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A CORNER IN LABOR

WHAT IS HAPPENING IN SAN FRANCISCO WHERE UNIONISM
HOLDS UNDISPUTED SWAY

BY

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ILLUSTRATED WITH PHOTOGRAPHS

WE find in San Francisco an extraordinary and significant new phase of the labor problem. For two years past, while other parts of the country have been embroiled with industrial conflicts, no strikes of moment have occurred in San Francisco. Why?

We are already familiar with two sorts of industrial peace: First, the ancient condition in which the employer is supreme, treating his workmen well or ill according to his nature, and preventing strikes by preventing labor organization; and second, that modern condition, well exemplified in the Pennsylvania coal regions, in which miner and coal baron are equally well organized—a state of armed neutrality in which neither side dares go to war. But in San Francisco we have a new kind of industrial peace, a condition, perhaps, without precedent, in which the ancient master, the employer, has been hopelessly defeated and unionism reigns supreme.

"The employers of San Francisco are flat on their backs," a prominent contractor told me; "when a labor leader makes a demand we give in without a word. We can't do anything else."

"They own the town," another employer said to me.

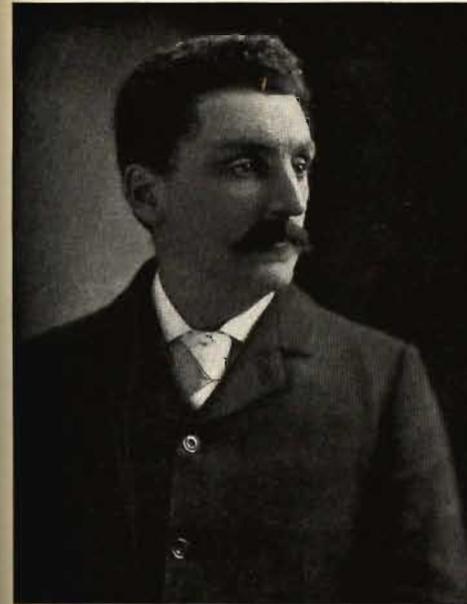
No other city presents a condition more pregnant with meaning for the people of America than San Francisco. It shows the

extreme result of the present amazing activities in labor organization; here the grip of the union is most powerful, its authority most unquestioned, its monopoly most perfect. And the reality of to-day in San Francisco is the possibility of tomorrow in New York, Philadelphia, Boston, and other cities.

It is of profound importance, therefore, for us to understand how the labor unions of San Francisco have attained dominant power and what use they have made of it.

The Great Strike of 1901

In 1901 San Francisco suffered the greatest strike and lockout in its history. They will tell you that the whole trouble resulted from certain demands of the porters and packers and of the teamsters; but these disturbances, though they filled the entire horizon at the time, were the mere incidental birth-pains of the industrial readjustment common to every part of this country. A tremendous wave of enrichment and prosperity was advancing. Money had poured into San Francisco during the Spanish War, trade with the Orient had quadrupled, discoveries of fuel oil and the utilization of the water-falls of the Sierra had cheapened power and stimulated industry. As if by magic, the city began to build and grow, ever demanding an increasing supply of labor, and labor, owing to the distance and isolation of San



WALTER MAC ARTHUR

Editor of the "Coast Seaman's Journal," one of the ablest and most conservative labor leaders among the San Francisco trade unions.



EUGENE E. SCHMITZ

Labor Mayor of San Francisco. Opposed by all the local newspapers and by most of the labor leaders, Schmitz was re-elected in November, 1903, by a large majority.

Francisco from other industrial centers, did not respond readily to emergency calls. Given impetus by these conditions, led by able men, and having an unusually high class of workingmen, largely pure American, to deal with, the unions rapidly gained power and confidence, and, as usual in such cases, began to demand a greater share in the prevailing prosperity.

And it was a different sort of unionism than that which existed a few years ago. No one who has watched the recent progress of labor organization can fail to be impressed with the changing character of its management and its methods. A union is no longer a mere strike mob, clamoring for more to eat. It is learning *business*. It has gone to school to Wall Street; and the sooner we recognize the fact that the union is a cold business proposition, often managed by men not only of intelligence and force, but of notable business acumen, the better for the country.

Object of the New Business Unionism

The object of this new business unionism in San Francisco was singularly like that of our trusts and employers' associations: it sought to *control the market*. Its

whole force was directed toward the formation of a labor monopoly, in driving out "scab" competitors, in forcing the "closed shop." In short, this is the great underlying tendency—not always consciously expressed, often obscured by the smoke of minor issues,—of the labor movement in America to-day. The germ which causes the monopolistic trust among employers is responsible for the "closed shop" among labor unions. And the argument of unionism is exactly the argument of the trust: "If we can get a complete monopoly, we can take what profits (wages) we will."

This stage of unionism, reached quietly, attracting not half so much attention as some inconsequential strike, where a few heads are broken, has a profound significance in this country. No one who has given any attention to the subject, can doubt that a well-managed, business-like unionism, working towards monopoly, is incomparably more effective than any other. Society has little to fear from occasional strikes, or an occasional cornering of the labor market, nor need it even dread the corrupt condition of some Eastern unions; corruption defeats itself; the



P. H. MCCARTHY

Boss of the Building Trades of San Francisco.

public hand crushes it; but such business unionism as that now practised gives rise to new and exceedingly serious problems.

Arms Broken with Iron Bars

The real cause, then, of the great strike of 1901 in San Francisco was the mighty forward movement of the new unionism in its effort to monopolize the labor market. Directed on one side by the Labor Council, including unions in all industries except the building trades, and on the other by a powerful Employers' Association, the struggle tied up all the sea commerce and much of the other business of San Francisco for months, involving fearful violence and bloodshed, and costing great sums of money. Non-union teamsters were dragged from their wagons and their arms broken with iron bars, so that they could not drive again; "scabs" were shot and beaten in the streets; the city was the battleground between an army of sworn deputies and an army of strikers.

The employers on their side claimed that the unions had inaugurated a systematic campaign to compel them to hire only union men, and in a measure this was

exactly the truth, though there were other questions involved. Organized labor, on the other hand, claimed that the Employers' Association had set out to crush the very existence of unionism, and this too, in a measure, is the truth.

How Not To Fight Unionism

On paper the employers were successful in their main contentions: they avoided "recognizing" the union; their workmen came back without reference to their affiliation with any labor organization; the right of free contract was established. But it was a barren victory. Practically, the union won the day. There is a kind of fighting which makes the enemy stronger—that was the method of the San Francisco Employers' Association. It was an example of how *not* to combat unionism. The police had been injudiciously used, and the stand of the employers had been too sweepingly against the very principle of unionism, so that when the strike was over the unions found public sentiment strongly in their favor. They put up a candidate for mayor, and he was elected by an



One of the methods adopted to call the attention of citizens to the boycott of the Owl Drug Co.

unexpected majority, giving them a grip on the political machinery of the city. Then they proceeded to convert or drive out non-union men in nearly every industry in San Francisco. They were as ruthless in their pursuit of "scabs" after the strike was over as before, so that in a very short time they had secured a practical monopoly of the labor market.

How the Unions Have Used Their Dominant Power

What have been the fruits of this remarkable victory? How have the unions used their supreme power?

In the first place, with the law of supply and demand working strongly in their favor, they have put up wages in San Francisco until they are higher than in any other city in the world. I hesitate to tell what some workmen here receive, for fear that the statements will not be credited. Within the last few weeks plasterers have been paid eight dollars a day and lathers ten dollars a day for eight hours' work. The minimum wage of bricklayers is six dollars a day, of carpenters four dollars, of tile-layers five dollars, of hodcarriers—who are practically unskilled workmen—three dollars and a half.

Wages in some industries have been doubled since the strike of 1901, and in few, if any, branches of employment has the increase been as low as thirty per cent.

In few other cities have the workingmen really been able to increase their wages at a percentage substantially greater than the increase in the cost of living. That is one of the most surprising conditions here. Living in San Francisco to-day is cheaper than in any other important city in the country. In the first place, the fuel bill here is inconsequential, for there is never frost enough to kill the orange blossoms. Vegetable and fruit products, especially, are plentiful and cheap. Prof. Carl C. Plehn, of the Department of Finance and Statistics of the University of California, who has made a careful investigation of the comparative cost of living in fourteen of the principal cities of the United States, gives it as his conclusion (dated August 17, 1903): "San Francisco is undoubtedly the cheapest place to live in the fourteen cities included in the investigation."

Hence we find in San Francisco the highest wages and the cheapest living of any important American city. It is doubtful, indeed, if the conditions of workingmen were ever better at any time, in any country, than they are to-day in San Francisco.

Results of Labor Monopoly

But the advance in wages is only one of the results of triumphant unionism in San Francisco. As I shall relate more fully later, the unions here, in their character as business organizations, have entered upon many extraordinary enterprises. They have formed monopolistic combinations with employers' associations much more effective than those of Chicago; they have developed in the building trades a Labor Boss by the side of whom Sam Parks of New York was the crudest of bunglers; they have reached out into politics, until unionism is the dominating force in municipal affairs, with its own mayor—Schmitz, a member of the Musicians' Union—just re-elected, in control at the City Hall; and they have even entered business on their own account as employers of labor.

How Unionism Tightens Its Monopolistic Grip

Consider now the methods employed by the unions of San Francisco in strengthening their grip on the labor market. In most of the industries, as I have said, a monopoly already exists; I do not believe it would be possible to find a non-union man in any one of the sixty-two building trades. In some of the callings, like that of the retail clerk, which are difficult of organization, gaps still exist, and the evidences of the activity of the unions in forcing these men "to join or to get off the earth"—as the labor leader puts it—are, to the stranger, among the most striking features of life in San Francisco.

I had not been in the city more than twenty minutes when I saw two men, each wearing a union badge, pacing up and down the sidewalk in front of a café and shouting: "Unfair, unfair; this is a scab house; go down to —'s; he hires union help."

Every person who entered was thus accosted; the union had set about ruining the owner's business or forcing him to employ only union help. A little further up the street I saw a sandwich-man walking industriously back and forth in front of the

Owl drug store, bearing this sign in big letters:

"Boycott the Owl: the enemy of the wage earner. Don't take chances on scab drugs."

Within the space of a block there were three such boycott men, attacking the business of three different firms. While I was in San Francisco one of these firms, that of M. Siminoff, cloak dealer, closed its factory as a result of the boycott, throwing two hundred and sixty workers permanently out of employment.

Up and down these sandwich-men march in front of the boycotted stores in various parts of the city, often two shifts a day, week after week. These men have been repeatedly arrested, but the magistrates of an administration favoring union labor have invariably discharged them, and they go back to the work of injuring the business firms that employ other than union help, or that will not submit to union demands. A sharp lookout is kept, and if any union man is caught entering a boycotted store he is fined anywhere from five to twenty-five dollars. But this is by no means the extent of the fight upon the Owl—which is here, significantly enough, egged on and partly supported by the Retail Druggists' Association, who are fighting the Owl because it will not join their association and accept the minimum price-list fixed by them. Once, two ladies, standing in the doorway, were drenched with a bag of filth, and the managers and their families have been called up on the telephone and grossly insulted.

A Strike of Sandwich-Men

This boycotting is done in the most systematic manner; the sandwich-men are no volunteer workers, but regularly employed agents of the union. It is as amusing as it is significant that these sandwich-men have themselves formed a union. It shows how inevitable is the instinct of an employer to get cheap labor, even when that employer is a union. The sandwich-men actually had to strike to get a fair wage; now they are paid two dollars and a half a day each for eight hours' work.

Numberless other examples might be given of this methodical effort to drive all labor competition out of San Francisco. Every dead wall in the city is plastered

with stickers warning union men not to trade with So-and-so; the labor papers advertise the "unfair" houses extensively; the housewife sometimes finds her milk bottles in the morning covered with stickers: "Boycott So-and-so; he hires scab labor."

 **BEWARE!**
A
BOYCOTT

HAS BEEN LEVIED AGAINST

The OWL Drug Co.

BY THE RETAIL DRUG CLERKS' UNION
NO. 472 AND SAN FRANCISCO TYPO-
GRAPHICAL UNION NO. 21.



Facsimile of a boycott notice delivered with the morning's milk. One of these was pasted on each bottle.

I may say in passing that I inquired carefully into the effect of these boycotts. Among stores, restaurants, and saloons which wholly or partly cater to the working people, the boycotts have been highly effective, soon driving the employer either to submit to the demands of the union or to go out of business. In a few cases, like that of the Owl drug store, the boycott worked in exactly the opposite direction, attracting the customer class who oppose boycotts and increasing the company's business. One dealer in shirts has built a great success upon union opposition; but few business houses and fewer non-union men are able to withstand this methodical grinding fight upon them.

In the passive forms of boycott—like the demand for union label goods—the business methods of the new unionism are also much in evidence. It pays in San Francisco for many business men to advertise the union label; many stores, restaurants, and saloons display placards in their windows advertising the fact that they are strictly union shops, every bootblack stand has a similar sign, even the labor news in the daily papers is surmounted by the union label—all carrying favor with the monopoly. Some of the newspapers, indeed, dare not attack even the excesses of unionism. During the strike of 1901 every

paper in San Francisco was absolutely silent editorially—except Mr. Hearst's *Examiner* which favored the strikers—until the city reached a veritable condition of anarchy due to the conflicts between the police and the rioters.

Boycott of Newspapers

On the other hand, it cannot be doubted that the newspaper which really engages in a fight with this new unionism, has a struggle for life on its hands. There could be no better illustration of the tremendous power wielded by the labor monopoly, nor of the advanced business methods employed, than the fight now being waged on the Los Angeles *Times* by the International Typographical Union. General Otis, the owner and editor, has not only refused to hire union men exclusively or to treat with the union, but he has vigorously attacked organized labor generally. Indeed, the *Times* is, with two notable exceptions, the only important paper in America not controlled, on its mechanical side, by the union monopoly. It is nearly the only office where the non-union worker can get a job. The result of General Otis's position has been a boycott on which it is estimated that the Typographical Union has already expended \$50,000. This money is raised by the levy of a trifling tax on each member of the union in America, which provides a steady fund of \$30,000 a year. Three men are kept constantly employed at good salaries to direct the fight. Union men everywhere are requested to write to advertisers threatening that unless they withdraw their patronage from the *Times*, they will be boycotted. Within the last few months the proprietors of the Lydia Pinkham medicines, for instance, have received over one million letters from union men in various parts of the country. Here is a sample of a letter sent by the Memphis Typographical Union to an advertiser of Newark, N. J.:

GENTLEMEN:—I am instructed by Memphis Typographical Union to inform you that a fine is imposed on every member who purchases any product of your house as long as you advertise in the Los Angeles *Times*, unless that paper agrees to employ members of our organization.

We would be pleased to know that you have discontinued your patronage of that paper, or intend doing so.

Very respectfully,
(Seal) P. L. BREW,
Sec'y Memphis Typo. Union No. 11.

These threats have, of course, had effect. Several very large advertisers have withdrawn from the *Times*, though the loss of business from this cause has been made up, I am informed, by gains in the local advertising of merchants who are supporting General Otis's cause.

A general effort has also been made to stop the circulation of the paper; a boy at Needles, California, was ducked in the Colorado River for selling the *Times*; in other places the agents have been driven out; in others, union newsdealers refuse to sell the paper. The union has even offered money to non-union men working in the *Times* offices to induce them to desert, in some instances as high as \$1,000. And now the union has a new scheme. It has requested W. R. Hearst, owner of the New York *Journal*, to establish a newspaper in Los Angeles, to fight the *Times*, and it has guaranteed ten thousand subscribers at the start. This newspaper was scheduled to begin publication in December, 1903. It takes a bold publisher, indeed, to stand out against such a concentrated fight, with so much of the "sinews of war" behind it. The point has now been reached where the monopoly is so nearly complete in every part of the country that all of its enormous energies may be directed against a single opponent like the *Times*. General Otis declares, however, that he will never submit, and one can not help admiring the fight he is making, whatever may be the opinion of the wisdom—I don't mean policy—of his extreme position.

Story of a Restaurant Keeper

Let me tell you the experience of R. J. Techau, a prominent restaurant keeper of San Francisco. Techau was boycotted because he hired non-union musicians. When weary of the struggle, he finally tried to make a settlement; the Musicians' Union demanded that he discharge the leader of his orchestra absolutely. This leader had been a faithful worker, and Techau refused to discharge him. The boycott continued, and finally became so annoying that Techau sold out. His orchestra was immediately thrown out of employment, and the players had to make the best peace they could with the union. One of the members with whom I talked was fined \$135: \$10 for rehearsing with a non-union orchestra, \$100 for playing with a non-union orchestra, and

\$25 initiation fee into the union. He was also ordered not to play in the Techau Tavern for one year. He paid his fine and agreed to all of the union demands; he is now a "good" union man. The leader was also fined \$100 and ordered not to work for a year. Since then he has not been able to get any work at all, and his family has had to be assisted by friends.

Such is the fate of the man who will not go into the union; he is pursued with implacable hatred until he either gets out of town or joins. As a labor leader told me: "If he don't obey, let him look for another city to live in."

Entire Class of Labor Crowded Out

There have been cases in which unions have ruthlessly forced an entire class of workmen out of employment. The Stone-Cutters' Union, for instance, which both here and in other cities has always fought the "iron man"—that is, the use of machinery—demanded one day that the stone-yard employers discharge all their planer-men and substitute members of the Stone-Cutters' Union in their places. These planer-men were expert workmen, trained to the handling of machinery, whereas the stone-cutters knew little about machinery. The employers protested that it was not stone-cutters' work to run the planers, but the stone-cutters used their invincible argument: they struck. The employers asked to have the question at issue submitted to arbitration.

"We won't arbitrate," said President Burns of the union; "we've got the power and we are going to use it."

Use it they did. The employers finally proposed discharging their planer-men one at a time, substituting stone-cutters gradually, so that the new men could learn without crippling the plant, and so that all the unfortunate planer-men would not be thrown helplessly out of employment at the same time. The union, however, refused to accede to this proposition. The planer-men then applied for admittance to the union; but the stone-cutters refused to admit them, on the ground that they were not expert stone-cutters. The employers finally had to surrender unconditionally, discharge a whole class of labor, and put inexperienced men on their machinery with the immediate result of numerous accidents

and a lessened output. These were some of the fruits of monopoly.

Grave-Diggers and Gum-Boys

It is probable that the organization of industry, the result of a business campaign, was never before carried to such lengths. The pin-boys in the bowling alleys have a close organization; the grave-diggers won a strike last year in the course of which burials were actually prevented by the filling of non-union graves with water and the blowing up of the crematory; there are also unions of actors, newspaper-writers, gum-boys, elevator-boys, soda, soap and candle workers, carpet-layers, shade-hangers, piano-movers, pie-wagon drivers. While I was in San Francisco, the fish-cleaners made a demand for more pay and got it. In New York there were only thirty-nine unions in the central body of the building trades; in San Francisco there are sixty-two.

And these unions are gathered into two powerful central councils: the first, including all the miscellaneous trades, are united in a central body called the Labor Council; the second, including all the trades connected with the building industries, is known as the Building Trades' Council. Both of these councils, jealous of each other, are representative bodies, though quite different in their organization. The Labor Council, ably led by men like Feruseth, MacArthur, and others, is organized on the broad conservative lines of the American Federation of Labor, with which it is affiliated, and its powers are chiefly advisory. The Building Trades' Council is a highly centralized body absolutely dominated by a boss—P. H. McCarthy.

Right here appears one of the other marked tendencies of a high degree of unionism: the tendency to produce the Labor Boss; the subversion of a representative body to the domination of a single man, as I have pointed out in my article on New York labor conditions.

The Labor Boss of New Unionism

McCarthy, however, is a very different sort of boss from Sam Parks of New York. Parks based his reign upon intimidation, terrorism, and wholesale bribery. McCarthy, on the other hand, has reduced bossism to a cold business proposition; he never "slugs"; his personal conduct is marked

with no ugly scandals; he constantly expresses in public the highest ideals of the purposes of unionism. But he is none the less an absolute dictator of the entire building industry of San Francisco; he has used this monopolistic power to squeeze the last cent of wages out of the employers; neither employer nor employee can turn a hand without his permission, expressed or implied. A natural-born politician, McCarthy has not scrupled to use doubtful electioneering and political methods to secure his ends. In the first place, he has a forceful personality which naturally beats down opposition. Representing one of the most powerful unions in the building trades, he comes into the council with a large delegation at his back. If any delegate appears who is likely to oppose the Boss, he is promptly turned out, and by a constitutional provision, the constitution being the work of McCarthy himself! There are three hundred members of the Building Trades' Council, but the control of affairs is really in the hands of an executive committee of sixty-two members, which McCarthy dominates. We find McCarthy, like Parks, sometimes keeping his meetings late at night, until many of the tired members have gone home. We find him, just before election in January, 1903, when he felt that there might be an attempt to overthrow him, letting in six new unions, all small and some of absolute mushroom organization, because they would give him eighteen more votes.

Here is an instance of the power of the Boss, told me by Secretary Harry Costen, of the Sheet Metal Workers. Because the Sheet Metal Workers would not submit to dictation in the matter of selecting delegates to a convention called at the instance of the American Federation of Labor, McCarthy personally expelled the entire union of one hundred and forty-seven men from the Building Trades' Council without charges and without a trial. Members of other trades, at McCarthy's orders, then refused to work with the outlaws.

A Scotch sheet-metal worker, named Forbes, acting under the directions of his employer, insisted on staying at work on one of the jobs. The foreman carpenter, a union man, called a policeman to arrest Forbes, who had committed no offense greater than that of remaining at work contrary to the orders of McCarthy's walking

delegate. The policeman led him down the street, but did not dare take him to the station-house. Forbes, refusing to be thus browbeaten, went back to work, declaring that he would not stop until his employer ordered him to do so. Then the foreman carpenter swore out a warrant for Forbes's arrest, charging *disturbance of the peace!*—and he was locked up in the city prison. Brought finally into court, he was actually accused of keeping the other mechanics on the building out of work, he at the time not being a "scab," but a member in good standing of his own union.

"He refused to quit when I told him to," complained the foreman carpenter.

The judge took down the statutes, read a list of the offenses classed under disturbance of the peace, and discharged Forbes!

After beginning suit, the Sheet Metal Workers were finally allowed to return to the fold of McCarthy's council.

Good Cases and Bad

It is conceivable that the reign of a boss, however distasteful to the principles of a republican government, may have excellent results, so far as his followers are concerned. I conceive that McCarthy may be classed, so far, as a good boss—as Parks was a wholly bad boss. While he has ruled with a hand of iron, his generalship has been highly effective in materially benefiting his followers, and he has even endeavored apparently to deal with employers on a reasonable business basis. Some of the contractors I talked with, while grumbling because McCarthy had used the enormous power of his monopoly to raise wages, yet asserted that it was better for them to have one big boss to deal with than a hundred walking delegates.

The question always arises: What is there in it for the boss? It is not agreeable to question motives, but when a man reaches the absolute power of a boss, we Americans have come to believe that his interests are not wholly unselfish; the temptations are too great! Now, McCarthy serves as president of the Building Trades' Council wholly without salary; indeed, he works regularly as building superintendent of the California Hotel. Also he receives \$100 a month as a member of the City Civil Service Commission, a place of singular influence. It will be appreciated, for a labor leader,

Some of his enemies say he has further political ambitions; it is certain that he was a much-courted man during the recent campaign—until he had declared for the Republican nominee, although he himself is a Democrat and although a union labor candidate was in the field. Naturally, also, he is accused of getting money in roundabout ways, but if the Boss of the building trades in San Francisco has a source of “graft,” it has not yet been disclosed.

McCarthy's ability to use the power of the monopoly behind him has found expression in other striking directions.

Conspiracies to Mulct the Public

When I first reached San Francisco, I was told: “We haven't any such iniquitous combinations here as those of Chicago.”

But I had not been long in San Francisco when I discovered combinations much more perfect than any I had investigated anywhere in the country, and McCarthy was the forefront and head of them.

About three years ago, the men who worked in the planing mills of San Francisco struck for an eight-hour day. The strike was approved by McCarthy's Building Trades' Council; if it had not been, it would not have been supported by the tremendous force of the sympathetic strike and the boycott. The thoroughly organized mill owners claimed that they could not afford to run eight hours in San Francisco in competition with the outside nine- and ten-hour mills, and they sat down to fight.

With the workmen absolutely at his will, McCarthy conceived a daring business plan. He knew it would cost a large sum of money to pay strike benefits for the men who were out of work. Why not use this money and start a new mill? The idea was, of course, scoffed at; but McCarthy organized a company, capitalized it at \$100,000, and had part of the stock subscribed by the various unions in the building trades. The employers called it a bluff, but when they found that McCarthy was in earnest, they tried to prevent the sale of machinery to the unions by local firms. McCarthy immediately made arrangements to buy in the East, but he was finally able to purchase in San Francisco. He built a large new mill, the second largest in San Francisco, and outfitted it complete.

“He'll put some union leader in control,” the employers said, “and make a fizzle of it.”

Unions as Capitalists

But he didn't; he hired an experienced mill manager, and the mill started operations on an eight-hour basis, with union men exclusively.

The employers, with this evidence of the extraordinary business activity of the unions before them, made overtures for peace. The two sides got together, and the employers granted all the demands of the unions—and more; then they *admitted the union mill into their association* as a member, and the Building Trades' Council agreed to use no material which did not bear the union stamp, or which were not made in an *eight-hour* mill. The force of this agreement may be better appreciated when it is understood that there are practically *no* eight-hour mills outside of San Francisco and vicinity. At one time there was a secret agreement signed by William Crocker and other officers of the Mill Owners' Association on one side, and by McCarthy and the officers of the Building Trades' Council on the other, by the terms of which, the workingmen of San Francisco agreed to use no material not made in the mills controlled by the Mill Owners' Association.

In other words, here was a complete monopoly of the mill-working business, in which the unions actually appeared on both sides of the agreement—on one side as the owners of the second most important mill, and on the other as dictators of the labor employed.

The next step was inevitable; it was just the step taken by the Chicago combinations; prices of mill products were raised at an enormous percentage. And the employers, as usual, profited much more than the workmen. There had been a wage increase of some twenty-five per cent., but the prices of mill products were put up from fifty to a hundred per cent. For instance, the price of sizing floor joists went from one dollar to two dollars per thousand, planing on one side rose from \$1.25 to \$2.50 a thousand, and so on. And the public, as usual, paid the bill. It is always the public that is mulcted.

Some remarkable conditions resulted. Lumber formerly shipped, sized, from

Oregon had now to be shipped rough, so the mills in San Francisco could get two dollars per thousand for sizing it. The Brunswick-Balke-Collender Company shipped a load of finely dressed wood from its factory in the East for a bowling alley, but the union men refused to lay it until it had been given the union stamp—which cost two dollars per thousand feet—though no work was done upon the lumber.

Gobbling the Mantel Business

A contractor named Rigney, with whom I talked, had an agency for eastern-made mantels. The monopoly wanted to gobble the mantel business, so the workmen were required to strike against Rigney on an important job, and he was fined \$250 for trying to put in a mantel made in Chicago. He was directed by McCarthy to pay this money to a charity—Little Jim Hospital—McCarthy, it will be seen, was wiser than Parks—and when he agreed to do so he was declared “fair” again, and a delegate of the union came and stamped the Chicago mantels he had on hand but left a warning that he was not to repeat the offense.

No hard wood grows in California, so that when mantels are ordered at the San Francisco mills, the heavy rough oak has to be shipped from the East at high freight rates and made up at high prices at the monopoly mills; in no other way can the people of San Francisco get mantels.

Nearly all this outside work, like the Chicago mantels, was done *in union mills at union wages*, but, because these *union* mills in Chicago and elsewhere did not conform to the rules made by McCarthy's council in San Francisco and work only eight hours a day, they were discriminated against in favor of McCarthy's monopoly.

The Mill Owners' Association has now fixed an initiation fee of \$500, and the union has an initiation fee of \$20, so that competitors who wish to come in and partake of the rich fruits of monopoly must, if they get in at all, pay well for the privilege.

How the Painting Business is Conducted in San Francisco

Similar monopolistic combinations exist in other industries; for instance, among the painters. Each week a committee of the Building Trades' Council, McCarthy being a member, meets a committee from the employers' association, and this joint

committee absolutely regulates prices and all details of the painting trade in San Francisco. This combination was like all the others; the journeyman got an increase in wages of 16½ per cent., whereas the employers increased the price of painting by 25 per cent. and of papering by 50 per cent. I talked with a stubborn German contractor named Postler who was bold enough to bid below the monopoly price.

“I could do it and make a big profit,” he said to me; “why, they charged 30 and 40 cents a roll for hanging paper. I had men who could hang thirty rolls a day. That would mean a cost to the builder of \$9 or \$12. The paper-hangers' wages were \$4 a day; that meant a profit for the contractor of from \$5 to \$8 on the work of a single man. If a contractor employed ten men, his profits would be \$50 to \$80 a day. I could bid under that and still make good money.”

They fined Postler \$25 for bidding under the scale, and, when he refused to pay it, McCarthy ordered all his men on strike, and he was expelled from the employers' association. Since then he has had to struggle along as best he could, getting no new contracts, boycotted by both union and association. Oh, the employers are not a whit better than the unions!

It will thus be seen that, the monopoly being absolute on the labor side of an industry, the tendency is to conspire with the employers and form a complete monopoly of the industry which has the public wholly at its mercy.

It is proper to say that, whatever the Building Trades' Council has done in the matter, the Labor Council, the central body of the miscellaneous trades, more conservatively led, affiliated with the American Federation of Labor, has taken a decided stand against these exclusive combinations. Strong resolutions have been passed opposing them, and one union has actually been expelled for making such a monopoly agreement with its employers' association. McCarthy and his council, on the other hand, are opposed to the American Federation of Labor; they are opposed to anything which will reduce the fruits of their greedy monopoly.

The Cost of Labor Monopoly

What has been the result of all this? Cost of building has risen enormously, and,

as I was informed by contractors and architects, many owners have abandoned their plans for building, and San Francisco is threatened, as Eastern cities are threatened, with a complete cessation of new construction work. Of course, it would not be fair to place upon the unions the entire burden of this condition; the greed of the employers' associations, the supply dealers, and the material manufacturers, have all had a destructive part in it. No one recognizes the menace of these conditions better than Boss McCarthy himself, who is at least a business man. As long ago as May 28th, he had a resolution to the following effect passed by the Building Trades' Council:

"RESOLVED: That this council will and shall absolutely refuse to sanction, approve or indorse any further increase in wages of any of its affiliating unions, until such time as a still greater increase in the general prosperity of our municipality, State, and nation shall fully warrant such action."

Whether sincere in this action or not, McCarthy has not prevented a number of recent raises in wages by some of his unions. Having monopolistic power, it is to be expected that human nature will greedily take all it can get: hence the highest wages in America. No one can deny that unionism has accomplished much in this country; the story of what the Seamen's Union of San Francisco has done in improving the condition of the American sailor makes wonderful reading. Organized labor has made life better worth living for thousands of women and child laborers, to say nothing of what it has done in giving dignity to labor generally, and in forcing from unwilling employers more of these concessions which all the public now approves. But with great power comes great danger of excesses in its use; for the present country-wide movement toward the formation of Employers' Associations and Citizens' Alliances, the unions have only themselves to thank; and it seems certain that there will be the inevitable revolt in San Francisco. Having learned business, the unions have now to learn the wisdom of moderation—the wisdom that some of our trusts are learning.

The trust limits output, and so does the union. Many union leaders in San Francisco denied strenuously that any attempt was made either to limit membership in the unions or to limit the amount of work done, and yet I found evidences everywhere of just

such limitations. The labor journals and the labor leaders have done their best, by sending warnings to other cities, by asserting that labor was a drug on the market in San Francisco, by using their influence upon the national organizations, to prevent outside workmen from coming in. Several employers told me that they had made attempts, when short of help in San Francisco, to get workers from other cities. A tile contractor even made arrangements to import men from Chicago. These men communicated with the unions in San Francisco, and, being informed that the trade was filled, refused to come.

Examinations for Admission to Unions

We find in these unions also, besides the familiar restriction of apprentices, a marked tendency to make it difficult for men to get into the unions. The initiation fee is often a barrier to poor men; certain unions, like that of the tile-layers and electricians, charge as high as \$50; some also, like that of the engineers, insist upon a difficult examination, which, designed with the excellent intention of keeping inefficient workmen out of a dangerous trade, has often been used as a barrier to keep all workmen out, and assist in forming a closer monopoly. The electricians charge \$25 for giving their examination, and, if the candidate does not pass, he loses the fee, which goes into the union treasury. It is a daring man, indeed, who ventures upon such an examination! But it must be said to the credit of unionism in San Francisco that initiation fees have been wisely kept lower in most industries than they are in New York and Chicago.

And on every side among employers in San Francisco, disputed, of course, by the unions, I heard the familiar accusation that, in many trades, union men would not do a fair day's work, that they tended towards the take-it-easy system so familiar now in England—in effect, a limitation of output. It seemed to me, making all allowance for the prejudice of employers, that this condition does really exist very widely.

Mr. George W. Dickie, manager of the Union Iron Works, whose particular province it has been for years to make careful estimates of the cost of the various commodities which go to make up a steel ship, told me that the item, labor, which can be very definitely estimated in this class of

work, had increased in cost to the company in the last three years, by from twenty to forty per cent., whereas the wages had only increased fifteen per cent. In other words, the men are not giving as much work for higher wages now, as they did for lower wages three years ago.

What Unionism Has Done in Politics

Space is lacking to discuss, except superficially, the important influence which labor unionism has had upon politics in San Francisco. Conservative leaders in every part of the country, especially those of the American Federation of Labor, regard political action as an explosive influence, and nearly all of them, except the Socialists, oppose it strenuously, but there seems an almost irresistible tendency for unionism to try its power at the polls. With all the prominent leaders against him, Schmitz, the union labor candidate, was reelected Mayor this fall by a tremendous union sentiment. When he was first elected two years ago, his jubilant followers—indeed, unionism generally throughout the United States—predicted the realization of some of their dreams; a union man had at last been elevated to power over a great city! His opponents, on the other hand, prophesied fervidly that he would play ducks and drakes with the treasury, and bring eternal disgrace upon the city. But he has done neither the one nor the other. After two or three preliminary trials of his political muscle, such as new mayors make, and a few disastrous appointments of union men to high places, he handed himself ingloriously over to a political boss. One would almost have sworn that he was an ordinary Republican or Democratic mayor!

What more could any one expect? Here was an untutored young man, with no very strong jaw, lifted suddenly out of a theatrical orchestra, where he played the violin, deposited in the chair of a chief executive, and called upon to grapple with large questions of municipal finance and other difficult problems of government. Is it any wonder that his administration has been mediocre and inconsequential—where it was not evilly dictated by the astuteness of the Boss? Schmitz has been honest enough in a primary sense; he has paid his grocer and his tailor, he has not forfeited his reputation as a good "family man," nor as a loyal member of the Musicians'

Union, and he has even possessed the saving appearance of administrative dignity; but, pitifully and inevitably enough, he has never led any one nor organized anything. All of which reads like the old familiar story of our municipal politics! It doesn't seem to matter much what party a man belongs to before he is elected: after he is elected he comes to belong to the party of the Boss.

Two days before election, the newspapers, every one of which fought Schmitz, had him thoroughly beaten, but, when the ballots were counted, it was shown that nearly half the voters of San Francisco had marched silently to the polls, and elected the union labor candidate by a majority of some 6,000 votes over his nearest opponent.

Beyond making a few appointments of leaders to good positions, a union mayor can be of very little service to unionism, except in case of a strike, when he can refuse to call out the police to protect non-union labor. Both potentially and actually this is a very great power; no employer in San Francisco would dare make a real fight, knowing that if it came to the point of using non-union men extensively, the attitude of the Mayor would defeat him.

Legislative Pull of Unionism

From political influence it is only a step to legislative "pull." We find the labor monopoly pursuing exactly the policy of the trust; last winter the Labor Council maintained a paid lobby in the Legislature, of which eight members are already labor unionists. The unions have definitely decided the eight-hour question in California, not by securing the passage of any uncertain and repealable law, but by getting an amendment to the State Constitution, and a provision in the City Charter limiting the employment of all public service workmen to eight hours, and in the city fixing a minimum wage of \$2. They have succeeded also in securing other important legislation.

And if the unions are adding to the political power which may be used in their favor, they are also reducing materially the military force which might be brought against them in time of trouble. The unions feel that in many instances the military power has been wrongfully invoked during strikes; whether this is so or not, the fact remains that unionism in San

Francisco opposes the militia. In San Francisco this has reduced most of the companies to half normal strength.

These are, all too briefly, the conditions of labor unionism as they exist to-day in San Francisco. Here we have a tremendous new force, intelligently directed, just fairly awakening to its strength, reaching out, voting, legislating, entering into business, fortifying itself. Indeed, we find that many of the amazing new things that have been happening recently in the industrial world are traceable directly to this immensely forceful, perhaps not altogether self-conscious, movement of organized labor toward monopolizing the labor market.

Methods of Unions and Trusts Compared

In looking into the methods employed by the new unionism in San Francisco, as well as elsewhere, we should never forget that they are essentially similar to those employed by capitalistic combinations. Both have exactly the same object in view — to crush competition. One drives the independent company ruthlessly to the wall, the other knocks the “scab” on the head with a brickbat. The union boycotts, the trust blacklists; the union has its pickets, the trust its paid spies; each limits output, each restricts membership; one fixes a minimum wage, the other a minimum price; each equally clamors for special legislation. In principle, neither trust nor union is wrong; both have immense capacities for good, each a corresponding power for evil. And there is the same danger that the union, given unobstructed sway, as in San Francisco, will go to excesses as it is that a trust or an employers’ association will abuse its power. A wholesale condemnation of either, then, is the height of foolishness and shortsightedness. It is as necessary to commend and encourage the

able and honest labor leader as it is to fight the corrupt boss.

We cannot blame the unions for getting all they can; the trusts have showed them how. Nor can we blame them even for forming a party and voting. They see the railroad corporations and similar combinations getting class representation in our legislatures, and even higher up, in our Congress, by bribery and purchase; why should not the union men vote for what they want? It is at least *honest*. If we allow trusts to *own* legislators and city governments, we must not complain if the unions elect them. And if we admit the right of a Standard Oil Company or a coal trust to form a monopoly on the side of capital, we must also admit the right of the union to secure the “closed shop,” if it can. Monopoly can only be met by monopoly; the best condition for workingman and employer is not one of absolute supremacy on either side, but of vigorous and fearless organization on both sides. The present movement toward the formation of strong employers’ associations in every part of the country to offset strong unions furnishes one guarantee of industrial peace, though that peace may, indeed, be purchased at the expense of the unorganized public; and the more evenly matched are the trust and the union, the better for society, if both can be made to fight fair and obey the law.

Our present clear duty, then, and the very essence of the problem, which the American public and American legislative bodies must meet, is to fix the limitations of monopoly. In short, we must make ourselves so familiar with all the phases of these new developments that we can say definitely to trust or union:

“You can go so far; that is your right; but you can not go farther, because you trespass upon the superior rights of the whole people.”

