upon the theory at its base, than support them.

The union was as yet young; its membership was not as extensive as it hoped to obtain; its workings had the roughness of incipient effort in a new direction; it had recently attained some success in a strike upon the "Great Northern," and had thus aroused extravagant expectations among its members generally; great business depression prevailed; large numbers were idle and stood ready to accept almost any offer of work. For these reasons the officers and directors of the union knew that the times were inopportune for striking and did not advocate it.

A union embracing all railroad employees, even, is as yet a doubtful experiment. Such a union will have great difficulty in moulding itself to the complex character, nationalities, habits, employments, and requirements of its vast and varied membership.

The trade unionists argue that their strength lies largely in their

^a See testimony of George W. Howard, questions 21 and 22; testimony of Frank T. McDonald, latter part of question 5 and question 6; testimony of Eugene V. Deba, questions 8 and 22.

comparative freedom from these objections; and they insist that the basis of the membership of a successful labor organization must be substantial similarity in interests among the members. Trades unions have a record of success both here and abroad, especially in England, which largely sustains their position. They have promoted conciliation, arbitration, conservatism, and responsibility in labor contentions and agreements.

To preserve the integrity of associations designed to unite and organize labor on such a broad basis as that of the American Railway Union but two courses seem open:

(1) To take a position against all strikes, except as a last resort for unbearable grievances, and to seek the more rational methods of conciliation and arbitration. To this object the power of public opinion would lend aid to an extent not now appreciated.

(2) Conservative leadership, legal status, and the education of members in governmental matters, with the principle in view that in this country nothing can accomplish permanent protection and final redress of wrongs for labor as an entirety except conservative progress, lawful conduct, and wise laws enacted and sustained by the public opinion of its rulers—the people.

THE GENERAL MANAGERS' ASSOCIATION.

This voluntary, unincorporated association was formed in 1886, and has as members the 24 railroads centering or terminating in Chicago. The following facts relating to these roads for the year ending June 30, 1894, have been furnished by the Interstate Commerce Commission:

Number of miles operated	a 40, 933
Number of stockholders	b 52, 088
Capitalization:	
Capital stock	a \$818, 569, 004
Funded debt	a \$1, 210, 235, 702
Current liabilities	a \$79, 747, 911
Total	a \$2, 108, 552, 617
Gross earnings	c \$325, 825, 726
Net earnings	c \$102, 710, 917
Number of employees	d 221, 097

a Data for the Union Stock Yard and Transit Company are from Poor's Manual of Railroads, 1894.

b Not including the Union Stock Yard and Transit Company and the Chicago and Northern Pacific Railway.

c Data for the Union Stock Yard and Transit Company and the Pittsburg, Fort Wayne and Chicago Railway are from Poor's Manual of Railroads, 1894. Those for the Pittsburg, Fort Wayne and Chicago Railway are for the year ending December 31, 1893.

d Not including the Union Stock Yard and Transit Company, the Chicago and Northern Pacific Railway, and (except general officers) the Pittsburg, Fort Wayne and Chicago Railway.

In its constitution the object of the association is stated to be "the consideration of problems of management arising from the operation of railroads terminating or centering at Chicago." It further provides that "all funds needed shall be raised by assessments divided equally among the members." There are no limitations as to "consideration of problems" or "funds" except the will of the managers and the resources of the railroad corporations.

Prior to the recent strike the association was chiefly concerned with matters other than wages. It dealt with all questions concerning transportation centering at Chicago in which the roads had a common interest. It thus determined the policy and practically fixed the relations of all of the roads toward the public as to switching, car service, loading and unloading cars, weights of live stock, rates, etc., and sustained each road in maintaining the position of the association as to these matters. (a)

Until June, 1894, the association dealt incidentally and infrequently with wages. There were few railroad controversies as to wages during its active life, dating from January 20, 1892. (b) Hence its possibilities as a strike fighter and wage arbiter lay rather dormant. The following are instances of its action as to wage questions. Its roads fixed a "Chicago scale" for switchmen, covering all lines at Chicago. In March, 1893, the switchmen demanded more pay from each road. The association concluded that they were paid enough—if anything, too much. The roads so informed the men. The Switchmen's Mutual Aid Association of North America wrote to Mr. St. John, as chairman, acquiescing. He, as chairman of the General Managers' Association, concluded his reply as follows:

The association approves the course taken by your body and desires to deal fairly with all employees and believes *that our switchmen* are receiving due consideration.

This seems to show that employees upon association roads are treated as under subjection to the General Managers' Association. Mr. St. John, the president of the association, testifies as follows:

The result of this declination on the part of the various companies directly to their own committees was a threat on the part of some that a strike would occur, and in times of trouble of that kind, or anticipated trouble, it would be the most natural thing in the world for the association, or any line member of it, to arrange to protect the interests of the company he represented. He could not do otherwise. Arrangements were made by which agencies were established and men employed to come to Chicago in case of necessity.

Q. 256. Were those agencies established by the Managers' Association?—Ans. Yes, sir.

Q. 257. And they were designed for the purpose of protecting any line in the association?—Ans. That was a member of it.

a See testimony of Everett St. John, pages 242 and 243.

b See testimony of Everett St. John, pages 244 and 245.

Q. 258. Against anything they deemed to be an attempt to enforce an unjust demand?—Ans. Yes, sir.

Q. 259. Was that the first occasion the managers ever took action in that direction?—Ans. That was the first occasion it took action during any period I was chairman of it.

This was the first time when men upon each line were brought sharply face to face with the fact that in questions as to wages, rules, etc., each line was supported by 24 combined railroads. On several other occasions similar action was taken; for instance, when some baggage agents of the Lake Shore and Michigan Southern Railway wanted higher wages, a committee of the association disposed of the matter. Mr. St. John was asked:

Q. 286. Why was not that application disposed of by the Lake Shore road instead of by the General Managers' Association?—Ans. In order that it might receive the attention due to the application, and so the pay of other roads could be determined, and see if we were underpaying them. There has been quite a number of cases where the prayer of the petition has been granted by this committee, and quite a number where it has been declined, but only after the most careful investigation.

This answer is ingenious and suggestive.

This association likewise prepared for its use elaborate schedules of the wages paid upon the entire lines of its 24 members. The proposed object of these schedules was to let each road know what other roads paid. Finding that the men upon some lines urged increase to correspond with wages paid elsewhere, a committee of the association prepared and presented a uniform schedule for all membership roads. It was deemed wise not to act upon the report. It was distributed to members in November, 1893. This distribution alone enabled the report to be used with efficiency as an "equalizer." As the result, during 1893—it being then well understood that as to wages, etc., it was an *incident* of the General Managers' Association to "assist" each road in case of trouble over such matters, one form of assistance being for the association to secure men enough through its agencies to take the places of all strikers (*a*)—reductions were here and there made on the different roads, the tendency and effort apparently being to equalize the pay on all lines.

It is admitted that the action of the association has great weight with outside lines, and thus tends to establish one uniform scale throughout the country. (*b*) The further single step of admitting lines not running into Chicago to membership would certainly have the effect of combining all railroads in wage contentions against all employees thereon.

The commission questions whether any legal authority, statutory or otherwise, can be found to justify some of the features of the associa

a See testimony of Eugene V. Debs, pages 132 and 133; testimony of Everett St. John, quoted on pages XXIX and XXX; testimony of John M. Egan, question 4.

b See testimony of Everett St. John, question 280.

tion which have come to light in this investigation. If we regard its practical workings rather than its professions as expressed in its constitution, the General Managers' Association has no more standing in law than the old Trunk Line Pool. It can not incorporate, because railroad charters do not authorize roads to form corporations or associations to fix rates for services and wages, nor to force their acceptance, nor to battle with strikers. It is a usurpation of power not granted. If such an association is necessary from a business or economic standpoint, the right to form and maintain it must come from the State that granted its charter. In theory, corporations are limited to the powers granted either directly or by clear inference. We do not think the power has been granted in either way in this case.

The association is an illustration of the persistent and shrewdly devised plans of corporations to overreach their limitations and to usurp indirectly powers and rights not contemplated in their charters and not obtainable from the people or their legislators. An extension of this association, as above suggested, and the proposed legalization of "pooling" would result in an aggregation of power and capital dangerous to the people and their liberties as well as to employees and their rights. The question would then certainly arise as to which shall control, the Government or the railroads, and the end would inevitably be Government ownership. Unless ready for that result and all that it implies, the Government must restrain corporations within the law, and prevent them from forming unlawful and dangerous combinations. At least, so long as railroads are thus permitted to combine to fix wages and for their joint protection, it would be rank injustice to deny the right of all labor upon railroads to unite for similar purposes.

It should be noted that until the railroads set the example a general union of railroad employees was never attempted.^(a) The unions had not gone beyond enlisting the men upon different systems in separate trade organizations.^(b) These neutralize and check each other to some extent and have no such scope or capacity for good or evil as is possible under the universal combination idea inaugurated by the railroads and followed by the American Railway Union. The refusal of the General Managers' Association to recognize and deal with such a combination of labor as the American Railway Union seems arrogant and absurd when we consider its standing before the law, its assumptions, and its past and obviously contemplated future action.

^a See testimony of Eugene V. Debs, pages 132 and 133; testimony of Everett St. John, question 228; testimony of George W. Howard, question 49.

^b See testimony of George W. Howard, pages 12 to 14; see also constitution of American Railway Union, published in connection with testimony of George W. Howard, and such portions of constitution of the Knights of Labor as are published in connection with the testimony of James R. Sovereign; see also testimony of Everett St. John, question 91.

THE PULLMAN STRIKE: ITS CAUSES AND EVENTS.

Pullman's Palace Car Company is in the market at all times to obtain all possible contracts to build cars. Its relations with railroads, its large capital and surplus, its complete and well-located plant and efficient management enable it at all times to meet all competitors on at least equal terms. Prior to the business depression of 1893, the company was unusually active in building new cars for itself and for railroads to meet the expanded demands of general business, and for the expected requirements of the Columbian Exposition traffic. Its repair department was also full of work. An average number of 4,497 workmen, during the year ending July 1, 1893, earned \$2,760,548.99, or an average of \$613.86 each. The wages paid were about the same as paid elsewhere in the business, Mr. Wickes thinks possibly a little higher.

The depression of 1893 naturally affected the business at once, and to a greater extent in some departments than in others. Matters grew worse until, in the fall of 1893, the company closed its Detroit shops, employing about 800, and concentrated its contract and repair business at Pullman. The company and the railroads had a surplus of cars for the decreased traffic obtainable, and hence pending orders were canceled and car building stopped, except as occasional straggling contracts were obtained at prices which averaged less than shop cost, exclusive of interest upon capital or any charge for depreciation of plant or machinery.

WAGES.

From September 18, 1893, until May 1, 1894, the company did contract work at the price of \$1,421,205.75, which was \$52,069.03, or 3.663 per cent below shop cost for labor and materials.^(a) Against this the loss to labor by the reduction of wages paid on this work was over \$60,000, making the wages of June, 1893, the basis of comparison.^(b) It also had \$1,354,276.06 of unaccepted bids, upon which its similar loss would have been \$18,303.56, or 1.35 per cent.^(a) Assuming that the analysis submitted as to the cost of several lots of cars affords a fair basis for averaging the whole of the contracts, it appears that the average percentage of cost of material in this contract work was about 75 per cent. Hence while the amount of loss was nearly equally divided, it seems that the percentage of loss borne by labor in the reduction of wages was much greater than that sustained by the company upon material. Three-quarters of the loss for the company and the balance for labor would have more fairly equalized the division of loss on these contracts.

^a See testimony of Thomas H. Wickes, page 577.

^b See testimony of Thomas H. Wickes, questions 45 and 46.

Some justification for the determination of the company as to the division of loss is claimed from the fact that in addition to its loss the company received no interest upon its capital, etc. On the other hand, it is an economic principle generally recognized that the shutting down of such a plant and the scattering of its forces usually result in a greater loss than that exhibited here by the continuance of business. The Pullman company could hardly shut down for seven and a half months at a cost and loss of less than 1 per cent upon its capital and surplus. To continue running was for its obvious and unfair advantage so long as it could divide losses equally with its labor.

The cut in wages during this period averaged about 25 per cent and was reached in two ways (a)—

First, by reducing the price paid for piecework, upon which 2,800 men are normally employed. This price is claimed to be based upon what a competent workman can do in a day. By testing the men the prices are thus fixed so that a man, if neither an expert nor a laggard, can earn an amount which is regarded by the company as fair wages. The men at Pullman claim that the company during 1893-94 set the pace through experts, so that with their forced loss of time an average man could earn little more than the rent of his home, owned by the company. (b) The company alleges that it simply readjusted piecework prices to suit the necessities of the times. The letting of piecework and the readjustment of prices therefor is largely in the hands of the "foremen," and hence sometimes subject to abuses unknown to the management.

Second, by reducing the pay in the repair shops, employing about 800, to correspond with the contract-work prices. (c) The main reason given for this reduction was that wages must be kept uniform. Under the contracts between railroads and the company the railroads have paid, since 1887, 2 cents per mile for each mile run by Pullman cars. (d) This is to pay the Pullman company for keeping the cars in repair, as it agrees to do, and is exclusive of the unreduced charges paid to the company for the use of berths, seats, etc. The depression of 1893 caused no change in this mileage rate under existing contracts. The company claims, and it is true, undoubtedly, that the depression somewhat reduced this fund by reason of the larger number of idle cars than usual to be repaired and stored at some expense, and caused

a See testimony of George M. Pullman, page, 537; also questions 225, 226, and 246; also the testimony generally of all employees at Pullman sworn on hearing; also the various tables submitted by Thomas H. Wickes bearing on the matter, including the table of comparison of April, 1894, with April, 1893.

b See testimony of Thomas W. Heathcoate, latter part of answer to question 18; testimony of Merritt Brown, question 26; testimony of Thomas H. Wickes, questions 148 to 154 inclusive.

c See testimony of George M. Pullman, questions 227, 228, 234, and 235; also testimony of Thomas H. Wickes, question 274.

d See testimony of Thomas H. Wickes, questions 268 to 273.

some losses from failing roads. The testimony of the Pullman company, however, has left its claim in this regard in such loose and indefinite shape as to compel the conclusion that the reduction in the repair department was not made with reference to these depression results, but was part of a plan designed to reduce wages in every department to the lowest point possible to be reached in the department most seriously affected by the depression. Some reduction of wages in all departments was of course proper under the circumstances, but a uniform reduction as between departments so differently situated in reference to revenue as the car-building and repair departments was not relatively just and fair toward the repair-shop employees.

The earnings of employees at Pullman were reduced by these means and by lessening the amount of work, as appears in the table immediately following:

EARNINGS OF CERTAIN EMPLOYEES AT PULLMAN, 1893-94.

Date.	T. W. Heathcoate, inside finisher.		T. Rhodie, painter.		R. W. Coombs, car builder.		Jennie Curtis, seamstress.	
	Hours.	Amount.	Hours.	Amount.	Hours.	Amount.	Hours.	Amount.
1893.								
May	252½	\$78.00	244½	\$65.66	196½	\$47.42	235½	\$39.85
June.....	280½	96.85	241½	65.28	92	21.00	212½	31.24
July.....	233½	69.12	216	57.05	170	38.75	181	27.72
August	244½	62.75	242	65.14	173	36.91	197½	30.18
September	167½	44.77	232	62.62	94	21.50	147½	23.90
October.....	114	26.92	230½	62.04	42½	7.39	230½	34.62
November	119	29.05	125½	32.58	91	20.54	151	24.39
December	229½	43.85	52½	12.52	140½	18.37	180½	28.18
1894.								
January	261	49.30	279½	66.84	192½	34.00	216	34.21
February	238½	44.95	227½	51.69	240	60.00	184	25.47
March.....	262½	51.53	254	51.12	125	30.80	212	24.92
April.....	185½	37.77	226½	48.65	60	9.00	197½	22.14
Total.....	2,588½	634.86	2,572	641.19	1,616½	345.68	2,345½	346.82

The total amount of wages paid for the years ending July 1, 1893, and July 1, 1894, has been stated.

The above table is presented by the company. Some witnesses swear that at times, for the work done in two weeks, the employees received in checks from 4 cents to \$1 over and above their rent. (a) The company has not produced its checks in rebuttal.

During all of this reduction and its attendant suffering none of the salaries of the officers, managers, or superintendents were reduced. (b) Reductions in these would not have been so severely felt, would have shown good faith, would have relieved the harshness of the situation, and would have evinced genuine sympathy with labor in the disasters of the times.

a See testimony of Thomas W. Heathcoate, questions 88, 107, and 108.

b See testimony of George M. Pullman, questions 358 and 359.

In its statements to the public, which are in evidence, the company represents that its object in all it did was to continue operations for the benefit of its workmen and of trades people in and about Pullman and to save the public from the annoyance of interrupted travel. The commission thinks that the evidence shows that it sought to keep running mainly for its own benefit as a manufacturer, that its plant might not rust, that its competitors might not invade its territory, that it might keep its cars in repair, that it might be ready for resumption when business revived with a live plant and competent help, and that its revenue from its tenements might continue. (*a*)

RENTS.

If we exclude the æsthetic and sanitary features at Pullman, the rents there are from 20 to 25 per cent higher than rents in Chicago or surrounding towns for similar accommodations. (*b*) The æsthetic features are admired by visitors, but have little money value to employees, especially when they lack bread. The company aims to secure 6 per cent upon the cost of its tenements, which cost includes a proportionate share for paving, sewerage, water, parks, etc. It claims now to receive less than 4 per cent. It has some brickmakers' cottages upon which, at \$8 per month, it must obtain at least 40 per cent return upon their value. (*c*) These are, however, exceptional. The company makes all repairs, and heretofore has not compelled tenants to pay for them. Under the printed leases, however, which tenants must sign, they agree to pay for *all repairs* which are either necessary (ordinary wear and damages by the elements *not* excepted) or which the company *chooses* to make.

The company's claim that the workmen need not hire its tenements and can live elsewhere if they choose is not entirely tenable. The fear of losing work keeps them in Pullman as long as there are tenements unoccupied, because the company is supposed, as a matter of business, to give a preference to its tenants when work is slack. The employees, believing that a tenant at Pullman has this advantage, naturally feel some compulsion to rent at Pullman, and thus to stand well with the management. (*d*) Exceptional and necessary expert workmen do not share this feeling to the same extent and are more free to hire or own homes elsewhere. (*e*) While reducing wages the company made no

a See testimony of George M. Pullman, questions 350 to 357.

b See testimony of Isaiah Campbell, questions 22 to 35 inclusive; testimony of L. H. Johnson, questions 50 to 52; testimony of Duane Doty, questions 12 to 16; testimony of Andrew W. Pearson; testimony of Rev. M. L. Wickman, questions 8 and 15.

c See testimony of Duane Doty, questions 1, 2, 8 to 23, and 28 to 36 inclusive; testimony of George M. Pullman, page 530; testimony of L. H. Johnson, questions 53 and 54.

d See testimony of Thomas W. Heathcoate, questions 75 and 76; testimony of Rev. M. L. Wickman, questions 9 to 12 inclusive, and 21 and 22.

e See testimony of Rev. M. L. Wickman, questions 12 and 13.

reduction in rents. Its position is that the two matters are distinct, and that none of the reasons urged as justifying wage reduction by it as an employer can be considered by the company as a landlord.

The company claims that it is simply legitimate business to use its position and resources to hire in the labor market as cheaply as possible and at the same time to keep rents up regardless of what wages are paid to its tenants or what similar tenements rent for elsewhere; to avail itself to the full extent of business depression and competition in reducing wages, and to disregard these same conditions as to rents. No valid reason is assigned for this position except simply that the company had the power and the legal right to do it.

Prior to the so-called "truck" law in Illinois, rent was deducted from the wages. (a) Since then a check is given for the amount of the rent and another for the balance due for wages. (b) There is nothing to prevent the payee of the check from cashing it outside of the bank, but as the bank is rent collector it presses for the rent and is aided in collecting it by knowledge on the part of the tenant that by arrears he may lose his job. (c) At the time of the strike about \$70,000 of unpaid rents had accumulated. (d) It is fair to say that this accumulation of unpaid rent was due to leniency on the part of the company toward those who could not pay the rent and support their families. Neither have any actual evictions taken place. The company has held these matters in abeyance pending wage reductions and strike difficulties.

SHOP ABUSES.

Shop abuses also played some part in the controversy. The employees claimed that foremen were arbitrary and oppressive and mistreated the men in various ways. (e) It is likely that this arose largely from the friction caused by wage reductions and the more stringent shop rules needed to repress growing discontent. In times of depression the officers, directors, managers, superintendents, and foremen of large corporations are forced by their representative positions to bear down on labor with such weight, in order to protect stockholders against loss, that labor becomes sore and sensitive in small matters that might otherwise be overlooked. When these minor grievances were presented to the management a speedy investigation and correction were promised. The investigation was promptly begun before the employees struck.

a See testimony of Edward F. Bryant, question 69.

b See testimony of Edward F. Bryant, pages 515 and 516.

c See testimony of Edward F. Bryant, pages 515 and 516; also questions 77 to 79 inclusive, and 140; also testimony of Thomas W. Heathcoate, question 87.

d See testimony of George W. Howard, in question 32; testimony of Thomas W. Heathcoate, question 73; also testimony of Edward F. Bryant, questions 126 to 131 inclusive.

e See testimony of R. W. Coombs, question 27; testimony of H. O. Lindeblad, in question 5.

THE STRIKE.

The reductions at Pullman after September, 1893, were the result of conferences among the managers; the employees for the first time knew of them when they took effect. No explanations or conferences took place until May 7 and 9 in regard thereto between the employees and the officers of the company. For the reasons stated the employees at Pullman were during the winter in a state of chronic discontent.^(a) Upon May 7 and 9 a committee of 46 from all the departments waited upon the management and urged the restoration of wages to the basis of June, 1893. The company refused this, and offered no concession as to wages whatever, maintaining and explaining that business conditions did not justify any change. The company based its entire contention as to every department upon the facts in reference to car building^(b) to which we have alluded, and offered to show its books and figures as to the cost and selling prices of cars. This offer, on account of the strike intervening, was not acted upon. Had it been, it would have resulted in the figures we have noted as to car-building contracts. The purpose of the management was obviously to rest the whole matter upon cost, etc., in its most seriously crippled department, excluding from consideration the facts as to wages in the repair department, to which we have alluded.

The demand of the employees for the wages of June, 1893, was clearly unjustifiable. The business in May, 1894, could not pay the wages of June, 1893. Reduction was carried to excess, but the company was hardly more at fault therein than were the employees in insisting upon the wages of June, 1893. There was little discussion as to rents, the company maintaining that its rents had nothing to do with its wages and that its revenue from its tenements was no greater than it ought to receive. Miss Curtis testified as to this as follows:

We stated our grievances to Mr. Wickes and told him we wanted our wages raised; he said it was impossible to raise them, as the company was losing money on its contracts and it could not possibly raise our wages a cent. We then asked if they did not think they could lower rents a little. He said, "No; it was utterly impossible to lower the rents one penny, as they were only receiving about 3 per cent on their investment now, and were losing money on contracts just to enable their men to have work." Mr. Wickes then appointed another interview with us the following Wednesday, and we went down again and saw Mr. Pullman; he said he could not raise our wages nor lower the rents.

The company had a legal right to take this position, but as between man and man the demand for some rent reduction was fair and reason-

^a See testimony of Axel Lundgren, questions 4 to 12 inclusive; testimony of Pullman employees generally; also statement of Pullman employees attached to testimony of Sylvester Keliher.

^b See pamphlet introduced by Thomas H. Wickes in his testimony, pages 578 to 586; testimony of George M. Pullman, question 45, etc.; see also note c, page XXXIII.

able under all the circumstances. Some slight concession in this regard would probably have averted the strike, provided the promise not to discharge men who served upon the committee had been more strictly regarded.

The next day, May 10, three of the committee were laid off by foremen for alleged lack of work, (a) not an unusual proceeding. Those who made the promise had nothing to do with this action and deny knowledge of it at the time. The foremen who did it are suspected by the employees of concluding that some laying off of committeemen just at that crisis would have a good effect and would accord with the policy and general views of the company. The foremen, however, deny this. This incident was inopportune and unfortunate, to say the least, and ought to have been more carefully guarded against by the company. An explanation of this occurrence was not asked for by the employees, as it ought to have been, before striking. •

On the evening of May 10 the local unions met and voted to strike at once. The strike occurred on May 11, and from that time until the soldiers went to Pullman, about July 4, three hundred strikers were placed about the company's property, professedly to guard it from destruction or interference. This guarding of property in strikes is, as a rule, a mere pretense. Too often the real object of guards is to prevent newcomers from taking strikers' places, by persuasion, often to be followed, if ineffectual, by intimidation and violence. The Pullman company claims this was the real object of these guards. The strikers at Pullman are entitled to be believed to the contrary in this matter, because of their conduct and forbearance after May 11. It is in evidence, and uncontradicted, that no violence or destruction of property by strikers or sympathizers took place at Pullman, (b) and that until July 3 no extraordinary protection was had from the police or military against even anticipated disorder. (c)

Such dignified, manly, and conservative conduct in the midst of excitement and threatened starvation is worthy of the highest type of American citizenship, and with like prudence in all other directions will result in due time in the lawful and orderly redress of labor wrongs. To deny this is to forswear patriotism and to declare this Government and its people a failure.

As soon as the strike was declared the company laid off its 600 employees who did not join the strike, and kept its shops closed until August 2. During this period the Civic Federation of Chicago, composed of eminent citizens in all kinds of business and from all grades of respectable society, called upon the company twice to urge concili-

^a See testimony of George W. Howard, question 22; also statement of W. C. Philpott in testimony of Thomas H. Wickes, page 587.

^b See testimony of Axel Lundgren, questions 41, 43, 46, and 47; also statement of Thomas H. Wickes, page 591.

^c See testimony of Thomas W. Heathcote, page 417.

ation and arbitration. The company reiterated the statement of its position, and maintained that there was nothing to arbitrate; that the questions at issue were matters of fact and not proper subjects of arbitration. The Civic Federation suggested that competition should be regarded in rents as well as in wages. The company denied this. Wages and rents were to it separate matters; the principles applicable to one had no relation to the other. Later it gave the same answer to a committee of its employees. Upon June 15 and 22 it declined to receive any communication from committees of the American Railway Union, one proposition of that body being that the company select two arbitrators, the court two, and these four a fifth, to determine whether there was anything to arbitrate. The company also refused to consider any arbitration at the solicitation of the common council of Chicago, and repeated its stereotyped answer that there was nothing to arbitrate when appealed to by Mayor Pingree, of Detroit, himself a large manufacturer, whom Mayor Hopkins accompanied to Pullman. At that interview Mayor Pingree claimed to have telegrams from the mayors of over fifty of the largest cities, urging that there should be arbitration.

RAILROAD STRIKE.

Between June 9 and June 26 a regular convention of the American Railway Union was held with open doors at Chicago, representing 465 local unions and about 150,000 members, as claimed. The Pullman matter was publicly discussed at these meetings before and after its committees above mentioned reported their interviews with the Pullman company. On June 21 the delegates, under instructions from their local unions, unanimously voted that the members of the union should stop handling Pullman cars on June 26 unless the Pullman company would consent to arbitration. On June 26 the boycott and strike began. The strike on the part of the railroad employees was a sympathetic one. No grievances against the railroads had been presented by their employees, nor did the American Railway Union declare any such grievances to be any cause whatever of the strike. To simply boycott Pullman cars would have been an incongruous step for the remedy of complaints of railroad employees. Throughout the strike the strife was simply over handling Pullman cars, the men being ready to do their duty otherwise.^(a) The contracts between the railroads and the Pullman company as to Pullman cars created such close relations between them as to increase the natural sympathy of organization between the members of the American Railway Union upon railroads and their brothers at Pullman. It is also apparent that the readiness

^a See testimony of Eugene V. Debs, questions 29 and 74; preamble and resolution of General Managers' Association, adopted June 25, 1894, in testimony of E. St. John; testimony of George W. Howard, question 100; testimony of Frank T. McDonald, question 14. Other witnesses on behalf of employees give testimony of a like character.

to strike sympathetically was promoted by the disturbed and apprehensive condition of railroad employees resulting from wage reductions on different lines, blacklisting, etc., and from the recent growth and development of the General Managers' Association, which seemed to them a menace. (a) Hence the railroad employees were ripe to espouse the cause of the Pullman strikers. In some instances they struck in disregard of existing contracts between their different organizations and the railroads, notably upon the Illinois Central. They evaded the responsibility of their organizations for this conduct by claiming to act as individuals. They justified themselves under the idea of balancing wrongs.

After June 26 the officers and agents of the union managed and urged on the strike at every available point upon the railroads centering at Chicago until it reached proportions far in excess of their original anticipations, and led to disorders beyond even their control. Urgent solicitations and appeals to strike and to stand firm continued in the many public meetings held each day in and about Chicago, and appear in the telegrams sent about the country.

On July 7 the principal officers of the American Railway Union were indicted, arrested, and held under \$10,000 bail. Upon July 13 they were attached for contempt of the United States court in disobeying an injunction issued on July 2 and served on the 3d and 4th, enjoining them, among other things, from compelling, or inducing by threats, intimidation, persuasion, force, or violence, railroad employees to refuse or fail to perform their duties. It is seriously questioned, and with much force, whether courts have jurisdiction to enjoin citizens from "persuading" (b) each other in industrial or other matters of common interest. However, it is generally recognized among good citizens that a mandate of a court is to be obeyed until it is modified and corrected by the court that issued it.

ACTION OF FEDERATED UNIONS.

Upon July 12, at the request of the American Railway Union, about 25 of the executive officers of national and international labor unions affiliated with the American Federation of Labor met at Chicago. The situation was laid before them. The conference concluded that the strike was then lost; that a general sympathetic strike throughout the country would be unwise and inexpedient, and, at the time, against the best interests of labor. This conference issued a strong and temperate address to members, expressing sympathy with the purposes of the American Railway Union, advising those on strike to return to work, and urging that labor organize more generally, combine more closely, and seek the correction of industrial evils at the ballot box. To some

a See testimony of Eugene V. Debs, pages 132 to 134.

b See decision of Mr. Justice Harlan *in re* P. M. Arthur et al. v. Thomas F. Oakes et al. in the circuit court of the eastern district of Wisconsin, October 1, 1894.

extent the trade unions of Chicago had struck in sympathy, but this movement was checked by the action of the conference of the 12th and extended no further. This action indicates clearer views by labor as to its responsibilities, the futility of strikes, and the appropriate remedies in this country for labor wrongs.

Upon July 13 the American Railway Union, through the mayor of Chicago, sent a communication to the General Managers' Association offering to declare the strike off, provided the men should be restored to their former positions without prejudice, except in cases where they had been convicted of crime. The General Managers' Association in advance advertised that it would receive no communication whatever from the American Railway Union, and when received returned it unanswered. With reference to this, John M. Egan, strike manager of the General Managers' Association, testified as follows:

A few days later I was out of the office for awhile, and on my return I found the mayor and Alderman McGillen talking to Mr. St. John. I went into the room and Mr. St. John told me the mayor had come there with a letter signed by the officers of the American Railway Union. I told the mayor I thought he should not have permitted himself to be a messenger boy for those parties, and that I further considered that the General Managers' Association should not receive any such document. The document was left there, and during the afternoon I was requested to take the document back to the mayor. I endeavored to find him, but found he had gone to Kensington. I endeavored to reach him by telephone, but, as it was growing late and I could not locate him, I took the document back to the city hall and gave it to the chief of police, with the request that he place it on the mayor's desk, so he would receive it early the next morning. I wrote a letter in which I stated to the mayor that the General Managers' Association did not consider they should receive any such document. On my return to the office I was able to locate the mayor at Kensington, but they told me he had retired for the night, but I telegraphed the contents of the letter, with a request to the party who received it that he deliver it to the mayor that night. That is all I know about any overtures.

Q. 18. Was there anything in the document itself that was offensive or insulting to you?—Ans. The document was printed in the papers that afternoon and the next morning, and I think it speaks for itself.

Q. 19. Did you consider it offensive or insulting?—Ans. I considered that any party who attacked railway companies as the American Railway Union had done, and were whipped, as I considered they were, it was displaying considerable cheek to dictate the terms of their surrender.

Q. 20. You do not answer my question; I asked you if there was anything in the document itself that was offensive or insulting to you?—Ans. I don't know as I would be the judge of that.

Q. 21. What is your opinion about it?—Ans. I have not the authority to say whether it was insulting to the general managers or anything of that kind.

Q. 22. Did you return it on that account, because the terms of the document were offensive or insulting to you or to the managers?—Ans. Well, the managers requested it to be returned.

Q. 23. Was that the reason you returned it?—Ans. That was the reason I returned it; yes, sir.

Q. 24. Is it not a fact that instead of being offensive in its character so far as the composition was concerned, it was a document courteously composed and looking toward the settlement of a great and destructive strike that was then in progress?—Ans. Well, as I said, the document speaks for itself. I considered that the matter was settled then, practically.

In reply to this Mayor Hopkins testified:

I want to say in this connection that the papers quote Mr. Egan as saying in his testimony that he told the mayor he should not be a messenger boy for those men. I want to say emphatically that Mr. Egan never said that to me; I don't think I would have allowed him to say it.

At this date, July 13, and for some days previous, the strikers had been virtually beaten. The action of the courts deprived the American Railway Union of leadership, (a) enabled the General Managers' Association to disintegrate its forces, and to make inroads into its ranks. The mobs had worn out their fury, or had succumbed to the combined forces of the police, the United States troops and marshals, and the State militia. The railroads were gradually repairing damages and resuming traffic with the aid of new men and with some of those strikers who had not been offensively active or whose action was laid to intimidation and fear. At this juncture the refusal of the General Managers' Association to treat with the American Railway Union was certainly not conciliatory; it was not unnatural, however, because the association charged the American Railway Union with having inaugurated an unjustifiable strike, laid at its door the responsibility for all the disorder and destruction that had occurred, and, as the victor in the fight, desired that the lesson taught to labor by its defeat should be well learned.

The policy of both the Pullman company and the Railway Managers' Association in reference to applications to arbitrate closed the door to all attempts at conciliation and settlement of differences. The commission is impressed with the belief, by the evidence and by the attendant circumstances as disclosed, that a different policy would have prevented the loss of life and great loss of property and wages occasioned by the strike.

ACTION OF THE GENERAL MANAGERS' ASSOCIATION (b).

On June 22 an officer of the Pullman company met the general managers by invitation, and the general managers, among other things, resolved:

That we hereby declare it to be the lawful right and duty of said railway companies to protest against said proposed boycott; to resist the same in the interest of their existing contracts, and for the benefit of the traveling public, and that we will act unitedly to that end.

a See testimony of Eugene V. Debs, questions 77 and 78.

b See testimony of E. St. John, page 250, as to resolution above quoted; as to the association generally, see testimony of E. St. John, pages 241 to 260; also see testimony of John M. Egan, commencing on page 269.

From June 22 until the practical end of the strike the General Managers' Association directed and controlled the contest on the part of the railroads, using the combined resources of all the roads to support the contentions and insure the protection of each. On June 26 we find in the proceedings of the association the following statement:

A general discussion of the situation followed. It was suggested that some common plan of action ought to be adopted in case employees refused to do switching of passenger trains with Pullman cars, but were willing to continue all of their other work, and it was the general expression that in case any man refused to do his duty he would be discharged.

Headquarters were established; agencies for hiring men opened; as the men arrived they were cared for and assigned to duty upon the different lines; a bureau was started to furnish information to the press; the lawyers of the different roads were called into conference and combination in legal and criminal proceedings; the general managers met daily to hear reports and to direct proceedings; constant communication was kept up with the civil and military authorities as to the movements and assignments of police, marshals, and troops. (a) Each road did what it could with its operating forces, but all the leadership, direction, and concentration of power, resources, and influence on the part of the railroads were centered in the General Managers' Association. That association stood for each and all of its 24 combined members, and all that they could command, in fighting and crushing the strike.

VIOLENCE AND DESTRUCTION OF PROPERTY AND MILITARY PROCEEDINGS.

The figures given as to losses, fatalities, destruction of property, and arrests for crime tell the story of violence, intimidation, and mob rule better than it can be described. Chicago is a vast metropolis, the center of an activity and growth unprecedented in history, and combining all that this implies. Its lawless elements are at present augmented by shiftless adventurers and criminals attracted to it by the Exposition and impecuniously stranded in its midst. In the mobs were also actively present many of a certain class of objectionable foreigners, who are being precipitated upon us by unrestricted immigration. No more dangerous place for such a strike could be chosen.

The strike, as a strike and as is usual with strikes, presented an opportunity to these elements to burn and plunder, and to violate the laws and ordinances of the city, State, and nation. Superintendent of Police Brennan swears as follows:

On the 26th of June the mayor directed me to use the whole police force in preserving the peace, protecting property, and preventing violence, and from that time on until the arrival of the troops I think I succeeded pretty well. So far as I understand, there had not been very much violence or depredations committed prior to the 3d of July, when

a See testimony of John M. Egan, question 4.

the troops arrived. *At that time the indications looked bad and the arrival of the troops, I think, was opportune.*

Q. 7. Why do you say the situation was threatening then?—Ans. At that time my police force had been on duty constantly for nine or ten days and the calls from the railway companies were so numerous and became so frequent that it more than absorbed the whole police department to supply all calls and demands. I had, at that time, 3,000 or 3,100 men in service, and every one of them was engaged in that particular business of preventing violence.

Q. 8. Did you have to keep part of that force in other portions of the city?—Ans. Yes, sir; this trouble extended all over the city; this city is practically a network of railways, and the territory being quite large—about 195 square miles, I believe—and to cover that territory, which is filled with railway tracks, yards, towers, switch houses, and freight houses, it can readily be seen that it would absorb the whole police force.

This appears to be a correct statement of the situation prior to July 3. The police force of Chicago, including the reserves, is not more than sufficient for the protection of the city under normal conditions, and it was during the strike placed under excessive and unusual strain. As a body, the police were courageous and efficient. We have in the evidence the authority of railroads for this statement. Some railroads charged the police with inefficiency and with failing to discharge their duties through sympathy with strikers. These charges have not been proved. The mayor directed suspension and discharge for any such cause, and some suspensions occurred on charges, but investigation disclosed no evidence to sustain them. The disorders at Blue Island were outside the city of Chicago. Appropriate orders for the police to cooperate with the troops were issued. That policemen sympathized with strikers rather than with the corporations can not be doubted, nor would it be surprising to find the same sentiment rife among the military. These forces are largely recruited from the laboring classes. Indeed, the danger is growing that in strike wars between corporations and employees, military duty will ultimately have to be done by others than volunteers from labor ranks.

The military and police confined themselves to their duty of arresting criminals, dispersing mobs, and guarding property. United States deputy marshals, to the number of 3,600, were selected by and appointed at request of the General Managers' Association, and of its railroads. (a) They were armed and paid by the railroads, and acted in the double capacity of railroad employees and United States officers. While operating the railroads they assumed and exercised unrestricted United States authority when so ordered by their employers, or whenever they regarded it as necessary. They were not under the direct control of any Government official while exercising authority. This is placing

^a See testimony of John M. Egan, questions 4, and 8 to 12 inclusive; testimony of E. St. John, page 233; testimony of Deputy United States Marshal Donnelly, questions 2 to 7 inclusive, and 22 to 28 inclusive.

officers of the Government under control of a combination of railroads. It is a bad precedent, that might well lead to serious consequences.

There is no evidence before the commission that the officers of the American Railway Union at any time participated in or advised intimidation, violence, or destruction of property. They knew and fully appreciated that as soon as mobs ruled the organized forces of society would crush the mobs and all responsible for them in the remotest degree, and that this meant defeat. The attacks upon corporations and monopolies by the leaders in their speeches are similar to those to be found in the magazines and industrial works of the day.

Much stress has been laid upon the following dispatch, which Mr. Debs denies sending. It went, however, from the headquarters of the union, and that body is responsible for whatever it means:

CHICAGO, *July 2, 1894.*

To COURTHEAD, *South Butte, Mont.:*

The G. M. are weakening. If strike not settled in forty-eight hours complete paralysis will follow. Potatoes and ice out of sight. Save your money and buy a gun.

E. V. DEBS.

The union insists that a young clerk named Benedict sent this dispatch to a friend; that the expression "buy a gun" was one used between them and had no reference to the strike. Nothing like this is found elsewhere among the dispatches before the commission.

The participation of strikers in riotous proceedings is another and more serious matter. As to this, the commission has before it not only the evidence of parties interested for or against the strikers, but a vast amount of testimony from disinterested sources. Among these are the mayor and the officials of the police and fire departments of Chicago and the reporters of the newspapers of that city representing all shades of opinion as to the strike question. These latter witnesses were in the midst of the occurrences from day to day and observed events with keenly trained faculties. From this testimony it is fair to conclude that strikers were concerned in the outrages against law and order, although the number was undoubtedly small as compared with the whole number out. The strikers' experience and training were to be seen in the spiking and misplacing of switches, removing rails, crippling of interlocking systems, the detaching, side tracking, and derauling of cars and engines, placing of coupling pins in engine machinery, blockading tracks with cars, and attempts to detach and run in mail cars. The commission is of opinion that offenses of this character, as well as considerable threatening and intimidation of those taking strikers' places, were committed or instigated by strikers.

The mobs that took possession of railroad yards, tracks, and crossings after July 3, and that stoned, tipped over, burned, and destroyed cars and stole their contents, were, by general concurrence in the testimony, composed generally of hoodlums, women, a low class of for-

eigners, and recruits from the criminal classes. Few strikers were recognized or arrested in these mobs, which were without leadership, and seemed simply bent upon plunder and destruction. They gathered wherever opportunity offered for their dastardly work, and, as a rule, broke and melted away when force faced them. In the view that this railroad strike was wrong; that such mobs are well known to be incidental to strikes, and are thereby given an excuse and incentive to gather and to commit crime, the responsibility rests largely with the American Railway Union; otherwise that association, its leaders, and a very large majority of the railroad men on strike are not shown to have had any connection therewith. Labor advocates contend that strikes are the last resort; that they are the industrial war measures of labor to assert and obtain the rights which humanity, morality, and changed conditions demand; that labor can not otherwise arouse interest in its demands, and that, hence, labor is no more responsible for the public disorders and calamities that attend strikes than are the employers who provoke them. Many impartial observers are reaching the view that much of the real responsibility for these disorders rests with the people themselves and with the Government for not adequately controlling monopolies and corporations, and for failing to reasonably protect the rights of labor and redress its wrongs. None assert that laws can completely remedy contentions as to wages, etc., but many do insist that something substantial can be accomplished in this direction if attempted honestly, reasonably, and in good faith.

CONCLUSIONS AND RECOMMENDATIONS.

The commission has tried to find the drift of public opinion as to strikes, boycotts, and labor disputes upon railroads, and to find their remedy. The invitation freely extended in this direction has brought before the commission many expressions of views, orally and by written communications. A condensation of these latter is presented with this report. In reaching its conclusions the commission has endeavored, after careful consideration, to give due weight to the many suggestions and arguments presented. It is encouraging to find general concurrence, even among labor leaders, in condemning strikes, boycotts, and lockouts as barbarisms unfit for the intelligence of this age, and as, economically considered, very injurious and destructive forces. Whether won or lost is broadly immaterial. They are war—internecine war—and call for progress to a higher plane of education and intelligence in adjusting the relations of capital and labor. These barbarisms waste the products of both capital and labor, defy law and order, disturb society, intimidate capital, convert industrial paths where there ought to be plenty into highways of poverty and crime, bear as their fruit the arrogant flush of victory and the humiliating sting of defeat, and lead to preparations for greater and more destructive conflicts. Since nations have grown to the wisdom of avoiding disputes by conciliation, and even of settling

them by arbitration, why should capital and labor in their dependence upon each other persist in cutting each other's throats as a settlement of differences? Official reports show that much progress has been made in the more sane direction of conciliation and arbitration even in America. Abroad they are in advance of us in this policy. Were our population as dense and opportunities as limited as abroad, present industrial conditions would keep us much more disturbed than we now are by contests between capital and labor.

In England, prior to 1824, it was conspiracy and felony for labor to unite for purposes now regarded there by all classes as desirable for the safety of the Government, of capital, and for the protection of the rights of labor. All industrial labor is there, as a rule, covered by unions trained to greater conservatism through many disastrous conflicts under harsh conditions and surroundings. Capital abroad prefers to deal with these unions rather than with individuals or mobs, and from their joint efforts in good faith at conciliation and arbitration much good and many peaceful days have resulted. In fifteen of our States arbitration in various forms is now provided by law; the United States and eleven States have sanctioned labor organizations by statute. Some of our courts, however, are still poring over the law reports of antiquity in order to construe conspiracy out of labor unions. We also have employers who obstruct progress by perverting and misapplying the law of supply and demand, and who, while insisting upon individualism for workmen, demand that they shall be let alone to combine as they please and that society and all its forces shall protect them in their resulting contentions.

The general sentiment of employers, shared in by some of the most prominent railroad representatives we have heard, is now favorable to organization among employees. (a) It results in a clearer presentation and calmer discussion of differences, instils mutual respect and forbearance, brings out the essentials, and eliminates misunderstandings and immaterial matters. To an ordinary observer, argument to sustain the justice and necessity of labor unions and unity of action by laborers is superfluous.

The rapid concentration of power and wealth, under stimulating legislative conditions, in persons, corporations, and monopolies has greatly changed the business and industrial situation. Our railroads were chartered upon the theory that their competition would amply protect shippers as to rates, etc., and employees as to wages and other conditions. Combination has largely destroyed this theory, and has seriously disturbed the natural working of the laws of supply and demand, which, in theory, are based upon competition for labor between those who "demand" it as well as among those who supply it. The interstate commerce act and railroad-commission legislation in over thirty States are simply efforts of the people to free themselves from the results of

a See testimony of Albert W. Sullivan, questions 42 to 52 inclusive.

this destruction of competition by combination. Labor is likewise affected by this progressive combination. While competition among railroad employers of labor is gradually disappearing, competition among those who supply labor goes on with increasing severity. For instance, as we have shown, there is no longer any competitive demand among the 24 railroads at Chicago for switchmen. They have ceased competing with each other; they are no longer 24 separate and competing employers; they are virtually one. To be sure, this combination has not covered the whole field of labor supply as yet, but it is constantly advancing in that direction. Competition for switchmen's labor still continues with outside employers, among whom, again, we find a like tendency to eliminate competitive demand for labor by similar combination. In view of this progressive perversion of the laws of supply and demand by capital and changed conditions, no man can well deny the right nor dispute the wisdom of unity for legislative and protective purposes among those who supply labor.

However men may differ about the propriety and legality of labor unions, we must all recognize the fact that we have them with us to stay and to grow more numerous and powerful. Is it not wise to fully recognize them by law; to admit their necessity as labor guides and protectors, to conserve their usefulness, increase their responsibility, and to prevent their follies and aggressions by conferring upon them the privileges enjoyed by corporations, with like proper restrictions and regulations? The growth of corporate power and wealth has been the marvel of the past fifty years. Corporations have undoubtedly benefited the country and brought its resources to our doors. It will not be surprising if the marvel of the next fifty years be the advancement of labor to a position of like power and responsibility. We have heretofore encouraged the one and comparatively neglected the other. Does not wisdom demand that each be encouraged to prosper legitimately and to grow into harmonious relations of equal standing and responsibility before the law? This involves nothing hostile to the true interests and rights of either.

A broad range of remedies is presented to the commission as to the best means of adjusting these controversies, such as Government control or ownership of railroads; compulsory arbitration; licensing of employees; the single-tax theory; restriction of immigration and exclusion of pauper labor; protection of American industries; monetary legislation; suppression of trusts and combinations; written contracts requiring due notice of discharge by employers and of leaving service by employees; United States labor commission to investigate and fix hours of labor, rates of wages, etc.; a fixed labor unit; authority to courts to settle these questions; insurance departments and pensioning of employees; fixing hours of labor and minimum rates of wages by statute; change in law of liability of master to servant; and various suggestions for relief, outside of any legislative action, through educa-

tional methods tending to the inculcation of mutual forbearance and just consideration of each other's rights in the premises.

The commission deems recommendations of specific remedies premature. Such a problem, for instance, as universal Government ownership of railroads is too vast, many-sided, and far away, if attempted, to be considered as an immediate, practical remedy. It belongs to the socialistic group of public questions where Government ownership is advocated of monopolies, such as telegraphs, telephones, express companies, and municipal ownership of waterworks, gas and electric lighting, and street railways. These questions are pressing more urgently as time goes on. They need to be well studied and considered in every aspect by all citizens. Should continued combinations and consolidations result in half a dozen or less ownerships of our railroads within a few years, as is by no means unlikely, the question of Government ownership will be forced to the front, and we need to be ready to dispose of it intelligently. As combination goes on there will certainly at least have to be greater Government regulation and control of quasi-public corporations than we have now.

Whenever a nation or a state finds itself in such relation to a railroad that its investments therein must be either lost or protected by ownership, would it not be wise that the road be taken and the experiment be tried as an object lesson in Government ownership? The Massachusetts Railroad Commission, which is noted for its eminent services as a conservative pioneer in the direction of Government control of railroads through the force of public opinion, for several years urged that the experiment of State ownership be tried with the Fitchburg system, because of the large State investment in the Hoosac Tunnel. We need to fear everything revolutionary and wrong, but we need fear nothing that any nation can successfully attempt in directions made necessary by changed economic or industrial conditions. Other nations under their conditions own and operate telegraphs and railroads with varying results. Whether it is practicable for this nation to do so successfully when it becomes necessary to save an investment or when the people determine it shall be done, is an open and serious question which can not be answered fully except by actual experiment.

We ought now to inaugurate a permanent system of investigation into the relations between railroads and employees in order to prepare to deal with them intelligently, and that we may conservatively adopt such remedies as are sustained by public opinion for defects or wrongs that may from time to time appear. In the long contest between shippers and railroads penal and specific legislation proved inadequate. The lessons of this period of legislation need to be well remembered by labor. Hasty, revengeful, and retaliatory legislation injures every interest, benefits nobody, and can not long be enforced.

The question of the right of Congress to legislate in regard to the
S. Ex. 7—IV

conditions of employment and service upon railroads engaged in interstate commerce is a most important one, and the right seems by analogy to exist. Similar power as to rates, discriminations, poolings, etc., has been exercised in the act to regulate commerce, and has been sustained by the courts. The position of railroads as quasi-public corporations subjects them and their employees to this power, and imposes its exercise upon Congress as a duty, whenever necessary for the protection of the people. The question of what shall be done is therefore one of expediency and not of power. When railroads acted as judge and jury in passing upon the complaints of shippers, the people demanded and Congress granted a Government tribunal where shippers and railroads could meet on equal terms and have the law adjust their differences. In view of the Chicago strike and its suggested dangers, the people have the same right to provide a Government commission to investigate and report upon differences between railroads and their employees, to the end that interstate commerce and public order may be less disturbed by strikes and boycotts. Public opinion, enlightened by the hearings before such a commission, will do much toward settling many difficulties without strikes, and in strikes will intelligently sustain the side of right and justice and often compel reasonable adjustments. Experience, however, has taught that public opinion is not alone powerful enough to control railroads. Hence power to review and enforce the just and lawful decisions of the commission against railroads ought to be vested in the United States courts. There can be no valid objection to this when we bear in mind that we are now dealing simply with quasi-public corporations and not with either individuals or private corporations. What is safe and proper as to the former might be unsafe and unjust for the latter. That which is done under the act to regulate commerce as to rates can safely and ought properly to be done as to railroad wages, etc., by a commission and the courts.

Some stability and time for conciliation and amicable adjustment of disputes can also be secured by providing that labor unions shall not strike pending hearings which they seek; and that railroads shall not discharge men except for cause during hearings, and for a reasonable time thereafter. A provision may well be added requiring employees during the same period to give thirty days' notice of quitting and forbidding their unions from ordering or advising otherwise.

Many assert with force that no law can be justly devised to compel employers and employees to accept the decisions of tribunals in wage disputes. It is insisted that while the employer can readily be made to pay under an arbitration decision more than is or than he thinks is right, the employee can not practically be made to work. He can quit, or at least force his discharge, when the decision gives him less than he demands. Hence nothing reciprocal can be devised, and without that element it is urged that nothing just can be enacted of a compulsory nature. This may be true in general industries, but it has less

weight as between railroads and their labor. Railroads have not the inherent rights of employers engaged in private business; they are creatures of the state, whose rights are conferred upon them for public purposes, and, hence, the right and duty of Government to compel them to do in every respect what public interest demands are clear and free from embarrassment. It is certainly for the public interest that railroads shall not abandon transportation because of labor disputes, and, therefore, it is the duty of the Government to have them accept the decision of its tribunals, even though complete reciprocal obligations can not be imposed upon labor. The absence of such reciprocal obligations would rarely affect railroads unjustly, if we regard the question in a practical light.

Railroad employment is attractive and is sought for. There has never been a time in the history of railroads when men did not stand ready to fill a labor vacancy at the wages fixed by the roads. The number is constantly increasing. If railroads can thus always get the men that they need at what they offer, is there any doubt that the supply will be ample at any rates fixed by a commission and the courts? A provision as to notice of quitting, after a decision, would be ample to enable railroads to fill vacancies caused in their labor departments by dissatisfaction with decisions. To go further, under present conditions, at least, in coercing employees to obey tribunals in selling their labor would be a dangerous encroachment upon the inherent, inalienable right to work or quit, as they please.

When railroad employees secure greater certainty of their positions and of the right to promotion, compensation for injury, etc., it will be time enough to consider such strict regulation for them as we can now justly apply to railroads, whose rights are protected by laws and guarded by all the advantages of greater resources and more concentrated control.

In solving these questions, corporations seldom aid the efforts of the people or their legislators. Fear of change and the threatened loss of some power invariably make them obstructionists. They do not desire to be dealt with by any legislation; they simply want to be let alone, confident in their ability to protect themselves. Whatever is right to be done by statutes must be done by the people for their own protection, and to meet the just demand that railroad labor shall have public and impartial hearing of all grievances.

The commission does not pretend to present a specific solution of these questions. Its effort is simply to present the facts; to point out that the relations of capital and labor are so disturbed as to urgently demand the attention of all thinking and patriotic citizens; to suggest a line of search for practical remedial legislation which may be followed with safety, and, finally, to urge and invite labor and railroads to hearty cooperation with the Government and the people in efforts to substitute law and reason in labor disputes for the dangers, sufferings,

uncertainties, and wide-spread calamities incident to strikes, boycotts, and lockouts.

To secure prompt and efficient data for the formation of correct public sentiment in accordance with this line of thought, the commission contends that law should make it obligatory upon some public tribunal promptly to intervene by means of investigation and conciliation, and to report whenever a difficulty of the character of that occurring during the past season at Chicago arises. This intervention should be provided for, first, when the tribunal is called upon to interfere by both of the parties involved; second, when called upon by either of the parties, and, third, when in its own judgment it sees fit to intervene. The proper tribunal should have the right, in other words, to set itself in motion, and rapidly, too, whenever in its judgment the public is sustaining serious inconvenience. If the public can only be educated out of the belief that force is and must always remain the basis of the settlement of every industrial controversy, the problem becomes simplified. A tribunal, however, should not intervene in mere quarrels between employer and employed, unless the public peace or convenience is involved; but where it is a clear case of public obstruction, whether caused by individuals or by a corporation, a tribunal should not wait until called on by outside agencies to act. All parties concerned should be notified that the tribunal proposes, upon a certain day—and the earlier the day the better—to be at a given place, there to look into the cause of the trouble, to adjust the difficulties by conciliation, if possible, and, in the event of failure, to fix the responsibility for the same. Proceeding in this way the report of such a commission would cause public opinion promptly to settle the question, or, at least, to fix the responsibility where it belonged, and to render successful opposition to the conclusions reached an improbability. To carry out this idea involves no complicated legislation.

As authorized by statute, the commission has decided upon certain recommendations and certain suggestions, growing out of its study of the Chicago strike and boycott. These recommendations and suggestions are upon three lines: First, for Congressional action; second, for State action; and third, for the action of corporations and labor organizations. It readily sees the impropriety to a certain extent of making any recommendation for State action, yet feels it a duty, as a result of its investigations, to make such suggestions as will enable citizens interested in State legislation to benefit by its experience, and also to make such suggestions to corporations and labor organizations as shall tend to harmonize some of the existing difficulties. The commission therefore recommends:

I.

(1) That there be a permanent United States strike commission of three members, with duties and powers of investigation and recommendation as to disputes between railroads and their employees

similar to those vested in the Interstate Commerce Commission as to rates, etc.

a. That, as in the interstate commerce act, power be given to the United States courts to compel railroads to obey the decisions of the commission, after summary hearing unattended by technicalities, and that no delays in obeying the decisions of the commission be allowed pending appeals.

b. That, whenever the parties to a controversy in a matter within the jurisdiction of the commission are one or more railroads upon one side and one or more national trade unions, incorporated under chapter 567 of the United States Statutes of 1885-86, or under State statutes, upon the other, each side shall have the right to select a representative, who shall be appointed by the President to serve as a temporary member of the commission in hearing, adjusting, and determining that particular controversy.

(This provision would make it for the interest of labor organizations to incorporate under the law and to make the commission a practical board of conciliation. It would also tend to create confidence in the commission, and to give to that body in every hearing the benefit of practical knowledge of the situation upon both sides.)

c. That, during the pendency of a proceeding before the commission inaugurated by national trade unions, or by an incorporation of employees, it shall not be lawful for the railroads to discharge employees belonging thereto except for inefficiency, violation of law, or neglect of duty; nor for such unions or incorporation during such pendency to order, unite in, aid, or abet strikes or boycotts against the railroads complained of; nor, for a period of six months after a decision, for such railroads to discharge any such employees in whose places others shall be employed, except for the causes aforesaid; nor for any such employees, during a like period, to quit the service without giving thirty days' written notice of intention to do so, nor for any such union or incorporation to order, counsel, or advise otherwise.

(2) That chapter 567 of the United States Statutes of 1885-86 be amended so as to require national trade unions to provide in their articles of incorporation, and in their constitutions, rules, and by-laws that a member shall cease to be such and forfeit all rights and privileges conferred on him by law as such by participating in or by instigating force or violence against persons or property during strikes or boycotts, or by seeking to prevent others from working through violence, threats, or intimidations; also, that members shall be no more personally liable for corporate acts than are stockholders in corporations.

(3) The commission does not feel warranted, with the study it has been able to give to the subject, to recommend positively the establishment of a license system by which all the higher employees or others of railroads engaged in interstate commerce should be licensed after due and proper examination, but it would recommend, and most urgently,

that this subject be carefully and fully considered by the proper committee of Congress. Many railroad employees and some railroad officials examined and many others who have filed their suggestions in writing with the commission are in favor of some such system. It involves too many complications, however, for the commission to decide upon the exact plan, if any, which should be adopted.

II.

(1) The commission would suggest the consideration by the States of the adoption of some system of conciliation and arbitration like that, for instance, in use in the Commonwealth of Massachusetts. That system might be reenforced by additional provisions giving the board of arbitration more power to investigate all strikes, whether requested so to do or not, and the question might be considered as to giving labor organizations a standing before the law, as heretofore suggested for national trade unions.

(2) Contracts requiring men to agree not to join labor organizations or to leave them, as conditions of employment, should be made illegal, as is already done in some of our States.

III.

(1) The commission urges employers to recognize labor organizations; that such organizations be dealt with through representatives, with special reference to conciliation and arbitration when difficulties are threatened or arise. It is satisfied that employers should come in closer touch with labor and should recognize that, while the interests of labor and capital are not identical, they are reciprocal.

(2) The commission is satisfied that if employers everywhere will endeavor to act in concert with labor; that if when wages can be raised under economic conditions they be raised voluntarily, and that if when there are reductions reasons be given for the reduction, much friction can be avoided. It is also satisfied that if employers will consider employees as thoroughly essential to industrial success as capital, and thus take labor into consultation at proper times, much of the severity of strikes can be tempered and their number reduced.

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