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The Open Shop, Volume II Number I

Business Men's Association of Omaha

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Omaha has recently observed a few examples of the way labor unions treat their closed shop employer friends when they do not completely yield to the dictation of the "business agent."

There is a small group of meat markets in this city that have been known for their friendship to organized labor. They have signed every contract that the union has presented to them and have tried to live up to them to the letter. One morning a short time before Christmas the proprietor awoke to find that his butchers had been called out on a strike. What was the cause? It happened that he had been compelled to hire some extra help that the union could not supply so he had to take independent workmen. This would never do! Union butchers must not work alongside independent workmen who did not contribute to the support of the walking delegate! A bad practice indeed!

The strike was of short duration. It is reported that the "business agent" gave in when the employer threatened to consider his contract with the union abrogated.

A couple of weeks ago the "business agent" came again, took down the union card and called the men out on a strike. The men did not respond but remained at work, though they were all members of the union. Only three men quit in all the shops. Union "pickets" were placed in front of the markets to walk back and forth all day long for the purpose of warning people that these markets were "unfair to union labor" and to induce them not to buy meat there, in the hope that the lawful business of these markets might be so interfered with and damaged, as to force the proprietor to yield to the union's demand.

What was this demand and the unfairness to union labor, which justified this assault upon the business of this employer? Our information is it was simply this: One of his union butcher employees was requested to pay a special assessment the union had levied on its members to create a fund for the purpose of hiring "pickets" to be placed in front of open shop meat markets in order to force them to enter into closed shop union contracts. This union butcher was willing to pay his regular dues but objected to the special assessment on the grounds that he could not afford it. Thereupon he was suspended from the union. His employer was immediately notified that this employee was no longer a union man and must therefore be discharged. The refusal of the employer to discharge a faithful employee at the behest of the "business agent" simply because the man could not afford to pay greater financial tribute to the union, constituted the "unfairness to union labor" for which the employer must be punished by having his business interfered with by picketing.

Another instance of the same treatment accorded another friend of organized labor occurred out in the suburbs. This employer had a contract with the union and had a union "fair card" in his shop. New demands were made upon him, we are informed, to which he could not accede. His union butcher was wholly satisfied with his relation with his employer and agreed with him that the demands were unwarranted. Nevertheless, the union "business agent" called the union butcher out on a strike and when he refused to obey the strike order, picketing began in front of this market for the purpose of damaging
this employer's business by driving his trade away, until he would obey the ultimatum of the union.

The foregoing is only the old story over again. The closed shop ultimately leads to union domination. The closed shop employer is only fair to "organized labor" so long as he yields to every demand upon him, whether it be just or not to him or to his employees. When he dares to differ, his past "fairness" and friendship for the union is of no avail. He must obey the dictates of the "business agent" or his place of business will be picketed and the attempt made to destroy the business he is lawfully engaged in.

**Kansas Industrial Court**

**A Startling Decision**

The country at large is waiting with interest the outcome of the experiment that Kansas is making with an Industrial Court. It has only been in operation a little more than a year and it is yet too early to say whether or not this is a solution of the problems of industry.

Just recently the court handed down a decision in the "Topeka Millers Case" that has created considerable discussion and has brought forth much adverse comment. It indicates to what extent the court may go toward regulation under the powers given it.

The case was an appeal to the court by employees of seven Topeka flour mills, charging that the mills were curtailing production in an essential industry in order to boost prices and were forcing workers into idleness. The Court dismissed the case, holding that the mills, which were operating at about 60 per cent capacity, did not violate the Industrial Court law in curtailing production because there was an abundance of flour and the public welfare was not jeopardized.

"The evidence before us shows," said Judge Huggins, "that in the Topeka Mills skilled men in the milling business are being paid a monthly wage, and therefore are drawing pay whether the mill is running or not. So far as it is possible to do so, this rule should be recognized in all the mills of the state, for it is necessary to the promotion of the general welfare, that skilled and faithful workers always should be available for these essential industries which so vitally affect the living conditions of the people."

To illustrate his point the Judge went on to say:

"Let us suppose that a flour mill regularly employs fifty men. Let us say that under conditions like those which Kansas millers are now facing they are unable to run their mills full time. We will say that thirty-five of the fifty men they have employed are men who are skilled, who have been faithful in the performance of their duties, and who are essential to the operation of the mill under normal conditions. Then it is up to the mill management to provide these thirty-five men with work and keep them and their families going until such time as they again become essential in the operation of the mill in the production of necessities."

To carry out this idea the court appointed a committee to draft rules and regulations under which all mills must be operated, and ordered the millers to obey them when it comes to shutting down or limiting production.

This is certainly a novel and far-reaching decision and it prompts one to question to what extent the government will go in regulating industry. If the court can invade the domain of private business, prescribe how many men must be employed, what wages paid and the price that can be asked, is there any end in sight?

The Kansas law extends the jurisdiction of the court over the manufacture, preparation and transportation of fuel, food and wearing apparel in addition to the public utilities. These industries are said to be "affected with a public interest" but when you go beyond the public utilities the matter of "public interest" is only one of degree. It is only one step from the flour mill to the wheat field and so it goes all through industry.

In this decision the Kansas Court is setting a far-reaching precedent and one that will be watched with a great deal of interest.
Demand a 44-Hour Week

May-day this year will carry more than its usual significance to the printing and publishing business of the country, for on that day the combined printing trade unions will attempt to hang on the door of every establishment a May basket labeled "The 44-Hour Week."

From a demand made in connection with the outlaw strike in New York, which caused so many of the magazines to suspend temporarily, a strike called in violation of a contract, the movement has grown country-wide. The growth of the agitation has been greatly assisted by the fact that some of the weak-kneed employers of the city of New York temporized with the situation when it was first presented rather than coming to the front and smashing it at the time.

With the customary arrogance of a labor leader, the Secretary of the International Typographical Union sent to every member of the local union a Christmas greeting consisting chiefly of his own picture, and the following message: "Remember, The 44-hour week in the printing industry is not a myth. It will be very much in evidence on May 1, 1921. A few reactionary employers may oppose it, but the International Typographical Union has gone on record for its inauguration on this date; and that means that it will then be established. Yes, the other printing trades have taken the same stand and that helps." By "the other printing trades" he refers to the other labor unions such as the pressmen, bookbinders, etc.

Fortunately the "few reactionary employers," to whom the secretary so feelingly refers, are forming a line to meet the expected attack. They realize that for the first time all the printing trades unions have united. They realize that the future of all industries depends upon the outcome of this struggle. They know that if the 44-hour week should become effective in the printing industry it will become the objective of all industries. With the exception of the weak-kneed group in New York, and one or two other large publishing centers, the line is unbroken and waiting for the first gun.

To finance the movement the unions are raising a special fund of over $1,500,000. The question is not fundamentally a question of hours to be worked. First of all it is, to be sure, an attempt to substitute 44-hours a week for the present hours, and with no reduction in pay per week, if possible. This once attained the number of hours worked will be immaterial, provided that all time in excess of 44 hours per week—or eight hours in any one day—will then be overtime, for which the employer—and his customer—must pay time and one-half.

If 44 hours are actually worked it results in reducing the time nearly ten per cent. Any factory executive knows that a reduction of this kind comes chiefly from the productive time. Even if wages are reduced in proportion this will increase costs more than 10% on account of the reduced production. If the wages remain unchanged it means an increase in wages of over 10%. Cost experts estimate that the ultimate result will be an increase in costs to the consumer in excess of 25%, and this at a time when all are crying for lower prices.

The campaign is being conducted with more than the usual series of misrepresentations of facts on the part of the union, and with more bluster and bravado than attempts to justify their position by reasoning. In the lexicon of labor unionism there seems to be no such word as reason. A well known labor paper referring to this matter attempts to justify the need of all members of the various printing trades unions for an increased wage, by saying that they must have more money to enable them to make the payments due on their income taxes and also to meet the unusual assessments being levied by their respective unions in preparation for their efforts to put into effect the 44-hour week.

The situation will arise in Omaha, undoubtedly, the same as other cities. Omaha, however, is very fortunate in having an active and powerful organization.
of Open Shop printers. The fact that this organization has existed in the past has prevented the unions from getting very far with a great many of their demands. This organization has been asked by the union shops who will be affected to co-operate with them in handling the situation, and steps are being taken to meet this request.

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Open vs. Closed Shop

It is easy, of course, to understand why so much of the current controversy over the open shop industrial policy should deal with the rights and wrongs of trades unionism—and yet, as a matter of practical fact, the principle of trades unionism is not involved in the debate at all. The open shop movement is not an anti-trades union movement. It conflicts in no way with legitimate trades unionism. Employees of the open shop may belong to trades unions if they like; they may bargain collectively with their employer, and exercise all the other legitimate rights of membership in the trades union. The open shop does not discriminate in any particular against the union worker for the very good reason that the open shop is itself aimed at discrimination against the worker, union or otherwise.

The thing that most trades unionists fail to realize, or refuse to realize, is that there are thousands of workers in the United States whose whole philosophy of labor is at variance with theirs. These people object to trades unionism not because it establishes a minimum wage, but because it establishes a maximum wage. They are unwilling to have their abilities measured by the ability of the group. Rightly or wrongly, they believe themselves to be big apples in the barrel of life, and they expect to come to the top. They do not propose to limit their advancement to the advancement of the group.

American industrial history is full of the records of such men—men who began in the humblest capacities and finished in the highest. Indeed it will be found that most of our large institutions are officered by individuals who, by courage and ability, rose from the ranks. Such records are among the finest traditions of American industry, and no such theory as the closed shop can be employed to prevent their emulation by the present and succeeding generations. Every American boy is taught that he can be the president of his country, however humble his beginnings—and by the same token he knows that he can be president of the concern whose errands he runs today. It all depends upon the individual—a fact appreciated by the average self-reliant American.

Now the trade unionist, who may be content with collective bargaining for his wage and his conditions of work, cannot be denied the right to apply this theory to his job if it appeals to him. Nor can he, on the other hand, deny his fellow man's right to do his own bargaining if that method pleases his fellow man. This is the essence of the so-called open shop idea. The unionist is simply asked to grant the other fellow the same right he demands for himself; and with the manifest fairness of that proposal it will be idle to quarrel because quarreling is sure to be ineffectual.

The open shop movement, now spreading across the United States, is easily understandable. In its most important aspect it amounts to a general popular reaction against the detestable and un-American theory of discrimination—discrimination in favor of the worker with the card as against the worker without one. If trades unionism could consider the subject dispassionately for a moment, it would find, we feel sure, that it cannot afford to make the open shop an issue. To do so amounts to the admission that without discrimination trades unionism cannot survive. And no friend of trades unions, we are confident, wishes to make such an admission.—Saint Paul Pioneer Press.

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Employer's Opportunity

Necessity for production during war, and the desire to reap the full advantage of the extraordinary extravagance of the people after the war, induced the policy of employers to agree to anything so long as
production continued. Independent workmen found themselves forced into unions by government orders on the one hand and weak employers on the other. Add to this a shortage of labor which gave the advantage to the unions whenever they called a strike, so that independent workmen, free to take employment at the moment it offered, were few in number and the union picket lines were strong in number, and the non-union man found himself, if not ordered in by the government, or deserted by his employer, dragged in by the pickets. The result was that organized labor doubled in size between 1917 and 1920.

It now appears that many of these men were convinced against their will and are therefore of the same opinion still. They are union men in name, but not in heart. They do not attend the meetings when strike votes are taken. Only a small minority is usually present at meetings. The control and operation of such unions is left to the radically minded. The leaders of the more responsible unions are finding themselves compelled to withdraw the charters of many of their locals, because of violations of union rules in calling strikes. The newspapers have recently announced several actions by locals whose charters have been removed demanding partition of the union funds. With failure to support labor efficiency and, therefore, dissatisfied with the increased cost of commodities, labor unions have ventured into manufacturing enterprises and have come to grief because of the dishonesty or inefficiency of the men in charge of these enterprises. Being opposed by employers because of their inefficiency, their constant interruptions of work for trivial causes, and their efforts to destroy the discipline on the one hand, and opposed by the radical elements for their unwillingness to attack the so-called capitalistic organization of society on the other, they are torn with dissensions. They have engaged in a great and expensive political campaign to defeat their enemies and have so far been very generally defeated themselves. The inescapable conclusion is that the trade unions, while increasing their numbers and ostensible power, have failed to consolidate these gains. They have failed to convert their new members to a strong faith in their capacity to render service to them and have failed to establish that solidarity of labor which they vaunt in the public press and in their speeches. As a result, they have left themselves open to attack at nearly every point and they have made the campaign for the open shop as easy as possible.

But are those who are fighting for and winning the open shop and better understanding throughout the country consolidating their gains? Are they taking the full advantage of the potential good will of the average workman to educate him in the principles of business and the problems of industry, so that he will be prepared to withstand the renewed efforts of the radical elements to convince him that he is wrong and that the only salvation of labor is a return to militancy and antagonism? These efforts will certainly be made and skillfully concocted arguments upon facts true or false, will not be lacking. The workman cannot be expected to resist these unless he is able to understand and interpret the problems of present day industry. The large employers of labor who can afford an expensive employment policy are undertaking this campaign for education. The smaller employers are not so ready to see the importance of it, or to find the means with which to do it. But if we are to expect from labor faith in the present economic system and appreciation of the problems which industry faces, we cannot avoid the task of seeing to it that they get accurate information as to what our economic problems of industry really are. Trade union activity stimulates the minds of the workmen. It remains for industry itself to accept the burden of educating them.

Do your workmen know why the savings bank will pay them interest and how it is able to do so?

Do they know how much you have to borrow annually to keep your business going and why you have to borrow, and what securities and assurances you have to offer to the bank and why
the bank has to demand those securities and assurances?
Do they know the cost of procuring raw material and the proportion of labor cost in the price of raw material?
Do they know the cost of taxes and overhead and the cost of loss and mistakes made in factory operations?
Do they know the cost of advertising and selling and some of the simpler problems of salesmanship?
Do they know the relation between the capital invested in your business and the gross profits of the business?
Do they know why it required the amount of capital invested to start the business in successful operation?
Do they know anything about the socialistic and communistic movements and why most of them failed?
If they do not know these things, which are necessary to an intelligent judgment of the economic organization of the state, why should you have their good will, and if they do know these things, how can you fail to have their good will? What is it worth now to secure their good will for a generation to come? If we care what men do, we must care what men think. Our economic system must be justified to the many who have little, not to the few who have a great deal.

The method by which each employer gets into touch with his employees and prosecutes his campaign of education among them is best determined by the peculiarities of each situation. Whether through shop organizations meeting at their own pleasure, or through general courses conducted on the company's schedule, or through the circulation of literature, (probably the least effective), is a matter to be decided by each organization. But the fact of great importance to be firmly grasped is that the factory is the proper and only effective place in which to give this education to the workmen. The unity of the factory organization from top to bottom is as vital to industry, as the unity of the family is to society, and it is a moral obligation not only of the workman, but of the president, and general officers, the department heads and the foremen, to learn from each the viewpoint of others and the economic facts upon which industry is conducted. There is no escape from the problem, but in the undertaking there is great hope.—LAW AND LABOR.

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Industrial Peace

"If the policy of the open shop is maintained in this country, labor will be reasonable. I think the majority of labor is reasonable. I think capital and labor are coming to realize, all over the country, that they must find a common ground and compromise when interests clash, for mutual benefit and for the harmony and co-operation essential to well being in every field.

"I think I am not underestimating the strength of the labor unions when I say that fully 85 per cent of labor in the United States is not organized. This leaves plenty of room for individual initiative and decision on the part of the laborer. Where there is this freedom of personal decision, agreements can always be arrived at."—JUDGE GARY.

Says Industry, a business publication of Washington, D. C.; "Year by year there have grown up in the United States organizations which are intended primarily to control the will and the working power of the individual workers and by controlling these individual workers, to control the industries and the commerce and the transportation of the United States by making it possible to tie up industry, commerce and transportation at their own will. They have arrogated to themselves the right, not merely to order men to stop work, but to prevent other men from working and earning their living honestly and conscientiously. This situation is in flat contradiction of the great principles on which this country was founded, and it is stifling the spirit of human kind in its eternal progress towards liberty and freedom of action."
The New York Herald recently published the results of an inquiry it made in the leading industrial cities regarding the progress of the open shop. The information received effectually refutes the charge that a "conspiracy" has been entered into by employers to destroy union labor. It shows that the movement is spontaneous and has grown out of local conditions.

The Herald says in part:

"Leaders of organized labor have charged capital with having set on foot a conspiracy to put the United States on an open shop basis. Ernest Bohm, executive secretary of the Central Federation of New York, said last Wednesday, that the American Federation of Labor would raise a mighty defense fund, beginning with $20,000,000, to be collected by assessing 4,000,000 union workers."

"Believers in the open shop as a solution of our industrial difficulties assured The New York Herald that the movement, instead of being the product of concerted effort—a "plot"—was essentially spontaneous; that it was able to succeed in each community only by the normal revulsion of public sentiment against the excesses of organized labor for reasons which would appear in each case.

"In order to find out whether this was true this newspaper telegraphed to cities in all parts of the country which are known as representative open shop cities or wherein the open shop has made progress in the undeniable gaining movement of the last year. In each instance the telegram was sent to industrial associations in closest touch with the open shop."

"The replies are virtually unanimous, first in reporting that the open shop has grown out of local conditions and, second, that it has noticeably benefited the employer, the employee and the public. The employer is pictured as profiting through increased production and lessening of strikes, the employee through increased earning power, due to the removal of restrictions set by the unions, and the public through fewer strikes and spread of a better feeling in the community."

Following this are published telegrams received from the principal industrial cities. The main points in a few representative ones are reproduced below.

**OMAHA**—"Omaha declared for the open shop seventeen years ago. In 1903, as a result of closed shop unionism forced to the limit, the unions inflicted upon Omaha a serious strike situation until Omaha sickened of closed shop domination and tyranny.

"To save Omaha and make it a free city business men formed the Business Men's Association and fought the closed shop issue to a finish. Omaha then became an open shop city and has remained so. No single important industry can be termed closed shop. In some industries, such as the building trades, some employers operate the closed shop. The great majority of all industries have not a single closed shop employer. For fourteen years before the war Omaha was unusually free from serious strikes. During the war labor agitators made vigorous effort to line up Omaha for the closed shop, with the result that many serious and needless strikes were inflicted upon the community from 1917 to 1919. This culminated in a threatened general strike in the summer of 1919 and an open declaration that Omaha would be a second Winnipeg in order to make it a 100 per cent union town.

"These situations were courageously, squarely and victoriously met by a determined citizenship, with the result that no closed shop agitation can expect to get started here for years to come."

**SEATTLE**—"Seattle developed the open shop because from June, 1919, to May, 1920, there were twenty-one strikes.

"The strikes were defeated and the open shop was established. About 85 per cent of local industry is open shop. There are no labor disturbances now and have been none of note for more than six months.

"Union leaders are very bitter against the Associated Industries, as they have seen their power wane, also their ability to call strikes where no just reasons exist. In the transition period no lockouts have
 occurred, no reduction in wages has been made and some advances have been given."

Los Angeles—"The open shop principle was forced upon Los Angeles more than twenty years ago, when Arthur A. Hay, as representative of the American Federation of Labor, came to this city to demand that merchants refrain from advertising in the Los Angeles Times because the Typographical Union had declared a boycott against the paper.

"It can surely be said that at least 95 per cent of our industry is conducted on the open shop principle and that no agreements are signed with unions, but that union and non-union men are employed and are working satisfactorily side by side."

Detroit—"The Employers' Association of Detroit was the first city association to declare for the open shop. This action was taken in 1902 because of extremely unsatisfactory results from efforts at collective bargaining with unions, broken agreements, restriction of output, union domination of shop management and grafting of walking delegates.

"The open shop policy is responsible for the industrial development of Detroit. The average wage in Detroit is higher than that of any other industrial centre. This is made possible by freedom from union restrictions on production and because the workman is permitted to earn according to his productive capacity. Detroit has established production records in many lines."

Cincinnati—"The tyranny, arrogance and unpatriotic attitudes of some labor leaders during the war and since its termination, manifested in countless strikes and jurisdictional disputes, led twenty-five business organizations in Cincinnati to make a public declaration in May of year 1920, demanding that the liberty of the individual must be preserved and not made subservient to the desires of any class."

Indianapolis—"Sixteen years ago Indianapolis was a helpless, strike ridden community wherein no man could work for or hire another unless the laborer had a union card. The employers organized and have achieved community betterment through establishment of the open shop. Thirty-seven new industries have located here since the first of the year because of industrial peace. * * * The spirit of community is one of harmonious cooperation between employers and employees, whose efficiency and production are encouraged by the payment of a fair day's wage for a fair day's work, thus discouraging restrictions and limitations prevailing under closed shop conditions."

"Indianapolis,' says the union labor paper, 'is in many respects one of the most desirable places of residence and employment in the country.' There is general freedom from industrial strife, wages are good and living conditions for families of the workers are not bettered anywhere. It holds a distinguished place among the cities of the United States for a record of industrial peace. Its larger industrial population is more than passing prosperous.

"Strikes are fewer than in any other manufacturing city of equal population. This desirable condition has been produced as a result of a real desire on the part of the employers to do their share to better the conditions of the working people."

Moline, Ill.—"We adopted the open shop policy because of the intolerable conditions leading to the confiscation of industry brought about by the closed shop and a dictatorship of walking delegates which resulted in curtailed production, intimidation and infringement of the fundamental rights of individuals.

"All manufacturing industries in the Tri-Cities have been on the open shop basis for fifteen years. Earnings of employees average better than in closed shop communities in this section. The open shop has created a mutual interest between employee and employer which makes possible higher earnings and steadier employment."

Oklahoma City—"The Oklahoma Employers' Association was the first western state organization to declare for the open shop. This action was taken last February. The unionized police force and fire department and the mayor and other officers of Oklahoma City and the state attempted to frighten the employers into refusing to attend the meeting. Their efforts failed."