

the adjustment of relations between its component parts. Remove this ability to fight by compelling peace while the issue is submitted to a tribunal, and that tribunal will inevitably and unconsciously be swayed by adherence to the old away from digression into the new. It must ever be kept in mind that the struggle of labor for betterment is not merely a question of here and now. It is eternally a question of the future, and not to be a combatant, at least potentially, would be for labor to turn its face backward.

There is a conspicuous illustration of these facts, which are facts of human nature, in the outcome of the anthracite coal strike. That was a struggle that in time came to affect the public convenience, comfort and health as vitally as could the paralysis of any public service corporation. That struggle was brought to an end through adjudication by a tribunal of inquiry. Very well, but be it observed that the battle preceded the inquiry. Had there been in existence a tribunal empowered to pronounce a verdict upon the issues between the mine workers and the operators, it never would have made an award so favorable to the advance of civilization among the mass of inhabitants of the anthracite region as was made by the anthracite strike commission, for the reason that there never would have been made the demonstration by the workers that they were so terribly in earnest in their conviction that their demands were just, that they were willing to go hungry and even to see their wives and children suffer, rather than work upon oppressive terms. There has existed for generations in Russia an office holding class whose function was that of an industrial judiciary. Against industrial adjustment by this bureaucracy, it was a crime for workers to organize for appeal. The result was the evolution of industrial conditions so shocking as to be incredible to Occidental minds and to cause a revolt in demand of rights that our civilization has grown to treat as axiomatic and to take for granted. Establish in the midst of our civilization such an industrial tribunal as proposed and retrogression would ensue, perhaps slowly, but surely, toward the suppression of the toilers whose hands are tied.

MONOPOLY AND THE STRUGGLE OF CLASSES.

BY JOHN BATES CLARK.

[John Bates Clark; born Providence, R. I., Jan. 26, 1847; educated in public schools; spent two years at Brown university, and graduated from Amherst college in 1872; took special studies in economics and history for two years at the University of Heidelberg, and a half year at University of Zurich; has been professor political economy at Carleton college, Smith college, Amherst college, and lecturer at Johns Hopkins; professor of political economy at Columbia since July, 1895. Author: *The Philosophy of Wealth*; *The Distribution of Wealth*; *The Control of Trusts*, etc.]

A certain clerical socialist used to preface his public addresses with the statement, "Society is under conviction of sin." It certainly is under an indictment, and is inclined to plead guilty on some of the counts. It is not perfect, and it owns the fact. The socialist's theological term, however, implies that society is conscious of being in a state of total depravity, and confesses by implication that it needs to be destroyed and made over. Its very principle of action is, in this view, so bad that nothing can save the organism but a new creation.

In this sense the accusation does not seem to many people to be true, and the revolutionary change that the socialist calls for does not seem to be impending. What we must admit, however, is that the principle of monopoly is a bad one, and that in the business world it is becoming too nearly dominant. Trusts are seeking to create monopolies of products, and trade unions are trying to establish monopolies of labor. Does this movement really tend towards the absorption of all industry by the state? Appearances favor the side of those who believe in the permanence of private business.

Many are ready to say offhand that we have already given ourselves over to private monopoly, which stands for oppression and all evil, and that the only possible escape from impending disaster is socialism. Business is anything but free, when, in many a department, a single corporation has the field so nearly to itself that its few surviving competitors are at its mercy. The multimillionaire who controls such a corporation is the modern counterpart of the great baron of

feudal times. The field of his operation is industry, and the trust furnishes his particular domain. One of the most effective criticisms of society as it now is, bears the title, *Our Benevolent Feudalism*, and it makes much of the analogy between Europe under barons and America under industrial magnates.

With this seeming disappearance of competition, there has come a willingness on all sides to admit that while it lasted it was a power for good. When the enemies of the present order gleefully remark the departure of competition, they in reality pay to it a posthumous tribute. Now that it has gone, they say, the social state is becoming too bad to be endured. Ergo socialism. There is now little disposition to deny that the neck and neck rivalry of producers who are striving to undersell each other has cheapened production, which is the same thing as making labor fruitful. It has brought about a dazzling series of mechanical inventions whereby, in many a department, the product of a day's work has been multiplied by ten, and again by ten. It has worked, moreover, with a certain rude honesty—though not every one will admit this—since it has tended to give to each laborer what he is personally worth; and where it has not actually given it, the reason has been that the natural tendency has been thwarted by adverse influences. A good system may always be made to give an imperfect result, if the natural movement of it is here and there disturbed and obstructed. Competition has never worked in a perfectly free and unhindered way; but so far as it has worked, it has tended towards wealth, progress, and a rude approach to honesty in the sharing of the fruits of progress.

For monopoly there is no such thing to be said. He would be a bold attorney who would take a brief for it at all, and an infatuated one who would expect to defend it successfully before the great jury, the people. At the bar of public opinion it is condemned and outlawed, but unfortunately it is not actually banished. In spite of a universal protest, it is grimly asserting its power, and the issue of to-day, in which all others merge, is whether we shall rule it, or whether it shall rule us. For if we cannot rule it except by taking monopolized indus-

tries into the hands of the government, we shall in the end do even that. The logic of socialism is unimpeachable, if you grant its minor premise; for its major premise is one in which we are all agreed—the statement, namely, that a system of business founded on private monopoly is intolerable. Add, now, the proposition that the present system is thus founded, and you prove that this system is one which must, at all costs, be swept away; and if there is only one way to do this—through governmental absorption of our industries and their management in the name of the people—that way must be accepted. On the face the situation makes a strong plea for such a change, and wins thousands of converts. When we look a little deeper, we shall see that the action of monopoly in another sphere creates a practical barrier against a radical change of this kind. The trade union may seem friendly to socialism, but in principle it is opposed to it.

Are we, or are we not, given over to a régime of private monopolies in business? There is another syllogism which is here applicable, though in this case there is not a general agreement as to the truth of the minor premise, which is that a complete system of industries conducted by a democratic state would have results that would be intolerable. The major premise here is that the American people will never accept an intolerable situation, and the conclusion is that they must and will avoid the necessity for such a great public monopoly by curbing the power of private ones. Critics will declare that the people cannot do this, and the question whether they can and will do it is the one that is superseding all others in marshaling parties and giving shape to the struggles of classes. As between submitting to what is intolerable and doing what is impossible, an energetic people will do the impossible. They will make a way to do to-morrow what they cannot do to-day; and this probably means that they will fight it out on the line of regulation though it take many summers.

The whole attitude of classes towards each other has been transformed by the advent of the great monopolies. Socialism has gained supporters for the moderate parts of its program. It has itself learned to become evolutionary and Fabian, and to try to gain one point at a time. Whatever may be its

ulterior views, the battles in which it can hope to have practical success are fought with the aid of men who have little sympathy with its ultimate aims. There is rapidly coming into the field a big auxiliary force which will fight effectively for a few things and then stop, leaving the pronounced socialist to continue his fight unaided.

Socialism began its career by hitching its wagon to a star,—by holding before the eyes of its followers the vision of a transformed and perfected universe in which wrongs should be done away with and equality and fraternity should rule. The early philosophers of the school included in the picture a transformed man as well as a renovated society, since they perceived that evil must be taken out of human nature itself if the full results of the new system were to be realized; and there are those at present who will accept nothing less than this. They dread and repudiate the tendency to make small gains, and wait for the great ones. They denounce whatever is Fabian and opportunist, and insist upon everything or nothing. A few of them, the more consistent and less practical ones, decry trade unionism itself, since it involves making terms with employers and sharing gains with them—a policy which gives to the wages system a license to continue. Logically these men are the truest socialists, and yet it is clear that without the help of the trade unionists they can accomplish nothing. If the great mass of those who favor bringing the state into the industrial field were reduced to this radical and consistent nucleus, it would become what has been called a nice little, tight little party, much too small to count in a political election.

Now the action of different classes and the character of their struggles with each other will be governed, in the near future, by their attitude towards the immediate issues created by monopoly. The main effort of a powerful body will be expended in trying to realize the preliminary part of a socialistic program, and here will be seen that mingling of regulars and auxiliaries which makes this army formidable. It contains many who never think of abolishing private capital, and who will surely draw back when the line of contention moves forward and the changes demanded become radical. There

are in the force two distinct classes whose interests will impel them to drop out of the ranks when the march goes beyond a fairly well defined boundary. Is, then, the socialistic army getting large and dangerous? It is getting large, and therefore less dangerous than it might be; for it is gathering into its ranks elements that will disrupt when it attempts to do the more perilous things.

Who are the classes who thus mean present help and future trouble for the socialist party? Are there laborers among them? Radical socialism has been defined by one of its leaders as the political economy of the suffering classes, but that does not necessarily mean the political economy of the working classes. In a way all workmen are united, both in feeling and interest, against capital, since all of them want to make wages as high as they can at the cost of employers; yet it is very clear that they are not all in such a state of suffering that they can afford to throw away the advantages that they have. There have always been workmen whose skill has kept them well above the line of privation; there are now workmen whose organization keeps them there. Skill counts for less than it once did, but organization supplemented it as a means of creating an aristocracy of labor. The important question is, whether this favored body will, to the end, make common cause with the more democratic one? If organization causes some workingmen to thrive partly at the expense of others, there are limits to the extent of the co-operation of the two classes. Whether the gains of some are thus partly at the cost of others depends upon whether the different trade organizations are or are not monopolies. It is commonly said that most of them are so; and, if the statement is true, there must be something about the working of them that is contrary not only to the public interest, but to the interest of the remainder of the working class itself.

The whole relation of trade organizations to monopolies ought to be better understood than it has been. If there is such a taint upon them as current descriptions imply, it is not altogether their own fault; for with monopolies on the capitalistic side forming all about them, the temptation to get some of the benefits which they insure is irresistible, and

inevitably one of the foremost objects of the trade union will be to force employers to give them a share of the grab which they are getting for themselves. The trust thrives by a price raising policy. It keeps down the output of its goods in order that it may raise the market rate for them, and, in doing this, is shuts up some of its mills, and turns off some of its men. This naturally has the effect of depressing wages in the general field. The trust, whatever it may profess, aims to be a monopoly, and cannot be so without reducing the real wages of men outside of its own employment. It is perfectly natural, then, that the men in the trust's employment should wish to fare better, and to do so by getting a share of what the public is made to pay. This involves, indeed, participating in tainted gains; but the taint does not, in the first instance, adhere to the laborers. There are few persons who will say that, where a monopoly has already cut down its output of goods and has begun to realize its extortionate returns, its employees should hold their hands and refrain from getting as large a part of these gains as they can. In doing merely this, they do not make the burden on the public any heavier. Naturally they organize, and bring pressure to bear upon the trust; and this body, having a hostile public to face, is willing to avert any further attack. It wants no fire in the rear; and, if moderate concessions will keep its men quiet, it will probably make them.

It is possible for a strong organization of workmen, of their own motion, to make a trust pay something that does not thus come out of its own gains. Give us an advance in wages, and charge it to the public, is often the demand tacitly or openly expressed; and, in this case, the men are not merely asking for a part of what the trust is already charging to the public, but are proposing that the corporation should keep all that, and **make** a further charge for the men's benefit. And at this point, therefore, wages begin to show a monopolistic color of their own. This creates an issue between these particular men and the public, and it is of importance to discover what classes really compose this tax bearing public. Very largely it consists of workmen who are not getting monopolistic profits of any kind. Whenever we say the public

in this connection, what we necessarily mean is a body of people the majority of whom are laborers; and the demand for a concession at the cost of this public raises a sharp issue between labor that is strongly organized and the great mass of independent labor. Inherent in the situation is the motive impelling trade unions and trusts to form tacit alliances with each other to assure the gains that come by raising prices, and every such alliance makes one body of workmen help in oppressing another body.

Now a trade union may go even farther than this, and in a purely selfish way it may gain something by doing so. It may create a monopoly that is wholly its own. If a union in a building trade gets secure possession of a local field, and completely excludes outside labor from this territory, it is able to establish its own schedule of pay, and make employers concede it. So long as contractors are not in a combination, they have no means of securing for themselves any monopolistic profits. They are forced to make their estimates of the cost of buildings larger whenever the scale of wages is raised; and the greater part of what the public pays in the way of enhanced cost of building goes, in this case, to labor rather than to capital. The competition of the contractors with each other, so long as it lasts, prevents them from getting much of it.

The claim that organization can greatly benefit workers is no myth, if it means that it can keep the pay of men in the unions above the level of the pay of men outside of them. So long as the men on the outside are a part of that vaguely defined public which, patiently or impatiently, pays the bills of every kind of monopoly, they clearly have a certain tax to pay to the workmen who are in the monopolistic circle. This opposition of interest between labor in a unionized trade and other labor is irrepressible, and does not by any means confine itself to cases in which free laborers take strikers' places. In the struggle between the union man and the scab, antagonism is, indeed, carried to the final length, and creates the greatest conceivable bitterness of feeling. The scab, however, is to be distinguished from the nonunion laborer of the ordinary sort. He never appears while the tacit alliance

between a trust and a trade union is in working order, but comes only when such an alliance is temporarily broken. He comes then as a boss's man to help fight the union, while the ordinary nonunion worker has no open issue with it. Quietly and indirectly, however, he pays his share of the tax which the union and the trust impose for their joint benefit. The worker in an unorganized trade has nothing to do with the monopolistic boss, and he does nothing to make the trade unionist dislike him. He is a submissive payer of tribute, and yet this very fact makes him, when he sees where his interest lies, the natural opponent of all monopolies, whether of labor or of capital. In proportion as the grabs become larger and the public feels the burden of them, the laborers who are in the rank and file of that public will more and more clearly see the rift that divides them from the men who profit by the tax they have to pay.

Would trade unionists, then, consent to the plan of sweeping away the whole system of private industry, and putting everybody into the employment of the state, which will have to treat them all alike. Not so long as they are governed by the interests of their own particular classes. Favored trades would lose by such a democratic leveling, and in the long run it will be found that they are poor material for socialistic propaganda.

The attitude of different trades toward socialism is interesting, and the grounds for their attitude in different cases may seem puzzling; but at bottom the dominant motives are simple enough. The union which stands by socialism through thick and thin will be the one that fails to hold its own in the struggle for mutual taxation. Stronger unions will make monopolistic gains at the cost of the public, and the union which favors collective industry and a general leveling will be the one that is a part of that public. It tries to recoup itself by taxing still others; but if it fails, and is remanded to the tribute paying rather than the tribute collecting half of society, it will vote for the leveling measure. The union which collects an ample tribute will not do this when the leveling is really imminent.

While socialism is only in the air, this line of demarcation is not clearly drawn. Many a strong union is willing to join in the demand for the nationalizing of all industries so long as that measure seems remote, and it is willing to demand the nationalizing of some industries in any case. Such unions consider all workers in a general way as brothers, and all capitalists, in the relations of the market at least, as enemies. They are carried along by a general trend of feeling which often thrusts interests into the background; and when they act on the basis of interest, they may be misled by an exaggerated idea of what the government could do in the way of raising wages, if it took charge of every kind of business. Most workmen think that employers, as a class, are getting far more than they actually get. The important question is, how far will such motives make them go if the state yields to pressure and takes one industry after another into its hands? In the long run real interests rather than imaginary ones will make them part company with the less fortunate masses, to whom socialism makes a really cogent appeal.

The interests of successfully organized labor and those of other labor permit them to work together in certain preliminary steps in the socialistic movement. Laborers might all rejoice together in seeing municipalities operate street railways and lighting plants, and in seeing the general government take possession of railroads and mines. Many of the employees of such monopolies could afford to take their chance in public employment rather than in private, for they would expect short hours and high pay under the government. But would trade unionists who are employed by manufacturing trusts favor giving them all over to the state? Not unless they could be sure that the government would treat them as well as they can force the trusts to treat them. They should have misgivings on this point, for the more kinds of business the state has to carry, the more difficult it will be to keep up in them a high rate of pay and short hours of labor. In a few cases the government could do this since, if the industries in its hands were run at a loss, it could collect the deficit by imposing new taxes, or by putting still higher prices on the goods it has to sell. It could give short hours and high pay

to men on railroads and to those in mines, if there were not too many of them; but the more there were of them, the bigger would be the sum it would have to exact from the rest of society, and the smaller would be that remainder of society which would have to pay the tax. This is the essential point, and it shows that, if trade unions are at all successful in their present policy, they can never afford to abandon it for complete socialism. A government can always pay high wages in a few occupations, since it can take something out of the pockets of many men and put it into those of a few; but it cannot, by such a process, fill everybody's pocket. When a trade unionist finds himself urged to join in putting everything into the hands of the state, he will see that, if he thrives at all under the present system, destroying it would mean exchanging two birds in the hand for one in the bush. Only by making industries phenomenally productive could the state give large pay to everybody; and with the go easy plan of labor which a government would be forced to adopt, he would be a sanguine man indeed who would expect such an increase of productivity.

Socialism is nothing if not ultrademocratic; and if it is ever realized in practice, it will mean the obliteration of every such distinction as that which strong unions maintain between themselves and unorganized laborers. That distinction, as we have seen, is due partly to a tax, since high prices for goods which the unions make are one of the means of maintaining it, and every such tax is hostile to the democratic spirit. Taking railroads into the control of the government would enable the state to pay laborers on them well; but the public would have to stand the cost of this, either in the way of costly traveling or in that of heavy taxes. Taking all industries into public control, and raising everyone's pay to a satisfactory point, would take a larger income than the state could get from any source.

Of course there is always the resource which a confiscation of all capital would give. A government that should resort to this measure might add to wages the gross profits of the capitalist class; and a point that any body of workmen must consider, is how much would this add to their own

wages? Even such statistics as are now available show conclusively that it would not give to workers generally as high pay as successful ones now get. Monopoly is more profitable than democracy for the strong trade union. Even a successful union might be willing to have the state take possession of its own industry, if it could be assured that its present pre-eminence over other labor would continue; but under general nationalization the very opposite would be the actual result. A leveling of wages would certainly be demanded; and the question that a union laborer must answer, whenever a project for complete socialism is before him, is, Will you share your gains with the mass of more needy men? Will you make common cause with the cheap labor which immigration has given us in abundance? It will require a heroic altruism to say yes.

Could a government possibly give high pay to everybody? If it were to strip capitalists of everything that they have, could it get a grand dividend large enough to make every worker happy? This is a vital point, and statistics need to be more complete than they are in order to answer the question accurately and conclusively; but such figures as are available show that pulling down the rich would lift the poor far less than most of them imagine. The trouble lies in the fact that workers are terribly numerous; and when they all have a claim on a sum of money, it takes a vast one to go around and give each one something. The income from the biggest private capital might possibly give to every American a fifth of a cent a day, and the income from all the capital in the land might possibly, on a very liberal calculation, suffice to raise wages sixty per cent above their present average. The resulting rate would be far less than the more fortunate workers now get; and these men, like the capitalists, would be pulled down by a general leveling of incomes. It is this hard fact which may be trusted to prevent them from favoring such a measure, if it were ever practically before them. A class consciousness, and a broadly fraternal feeling which includes everybody who labors, all workers may have; but the highly paid ones will halt when, under the influence of this feeling, the army is marching straight to the goal of com-

plete equality. Monopoly, first on the side of capital and then on that of labor, has given to these men something that they will not knowingly sacrifice, and while they keep it they have a large stake in the present order.

If some laborers who favor socialism in theory will shrink from having too much of it in practice, capitalists will certainly do so. Many of them are in despair over the problem of regulating trusts, and are saying that the state will have to take them and have done with it. Many a man who owns industrial shares would gladly exchange them for bonds of the government bearing a smaller rate of interest. Farmers might like to see the state take over the railroads, the mines, and the banks, but they would expect it to pay for them. These seeming auxiliaries of socialism are merely anti-monopolists; and there is no communism in their creed. They want no abolition of private property; and for every industry that the government takes into its hands it must honestly pay, if it is to have their support. Clearly, they will not go far along the route that leads to the socialistic goal.

The fact about the powerful drift toward socialism is that three different classes are for the moment carried along in it. There are the socialists proper—men who will not shrink from the abolition of all private capital. There are some organized laborers who are united with the more radical party by sympathy, but separated from it by interest. There are honest holders of property who see that monopolies must be controlled, and think that nationalizing them is the only way to do it. Both of these latter classes will part company with the first when the dream of a community of goods begins to look like a reality. The three classes, in fact, are pursuing different paths, which happen at one point to intersect. Each of the parties wants public ownership of a few monopolies, but when that has been secured they will go their separate ways. Their unions give to socialism a temporary strength.

If the government should do the common carrying and some mining, it would not thereby abolish or weaken the wages system. In the general field, employers and employed would have their issues to settle, and both would have issues pending with the public. The bit of nationalizing which we

may conceivably do will leave the greater problems of industry where they are, and we shall have to solve them as we should do if no socialism had ever taken practical form. The struggle over wages is fundamental and permanent, though monopoly has given it a new shape by drawing a sharp line between different classes of laborers. It is possible here only to state seriatim a few leading facts concerning the new form of the old contest between industrial classes.

(1) Collective bargaining is now the rule, and monopoly has made it possible to carry it out on the plan of paying and charging to the public. A single competing employer cannot raise his prices without letting his business go to his rivals, but a trust that has no rivals to fear can do this with impunity. Contracting with such an employer for higher pay either makes him divide what he now gets from the public, or compels him to get more and make it over to his men.

(2) The strike is the means of forcing the employer to do one of these things; and while monopoly makes the strike a promising expedient for the men, and even an endurable one for the employing corporation, it makes it a disastrous one for the public. The strike may shut up nearly all the mills in one line of business, and this disrupts the whole producing organism. There is no measuring the cost of that paralysis of business which this can occasion.

(3) The injury suffered by the parties in the strike is the chief motive that is acting to induce them to adopt expedients for maintaining the peace; but the terms of peace so secured are likely to be costly for the public. Joint agreements for adjusting the scale of wages, and plans for conciliation and for voluntary arbitration, furnish the more hopeful side of the situation, from the point of view of the parties engaged in the strife. For the public they are preferable to a state of constant warfare.

(4) Joint agreements and sliding scales mean, under a régime of monopoly, something radically different from what they formerly meant. Before employers were united in trusts, a sliding scale signified that, if the market price of a product should naturally go up, the men who made it would get a share of the gains that the rise would bring. Now it is

likely to mean that employers shall put the price up and share proceeds with the men. Employers and men become jointly interested in the price raising policy, and it is a curious fact that the men, by their strikes, are clubbing their employers into such an alliance with themselves. The party that pays the charges is the helpless though not patient public, and this fact gives a sinister quality to the peace which is so secured.

(5) There is opposition to every scheme for arbitration which has a trace of authority behind it. Why is this? Because there is a fear that an authoritative tribunal might give to strong unions less pay than they can get without it. It might take the interests of the public into account, and make it harder to carry out the pay and charge plan. Conciliation keeps quarrels in the family, and does not allow outsiders to have anything to say about the wages; while the fear is that a court established by the state might scale down the special wages that strong unions are able to get. Whether this would be done or not would, of course, depend on the rules which might be established for governing the court's action, and it would be entirely practicable to make rules which would prevent a court from acting in this way. Where a monopoly profit already exists, the court might even help the men to get some of it, and it might thus make it possible for the men to get an advance in wages without taking it out of the pockets of the people.

(6) The sustaining of unnatural prices involves force on the employers' side. It is necessary to club competing producers off from the field, and the mode of doing it is as hostile to the spirit of law as it would be if the thing were done with literal cudgels. Inefficient producers are driven out of the field even by fair competition, but the trust is driving off efficient producers, and is doing it by unfair competition. It has its own predatory methods, and its ill-omened power comes from the use of them. Stop predatory competition, and you simplify the whole situation, and make possible a reign of justice. Toward this consummation it is to be expected that with halts, blunders and retrograde movements we shall make our way.

(7) The sustaining of exceptional rates of pay, not by skill, but solely by organization on the workers' side, also involves force. The persuasion that is used to keep men out of a trade union's field is of a kind that has force in the background even when it does not come openly into the foreground. So long as unions vacate places of employment which other men are glad to take, it will require something positive to keep the other men from doing it. The unions claim a right of ownership of their positions even when they are out of them and when the community is suffering because of that fact. The thing to do is to enable the unions to get all they are entitled to in an orderly way, and without stopping production, or fighting off men who want to carry it on; and this can be done only by some kind of arbitration. If voluntary tribunals will do the work, well; if not, we shall be forced to look farther and find some which will do it.

(8) A proletariat we shall have in any case. No courts that will be established will level out the differences between the pay of organized labor and that of unorganized. While common laborers earn in foreign countries less than they do in America, notwithstanding the restrictions that are here put on their field of work, they will continue to come here. The immigrant will get more than he gets at home, and less than other men get in America. The system which holds him in this position is undemocratic in so far as its effect in America is concerned. Free immigration makes it impossible to have equality between classes of laborers. It is not to be desired that the highly paid men should be forced downward to the immigrant's level; and yet it is not to be permitted that they should hold themselves up and keep him down through a reign of club law. This one fact causes the word arbitration to be written large over the whole system which monopolies of capital and of labor have created. This does not mean compulsory arbitration, as that is commonly understood, but it does mean some effective appeal to justice. This will not do everything, but it ought to insure civil order, continuous production, a large wage paying power and some approach to a true democracy.

(9) What kind of tribunal is needed, and, in particular, what principles it shall follow in making its awards, are the vital questions which remain to be decided. Though there is no room in the present paper for the discussion of these questions, it is safe to assert that the coming system is revealing its general outlines. Joint agreements, sliding scales, conciliation and voluntary arbitration will be allowed to do their full part; but there will be means of insuring peace with justice in the cases where they fail.

(10) The new condition will not put an end to socialistic agitation, but it will reconcile so many classes to the present order that the agitation will have no radical effects.

THE GROWTH OF THE AMERICAN FEDERATION OF LABOR.

BY SAMUEL GOMPERS.

[Samuel Gompers, president American Federation of Labor; born in England, Jan. 27, 1850; cigar maker by trade; has been connected with movements for organization of working people since his fifteenth year; editor of the American Federationist; with the exception of one year has been president of the American Federation of Labor, 1882-1903; author of many articles on labor topics.]

Of the two million eight hundred thousand workmen who form the great army of trades unionism in America more than two million are affiliated with the American Federation of Labor.

The American Federation of Labor had its beginning in Pittsburg in 1881. John Jarrett, president of the Amalgamated Association of Iron and Steel workers, presided over a convention held in Turner hall November 15th of that year, at which ninety six delegates were assembled, representing union workingmen to the number of 262,000. An organization was effected, the object of which was the encouragement and formation of local, city, national and international trades unions and to secure legislation to the interests of the industrial classes. Resolutions favoring certain reforms were adopted at this initial session that were shortly made into the law of the land. One of these called for the establishment of a national bureau of labor statistics, and another protested against the importation of contract laborers.

The American Federation of Labor did not spring into existence over night. Neither was it a sudden discovery. It evolved in the natural course so that when the delegates from ninety five separate and distinct labor organizations came together to form its first convention they had a knowledge gathered out of long experience just what they wanted to do. That their knowledge was sound and that they built well out of it is now apparent. Trade unions had long existed. The New York society of journeymen shipwrights was incorpo-