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How the Labor Movement Will Affect Canadian Business

BY FRANK RISING

CHAIRMAN:—Gentlemen, it is my privilege to present to you the Labor Editor of Business Week. We are glad to welcome Mr. Rising for three especial reasons: first, because he represents a great public service organization—one that is doing a great deal of educational work in presenting the news and its meaning in understandable form. Second, we welcome him because of his very wide and varied experience. It may interest you to know, gentlemen, that Mr. Rising has had a very diverse career—as a mill-hand in the lumber mills of Oregon, as a transmission-line-worker in construction camps, as a retail salesman for a Chicago jewelry house, as a clerk in a dry goods store, as a working journalist, reporter, telegraph editor, city editor and finally as labor and management editor of Business Week, part of an organization publishing 25 newspapers. Most especially are we grateful because the subject he has chosen is of such vital importance to us, How the Labor Movement will affect Canadian Business. I am very happy, Mr. Rising to introduce you to the Canadian Club.

MR. RISING:—Mr. Chairman, Gentlemen, I am very happy to be here today, for this time yesterday it looked as though I should not be able to come. When I came through your customs at the border one of their questions was what did I do? I told them I was a labor editor. Undoubtedly I should have said something else, but finally they agreed to let me come in, temporarily, this time.

It is with considerable trepidation that I essay the task of addressing a Canadian audience on a subject which implies that I know something about Canadian business and

Canadian labor problems. As a matter of fact, I am only an American labor reporter, and now-a-days he is foolish who asserts that he is thoroughly competent to forecast the future even in his own country.

I must ask your indulgence for the moment, therefore, while I explain my position. To my mind, you are much the same sort of people that I am used to meeting every day in the States. Your labor problems, I would assume, are much the same as ours. In some ways your business methods and industrial history are almost identical with ours.

For the past year, during a very turbulent period, I have noticed that personnel men from Canada have been coming to our labor relations conferences in the States. I have talked with a number of them and have found them keenly interested in our problems—they seem to feel that in the long run whatever affects us on one side of the line must have some bearing on your conditions on this side.

Consequently, I am going to try to explain our labor problems, as I see them, with the thought in mind that you and I may in some ways have similar situations and similar perplexities. May I add that my hope is to present an objective viewpoint, and not a personalized, emotional, or subjective analysis. In the net summing up of these problems, it seems to me that often we try to hide from facts or conditions, to theorize or philosophize when we should be saying: "Here is a real problem. What are we going to do about it?"

Let us remember, too, that even after we have found the right answer to a localized problem, we may go astray if we take that to be the answer to the general situation. We should guard against the cocksure feeling that we know all about it, just because we have been close to a part of it. A life-long resident of Western Kansas, for example, might be eligible to our sympathy if he thought that the whole United States was level, flat country, without a hill more than ten feet high. Summing him up in one word, you and I would say he was "ignorant", and let it go at that. Yet he needs education no more than thousands of citizens today who are lost in abysmal ignorance of the labor problem.

Accurate appraisal of the labor movement, including judgment of past performance, estimate of present condition,

and forecast of future prestige, is a difficult problem for any observer. It is even more difficult to seek group appraisal, because the objective viewpoint is swept aside in conflicting torrents of emotional and subjective expression. Yet it seems to me to be quite possible that, by and large, civic and business bodies will come to a realization of certain basic and fundamental truths, as the current world-wide search for factual information and evidence continues.

A requisite to proper discussion, if you want to approach conclusions or expression of informed majority opinion, is initial separation of controversial items from non-controversial matters. By that I mean that all of us, or a great majority of us, can agree at the outset upon certain premises. These agreed points form a pool of knowledge which, as time goes on, can be enlarged as other items become so tested as to move them from the uncertain to the certain ranks.

Therefore, before I attempt to discuss some of the argumentative phases, I should like to list, tentatively, what I hold to be self-evident truths.

First—Labor unions are not a new development, nor are they peculiar to any country or to any race. Craft associations have been with us since the earliest guild days, and the industrial union was known 60 years ago.

Second—The use of mass-production or "machine-age" methods in industry is not a new thing, and has been steadily developing. Mechanization has brought us machines which are much more "skilfull", if you please, than machines we formerly used.

Third—Corporate growth in industry has brought "bigness" to such a degree that top management has lost the close contact with individual employees which it formerly boasted.

Fourth—There has been a World War, and a world-wide depression. There exists the possibility of future war, and future depression.

Now—with those main points as a starter, it seems to me that we can begin to examine our labor problem. I do not think that up to this point we will rouse thinking men to violent argument, merely by stating those first premises. It is true that many men today plead for a return to the

"good old days" of individualism, mutual trust and respect, courageous negotiation on a man-to-man basis between employer and employee. But to those men I should say. "Go back and look at the record. We cannot erase the depression from the minds of our people, we cannot expunge the memory of war and fear of future war by platitudes of pious wishes."

And to my original points I should then add another: Every employee faces four risks—unemployment, old age, disability, and death. Formerly he kept disability and death in mind as major disasters; unemployment and old age were recognized as possibilities but his risk was not so great. "A man who really wanted to work could always find a job"—or at least, that was the general assumption—and families had a way of taking care of the old folks. Now the picture has changed, and unemployment is an ever-present danger. Old age, at 40, is also a danger. And the worker wants protection.

To my mind, the post-depression psychology of fear and hope—that is, fear of depression and hope for security—is the biggest single answer to many of the things which happen today. There are other answers, yes, but it seems to me that too often we overlook this psychology. Here I begin to enter the field of controversial subjects, and I know there are many who disagree with this analysis, but my conversations with employees convince me that the average worker is willing to sacrifice individuality for collective forms, particularly in those industries where mechanization has taken part of the skill away from the employee and put it into the machine.

Those who would promote and encourage collective forms of employee thought and expression, in industry, cite a parallel in the democratic system of state government. Would it not be quite natural, they ask, for a people schooled in group elective systems to accept a form of democracy in industry? And should it be at all surprising if majority rule were the choice of such a people, even if it meant a considerable defeat for minorities and for proportional representation?

When we attempt to debate these matters, we find that many now will rise to defend a right to free choice of

action, a right to rugged individualism and keen competitive systems, rights of minorities, and so on. Even vaguely-defined terms such as "the right to work" enter the argument. And few will deny that often we find a loss in initiative and incentive accompanying the adoption of collective forms.

Yet I ask that for the moment at least we lay aside idealism and confront facts and conditions. Let us discover, if we can, what is happening and what is likely to happen. If we can define the condition with fair accuracy, let us then take steps to treat the condition in the best way we can, taking care to use reason, patience, and tolerance instead of emotion, prejudice, and suspicion. It may be that we can replace fear with hope—if we can, our problem is likely to be solved.

I feel that the working-man's present frame of mind is not clearly understood by business management in some cases, and that sometimes even the worker himself does not know just how to put his thoughts into words nor how to adjust the various weights and balances so that he may steer a predetermined course. He is feeling his way, making mistakes now and then and correcting them as best he may. He needs education, leadership, and discipline. He will listen to advice both good and bad, and often in his ignorance will choose one course today and another tomorrow. But underneath all of this I feel that *he is anxious to do something for himself*, to have a part in determining the conditions which vitally affect his welfare.

During the depression, many so-called leaders in private and political affairs lost face with those who gave them their trust and admiration. That is too bad, perhaps, but it is a fact nevertheless and we have to admit it. There is still a great residue of distrust and bitterness in the minds of the working man and in the minds of many members of the middle class.

A new body of labor leaders has risen to power in the United States, some of them personally ambitious, some of them devoted to expedient tactics, but some of them long-term thinkers who are really very competent and able. And along with their rise a pro-labor trend in government has appeared.

All of these things you and I must deal with. It does no good to turn our backs upon them and to hope that time will bring a complete change and that people will go back to the good old ways of doing things. As I see it, we cannot go back, and we cannot stand still. Two courses are open—development of education and cooperation locally, so that we may attain a good measure of sound self-control, or frank admission that we aren't able to deal with our own problems. The latter course leads to a strong centralized government and socialization of our basic industries, in my opinion, and I find that nearly everyone I talk with wants to avoid such a change.

Now, in general, I should say that unions and collective bargaining are here to stay, and that they can be made to work to the satisfaction of both business management and labor. I believe that sooner or later the business man, who has his trade associations, retail chains, chambers of commerce, manufacturers' associations, civic and social clubs and a host of other group forms, is going to realize that the individual wage and salary earner feels himself helpless to protect his own earning and consuming power without joint thought and action. In the United States many employers within the past two years have learned something of this psychology and are turning it to their own benefit by assisting the unions in sound building.

I have not the time to discuss fully the issues of craft unionism versus industrial unionism, or the future of labor legislation, but I would summarize my findings in this way: as to the first point, industrial unionism seems better fitted than craft groups to survive in the big mass-production industries. We have the history of England, Scandinavia, and Australasia to help us in judging this matter. Industrial unions and craft unions can get along together, and do. But each must find its proper place.

Labor legislation, present and future, is a large subject in itself. But let me leave this reminder—you and I are not going to solve our problems or develop a proper mode of industrial life through law alone. Sometimes we are prone to sit back and say, "Let the law handle it", or "The way out of this is to pass a few laws, with teeth in them." That is not very good thinking—the real way out of these

problems is through cooperation and compromise. We must get to know each other, and to understand each other first, then seek the middle ground or the common denominator, which will bring us together.

We do need, of course, a sound basic structure of labor legislation, which will define the rules closely enough to prevent excess, and yet be pliable enough to permit individual ingenuity and courage to operate. Perhaps you are familiar with the Wagner Act, we now have in the States. To my mind, the Act is only a beginning—only a fragment of the rounded body of labor relations law we need for a base.

I am confident that the supplemental legislation is bound to come and that in part it will parallel the British system of outlawing certain kinds of strikes deemed detrimental to public welfare. I believe that the avenues of requests for employee elections will be broadened. And I feel that a good system is speedy mediation and arbitration is on the way.

But all of that, as we know, takes time. On this side of the ocean we seem to do, or try to do, everything overnight. We are impatient at delay. We "solve" great problems in a twinkling, by use of a catch-word phrase, only to find that we may have aggravated the problem.

One condition today is working to the advantage of both business management and labor—the present soberness of thought occasioned by the hint of another business recession or depression. In the States, labor is not so cocksure as it was—but it is still confident. And if you can make a distinction there, I believe you will see a change for the better.

The defeats suffered by the hot-heads on various fronts, plus the hammering of sober and thoughtful advisers within and outside the unions, has had an appreciable effect on the rank and file. The new unionists are beginning to learn that not only labor, but management and the public have rights, and that certain excesses bring not only initial defeat but prospective lasting damage to organized labor as a whole.

In this direction I would like to tell you a little story. A few months ago I was talking to a group of labor leaders with the primary purpose of getting some information about the white collar drive and finding out what they were doing. While we were talking a newspaper was brought in carrying the story of the Lansing power strike—you remember that

the switches were pulled, and all power cut off. I told them that to my mind all this was damned foolishness, that they were making a great mistake, and that the Michigan incident would be dangerous to their cause in New York. They didn't say anything, but from their looks I don't think they liked what I had to say.

But a little while later, following the steel strikes, and along about the beginning of the present business recession I met some of them again and they told me that they considered the business of interfering with public utilities was very dangerous to the labor organization—interfering with babies' milk, and so on. They said they had taken a very firm stand against it, and were going to see that no one, who was affiliated with them, would be guilty of such practices.

That is an indication of change in the right direction. People begin to realize that when you deliver a body of rights to anyone such as labor legislation has delivered to labor, you should at the same time provide protection against excess and abuse of those rights. Frankly I feel that there is more sober thought along those lines than there has been for a very long time.

In this discussion I have not dealt closely with your local problems—I fully realize that. But I would like to say this: Canada should have little fear that "outsiders" are coming in from the United States or elsewhere to dominate labor. A few outsiders have come in, I know, but your real problem is just the same as ours—meeting the rank and file of labor frankly and openly to find out what it wants, then negotiating calmly to seek a sound and business-like agreement.

I have talked with a number of able labor leaders about Canada, and the advice they are giving their more hot-headed associates is this: It is a bad mistake to attempt to send missionaries and organizers and directors into Canada. If Canadian workers want collective bargaining, we think they are right—but they must build their own unions, do their own thinking, and stand on their own feet. United States affiliates can properly lend money, and advice or counsel, but the really hard work has to be done by the workers themselves. If they don't do this, if they are disin-

terested, they do not really want collective bargaining and no one can make them accept it for long.

That, I think, is reasonable on the whole. I might add that the charge of coercion by unions, advanced by some parties as the reason for the rapid spread of unionism in the United States, does not ring true to me. Good salesmen though they may be, the union leaders never would have been able to round up some two to three million new members within a year or so, if those converts had been very reluctant to join. And that is why I think you will find the answer to many of your questions right in the mind of the individual worker, and nowhere else.

I find it very difficult to gain, as I have to gain, the confidence of both sides. I can sympathize with the attitude because I am a suspicious guy myself, and I don't feel very warmly to anyone till I have known him some time. I find that labor nearly always on first acquaintance looks on me as a spy of big business, and I find that business management, after listening to me for ten minutes is apt to put a phone call through to my boss and say: "Hi, fire this guy, he's a red!"

But I have a number of friends on both sides and I find that their chief problem is hate. Many of them think that they must hate someone or something. They are choked with hate. That is a strange thing to me. I have known business men get so violently angry about certain public officials that their veins swelled in their foreheads and they could not speak. I have come to the conclusion that men are divided into two classes—those who are choked with hate and those who aren't. I can only hope that the majority of men are not, and that one way or another we can meet with our fellow citizens in all classes of life and get to know them, because we have to live together and get along together. We simply have to do it. Thank you!