

us workers, on the one hand, and the employers, on the other. The latter, in the opinion of the unionists, is the doctrine of the class struggle. It gives coherence and direction to the whole union effort. It is the doctrine of socialism. It existed in embryo fashion in the early days of the union movement. It was the 1890s unionist formula. It is the ever-present contest between the workers and the wealth producers to conquer the rights from the wealth absorbers. "More than nineteenth century

An Ideology for Unions

LABOR UNIONS had rough sledding for most of the nineteenth century. Most of them were short-lived organizations. During periods of inflation and industrial expansion, such as the late 1820s and early 1830s, the number of unions increased; they gained in strength and numbers. But they tended to lose their following and disintegrate during periods of deflation and industrial contraction.¹ Until well into the 1880s, at the earliest, labor unions were hardly a fixture in the United States. Here and there, and in a few industries, they had a slight hold.

The most obvious explanation is also the correct one, so far as it goes. Unions found it difficult, if not impossible, to survive competition from unorganized workers in an industrial contraction. When jobs were scarce and workers plentiful, union members dropped out, either because they were unemployed or in order to obtain employment, and employers would not treat with the unions. In like manner, any great surge of immigrants into United States, such as occurred during the potato famine in Ireland in the 1840s, compounded the difficulties of unions. Since they can only succeed by reducing the supply of labor available to an employer, their chances of succeeding were greatly diminished when the supply was plentiful.

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The supply of labor was not the only obstacle to unionization, however. Indeed, it was the main reason for being of unions, and only an obstacle when they were unable to deny employment to the unorganized. The fundamental obstacles to unionization lay deeper than that in nineteenth century America. Unions had no socially or legally acceptable object for their main activities.

The Legality of Combinations

Let us consider the narrow legal question first, since it can be dealt with most readily. That men may associate together for voluntarily entered into lawful purposes was not seriously challenged in the history of the United States. (I except slaves and slavery from the issue, for that confuses rather than clarifies the matter.) What was questioned was that men might combine so as to set conditions of employment and exclude others from employment. Such combinations were frequently held to be conspiracies in the early years of the Republic, and therefore unlawful. In *Commonwealth v. Pullis*, for example, the Philadelphia Cordwainers, a union of shoemakers, were brought to trial in 1806. "The indictment included charges that association members conspired to raise wages, refused to work for an employer who paid less than a fixed rate, and prevented

workers who were not members of the association from being hired."² The members of the union were found guilty and fined.

In *The People v. Fisher* a New York court isolated and addressed the specific issue of whether or not it was lawful to combine in order to exclude non-members of the union from employment. The decision was rendered in 1835. The court substructured its argument with the common law rulings and legislative position on combinations in restraint of trade. It then proceeded to the issue:

... The man who owns an article of trade or commerce is not obliged to sell it for any particular price, nor is the mechanic obliged to labor for any particular price. He may say that he will not make coarse boots for less than one dollar per pair, but *he has no right to say that no other mechanic shall make them for less*. The cloth merchant may say that he will not sell his goods for less than so much per yard, but has no right to say that any other merchant shall not sell for a less price. If one individual does not possess such a right over the conduct of another, no number of individuals can possess such a right. All combinations therefore to effect such an object are injurious, not only to the individual particularly oppressed, but to the public at large. . . .³

The above ruling was based most specifically on an act of the legislature of New York. Thus, it declared the act of combination was itself

illegal when the object was to exclude non-members from employment. The common law was not usually interpreted as being quite so restrictive. Thus, Chief Justice Shaw gave it as his opinion in 1842 in *Commonwealth (of Massachusetts) v. Hunt* that combinations as such were not illegal. This has been hailed as a landmark decision by many historians. It was not a landmark in the sense that it acknowledged the right of men to associate to take legal action. That had been granted all along. The prosecuting attorney in *Commonwealth v. Pullis* had granted this right readily. He said: "The defendants formed a society the object of which was . . . What? That they should not be obliged to work for wages which they did not think a reasonable compensation? No: If that was the sole object of the society, I approve it. . . . No man is to work without a reasonable compensation; they may legally and properly associate for that purpose. . . ." ⁴ It was, as he went on to point out, their use of compulsion to which he objected and about which the suit was being prosecuted.

Means and Ends

The opinion given by Chief Justice Shaw in support of the decision in *Commonwealth v. Hunt* did muddy the waters. He held that an association might be legal even though it may adopt "measures that

may have a tendency to impoverish another, that is, to diminish his gains and profits, and yet so far from being criminal or unlawful, the object may be highly meritorious and public spirited." ⁵ It all depended, he said, on the means employed to accomplish the object. For any courts inclined to follow in the steps of his opinion, he did open the way to consideration of the object of a labor union. More, he opened the way for ignoring the harm that might be done to non-members—such as loss of job, unemployment, the closing of businesses—if the end being sought was a worthy one. However, courts were decades away from generally accepting as evidence all the sociological data that such considerations entailed.

More important, the main thrust of American society for most of the nineteenth century was profoundly individualist. Unionism requires a collectivist framework within which to work. The thrust of the American Revolution was in the direction of removing special privileges and legal supports from groups and organizations. The disestablishment of churches is an important case in point. Most of the colonies had an established church, or accorded special privileges to those of particular denominations. In most of the new states both privileges and restrictions were struck away in the 1780s. The First Amendment to the Con-

stitution prohibits Congress to establish a religion.

The abolition of any government-imposed entailment and primogeniture tended to make property fully individually owned and at the disposition of its owner. Aristocratic titles were proscribed, and the movement was away from legally supported classes. Most northern states abolished slavery; it was prohibited in the Northwest territory; and provision was made for the eventual ending of the slave trade.

Individual Rights

Although the principle was incompletely realized, one emerged nonetheless. It could be stated this way: No non-governmental organization should have any legal standing other than such as belonged to the members comprising it. In *The People v. Fisher* the court had articulated the principle in this fashion: "If one individual does not possess such a right over the conduct of another, no number of individuals can possess such a right." In short, organizations possessed no rights beyond those of individuals. The opposition to the Order of the Cincinnati—a society of veterans of the Revolutionary War—was based on the fear of special rights coming to be attached to its members. Freemasonry was sometimes attacked for similar reasons.

In the realm of economic organi-

zations there were countercurrents at work at the time of the founding of the United States. Mercantilism still had its followers, as it has from time to time throughout American history. It was a common mercantilist practice for government to grant charters to particular businesses which gave them monopolistic privileges. It was commonplace in early American history, for example, for a company to be given a charter to build a bridge or road and to collect tolls from users. The United States Bank was the most famous national instance of such a chartered monopoly. This Bank was financed both with government and private funds, a fairly common practice at the time also.

The other current was the movement to divest organizations of all special privileges and to deny them any special favors. This movement reached its peak during the Jackson Era—the 1830s and 1840s. Much of the ire of this opposition was focused on banking, but by no means all of it. The United States Bank was the national victim of the opposition to privileged organizations, but in some states the opposition extended to all banks. In 1819, the governor of Kentucky proposed to the legislature that it initiate an amendment to the United States Constitution to the effect that "no incorporated bank should exist in the United States."⁶

When a constitution for Iowa was drawn in 1846, it prohibited the most salient feature of banking at the time—the issuance of paper money—in these words: “No corporate body shall hereafter be created, renewed, or extended with the privilege of making, issuing, or putting in circulation any bill, check, ticket, certificate, promissory note, or other paper, or the paper of any bank, to circulate as money. . . .”⁷ The author of the article from which these quotations are taken points out that had these people understood the effects of deposit banking they would have been equally opposed to it.⁸

Opposition to Corporations

The opposition to giving legal standing to organizations never quite reached through to all commercial and charitable undertakings. (In any case, the opposition was more western than national.) Perhaps it was deflected from that course by the furor over special privileges and chartered monopolies. From the beginning, state legislatures had granted charters and passed special acts of incorporation for particular businesses or institutions. These special acts not only smacked of special privilege but also were susceptible to corrupt relations between those seeking them and members of the legislature.

Instead of abandoning the corporate form, many legislatures passed general acts of incorporation. “Led by Connecticut in 1837, Maryland, New Jersey, New York, Pennsylvania, Indiana, Massachusetts, and Virginia all passed some type of general incorporation statute before the Civil War. In all cases, the laws sought to bring about uniformity and to protect the public from special privileges in the establishment of corporations.”⁹ General acts of incorporation did not end opposition to corporations, of course; that has been a fairly constant refrain in American history, and has risen to a crescendo from time to time.

My main point, however is that an individualistic ethos prevailed in America in the nineteenth century. Not even political parties had legal standing; they were private associations. Rights were something belonging to individuals. Slavery was an anachronism, and as some of the most astute men saw, it had to go. Clubs, groups, and various sorts of organizations abounded; church denominations proliferated, and some prospered. But they subsisted by individual choice, and survived and prospered only so long as individuals gave freely of their time and substance to them. Work and trade relations were a matter of contracts between or among adult individuals (slavery excepted, as always). In general, neither government nor so-

ciety recognized any class, grouping, order, or organization of men with special privileges and positions.

There was hardly a place for labor unions within this ethos. True, they might exist as private societies so long as they engaged in no destructive acts. Conceivably, they might have applied for corporate status, but that was not a very live option. In the first place, even limited liability incorporation would impose liabilities on unions which they have usually sought to avoid. In the second place, incorporation imposed limits on activities and required the spelling out of the purpose of the organization. It is most unlikely that a corporate charter would have been issued in the nineteenth century to a union which stated in blunt legal language its purpose and the means by which it was to be achieved.

Secret Societies

It is not surprising, then, that most early American labor unions were secret societies. They sometimes adopted names redolent of secret societies, such as the Knights of St. Crispin or the Knights of Labor. Their membership rolls and rites were secret; their efforts at organization were often surreptitious. The Knights of Labor, the first national union of consequence, resembled in form the Knights of the Ku Klux Klan, though its purpose and

methods were different. The head of the Knights of Labor was styled "Grand-master."

Labor unions had a large and apparently intractable problem to solve before they could come out into the open, become respectable, and gain some sort of recognized legal status. There was a gaping hole in their argument. Their basic appeal for members was that they could gain something of value for them—higher wages, shorter hours, better working conditions, or what have you. Yet most of these improvements could only be obtained by labor unions by reducing the supply of workers available to employers at crucial times. This means that unions are organizations of some workers primarily against other workers. It means that their basic acts will be against other workers, as in strikes, boycotts, and just about any tactics that may be devised. The usual impact on unorganized workers is indirect, of course; it is experienced as unemployment, underemployment, and lower returns.

For labor unions to succeed either in gaining a large following or establishing themselves on anything like a permanent basis required a favorable framework. A considerable portion of that framework was provided by ideology, ideology which shifted the emphasis from the individual to the collective, ideology

which papered over or concealed the primary thrust of unionism, and ideology which provided a justification for the conflict which unionists claimed was involved, i.e., between management and labor.

Unionism Rests on Socialist Vision of Injustice

The ideology which undergirds unionism is socialism. Lest this statement be misunderstood, some qualifications are in order at the outset. In the first place, socialism was not originated as a doctrine to support the founding of labor unions. In the second place, many of those who support labor unions have not been consciously, avowedly, or by their own understanding of the matter, socialists. The ideological justification of unions is an offshoot of socialism, not its primary impetus. Socialism is a vision of the good society; unions are conceived as a partial corrective in an unjust society. It is that socialist vision of injustice which informs unionism, not necessarily its ultimate goal. It is in this sense mainly that socialism undergirds unionism.

There are three doctrines which were variously formulated by socialists which undergird unionism. They are: (1) *that the wage system in a capitalistic economy is unjust*; (2) *class consciousness*; and (3) *the class struggle*. These doctrines serve both to justify

the union activity and to conceal much of its essential character.

Here is a statement of the first doctrine, one from among many that could be adduced. It is general enough, as many of them are, to include a variety of explanations of the injustice that is supposed to be involved:

It is hardly disputed that capital, under our modern industrial system, is receiving more than a just share of the fruits of labor, and the laborer is receiving relatively less and less of the profits of his toil. The increase of wealth and wages is in no sense equitable. There is not a progressive economist in America or England who does not say that wealth is growing out of all proportion to the benefits which the laborer derives from his labor. The distribution of wealth is not according to industry or ability; not according to one's worth to society, but according, in large measure to the skill of some in appropriating to themselves the fruits of the labor of others by commercial legerdemain. . . .¹⁰

In general, socialists ascribe this inequity to the private ownership of property, or, more precisely, to the private ownership of the means of producing and distributing goods. This ownership—a system in which some have much, and most have little or none—is supposed to enable the owners to claim much more than their rightful share of the product of labor.

Indeed, according to Karl Marx's famous formulation of the labor

theory of value, the owners of productive property would be entitled only to the return from what they had produced with their own labor. As Marx put it, "*The relative values of commodities are, therefore, determined by the respective quantities or amounts of labour, worked up, realised, fixed in them.*"¹¹ That being the case, anything taken by owners or managers for themselves was taken from what rightfully belonged to the workers. This taking away of the product of his labor led to the alienation of the worker and a whole train of unfavorable consequences, according to Marx:

The alienation of the worker in his object is expressed as follows in the laws of political economy: the more the worker produces the less he has to consume; the more value he creates the more worthless he becomes. . . .¹²

Most American union leaders have not been Marxists, but that they based their efforts on the injustice of the system should be clear from the following statement. It was worked out in 1894 in a conference of labor leaders, including Samuel Gompers of the American Federation of Labor, in Chicago in 1894:

The trade union movement has its origin in economic and social injustice. . . . It stands as the protector of those who see the wrongs and injustice resultant of our present industrial system, and who by organization manifest their purpose of becoming larger sharers in the product

of their labor, and who by their efforts contribute toward securing the unity and solidarity of labor's forces; so that in the ever-present contest of the wealth producers to conquer their rights from the wealth absorbers, we may . . . work out through evolutionary methods the final emancipation of labor.¹³

This statement not only affirms the labor leaders' belief in the injustice of the system but also the other two doctrines of the ideology. The second doctrine is class consciousness. It is stated above as "the unity and solidarity of labor's forces." By "class consciousness," I mean to convey the conception that all workers—all the "toilers of the world," as it was sometimes stated—are members of a single class. The notion is that they share a common interest and a common goal. As the ideal was often stated, "an injury to one [is] an injury to all."¹⁴

Class Consciousness

The doctrine of class consciousness is absolutely essential to the labor union effort. In reality, workers are in competition with one another for jobs, just as employers are in competition with one another for workers. In actuality, the primary contest of unions is with unorganized workers or with workers in other unions. This obtrusive fact must somehow be countered or put out of mind and sight. Class consciousness is the de-

vice for doing it. If all workers have an identity of interest, if they think of it that way and believe it (or if the general population does), they must support all justified union efforts. Class consciousness is the bond of union collectivism.

This does not alter the fact that many workers do not belong to unions. More important, it does not change the actuality that when some workers walk out, others may remain on the job, or when there is a strike, other workers are sometimes willing to take their place, or when there is a boycott, some workers may ignore it. It does, however, provide a framework for placing those who ignore the union will beyond the pale. Such workers are fundamentally "defective." They lack the sense of class consciousness. They are not, however, objects of pity but of scorn, fit to be treated in whatever way it is necessary in order to be rid of them.

Union terminology recognizes three categories for those who work in defiance of the union decision. There are, first of all, "scabs," the non-union workers who work when the union has proclaimed a work stoppage. Then, there are the "rats," an even more contemptible category, those workers who were formerly union members but have left the union to act on their own. Then, there is a kind of universal category, that of "strikebreakers."

In union mythology, "strikebreakers" are toughs and thugs brought in by employers to work during a strike in order to break it. They are semi-professionals at being tough enough to endure the abuse they will receive when they go through picket lines and unafraid of the threats of retaliation. Although there have no doubt been instances when such people have been brought in by employers, just as unions sometimes bring in toughs to fortify mass picketing lines, any who work during a strike are likely to be castigated as "strikebreakers," as well as by the other unsavory terms.

The important point here, however, is that the doctrine of class consciousness enables unionists to place workers who act contrary to their aims beyond the pale. Thus, any conflict with them is not viewed as a contest between workers but as a contest between noble and righteous workers, on the one hand, and traitors to the cause on the other.

A Class Struggle

The linchpin of unionist ideology is the doctrine of the class struggle. It gives coherence and direction to the whole union effort. It is a doctrine derived from socialism, though it existed in embryo fashion in pre-socialist formulations. It was stated in the 1894 unionist formulation as "the ever-present contest of the wealth producers to conquer their

rights from the wealth absorbers. . . ." Most late nineteenth century socialists described it as a struggle between capital and labor. In twentieth century America it has been somewhat softened by referring to it as a contest between labor and management. (Note, labor unions usually describe the contest in such a way as to claim that they embrace all of "labor." The doctrine of class consciousness fortifies this notion.)

In the preamble to their constitution in 1908, the I.W.W., a revolutionary American union, described the class struggle this way:

The working class and the employing class have nothing in common. . . .

*Between these two classes a struggle must go on until the workers of the world organize as a class, take possession of the earth and the machinery of production and abolish the wage system.*¹⁵

Most American unionists do not, of course, subscribe to the revolutionary goals professed above. But the class struggle doctrine is essential to their ideology. It defines who the struggle is with. It is against the employers. They are the antagonists. They are the source of whatever injustices are alleged, and they are the ones who have it in their power to alter the situation. It is not supposed to be a struggle to the death. It is not even a continuous struggle. Instead, it is an episodic struggle, one which may go on until union recognition has been

achieved and a pact arrived at between the two parties. Then, it is in abeyance, so to speak, until new grievances arise or until a new contract is due.

In a broader sense, though, it is a continuing struggle. It is the struggle to organize all workers in a trade or industry and to get recognition for these unions. Even more broadly, there is the tacit, and sometimes explicit, goal of organizing all employed workers. Interestingly, established labor unions never make an extended effort to organize the unemployed. (Coxey's Army, an assortment of the unemployed during the depression going on in 1894, did receive some contributions from labor unions, but it was not a labor union and was brought into being to bring pressure on the national government.¹⁶) There is sufficient reason for them not to do so. For what purpose would the unemployed be organized? To get the jobs of some of those employed. But such an undertaking would blow the cover of the unions, so to speak.

Attention Diverted

That brings us to the essentiality of the class struggle doctrine to unionism. It serves to focus attention away from the primary contest between workers and upon what is, at best, a secondary contest between unions and employers. A widespread acceptance of the class struggle view

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of the matter tends to focus public attention on conditions of employment and the grievances alleged by the unions.

When a strike occurs, reporters do not ordinarily make surveys of the available supply of labor. They do not report the living conditions of those who were not employed. They

do not describe it as a basic conflict between employed and the unemployed, or those employed for less return. Instead, they report the alleged grievances of unions against employers and focus attention on the conduct of the employer. Presidential commissions and legislative committees do not call in the un-

employed from the surrounding countryside for interrogation. Instead, they grill the striking workers and the employers.

The class struggle doctrine makes all this quite plausible. It is only when the matter is examined economically, or when concern is shown for the victims of the violence, if there is any, that the matter takes on a different cast. Then it becomes clear that unions can only achieve their aims by excluding competing workers from employers, that organized workers are primarily organized against other workers. The class struggle thesis acts to conceal this character of the conflict.

In the course of the nineteenth century, labor unionists came under the sway of an ideology. It was so much of socialist ideology, at the least, as was necessary to buttress their undertaking. They accepted the view that individual workers acting alone would be cheated of their rightful share of the fruits of their labor—that the system was unjust. They accepted the necessity for collective action by workers and, in justification of that, that workers belonged to a class. They accepted the class struggle thesis, that theirs was a contest between capital and labor. They attempted, of course, to persuade people generally that their ideological version was the correct view of the matter.

Having an ideology did not insure

that labor unions would succeed in establishing themselves. It did provide a framework within which to operate. ☉

—FOOTNOTES—

¹See, for example, Gilbert C. Fite and Jim E. Reese, *An Economic History of the United States* (Boston: Houghton Mifflin, 1965, 2nd ed.), pp. 227-30, 398.

²Raymond S. Iman and Thomas W. Koch, *Labor in American Society* (Glenview, Illinois: Scott, Foresman and Co., 1966), pp. 23-24.

³Henry S. Commager, *Documents of American History*, vol. I (New York: Appleton-Century-Crofts, 1962, 7th ed.), p. 296.

⁴Iman and Koch, *op. cit.*, p. 25.

⁵Commager, *op. cit.*, p. 298.

⁶Quoted in Bray Hammond, "Banking in the Early West: Monopoly, Prohibition, and Laissez Faire," in Thomas C. Cochran and Thomas B. Brewer, *The Agricultural Era* (New York: McGraw-Hill, 1966), p. 173.

⁷*Ibid.*, p. 177.

⁸*Ibid.*, p. 183.

⁹Thomas C. Cochran, *Business in American Life* (New York: McGraw-Hill, 1972), p. 78.

¹⁰George D. Herron, "Christ and the Social Revolution," in *American Issues*, edited by Merle Curti, Willard Thorp, and Carlos Baker (Philadelphia: J. B. Lippincott, 1960), p. 705.

¹¹Karl Marx and Friedrich Engels, *Selected Works* (New York: International Publishers, 1968), p. 204.

¹²Z. A. Jordan, ed., *Karl Marx: Economy, Class and Society* (New York: Scribner's, 1971), pp. 126-27.

¹³Thomas G. Manning, ed., *The Chicago Strike of 1894* (New York: Henry Holt, 1960), p. 34.

¹⁴Iman and Koch, *op. cit.*, p. 88.

¹⁵*Ibid.*

¹⁶See Donald L. McMurry, "The Industrial Armies and the Commonwealth," *Mississippi Valley Historical Review*, vol. 10, pp. 215-52.

An American Renaissance

LONG AGO Albert Jay Nock made a key distinction between political power and social power. When one waxes, the other wanes. In the great periods in history social power has been dominant, with wars localized and infrequent. Nineteenth-century America is an important case in point: here, on an open continent, inventiveness went hand in hand with low taxation, industry thrived, and great universities were founded on the basis of voluntary giving.

Nock was not a person to quantify his concepts; he relied on common sense observation to make his points. But common sense is not enough, particularly in a world in which there is so little of it. We have needed economists to demonstrate in cold arithmetical terms just how the seizure of the usufructs of social power by the political arm can diminish all our lives.

Recently Jude Wanniski, in *The Way the World Works*, has popularized and expanded upon the thinking of some of the new pro-social power anti-Keynesian economists, notably Arthur Laffer of the University of Southern California, and Robert Mundell of Columbia University. Between them, Laffer and Mundell have proved the case for the Nockian insight that taxation, when pushed to progressively high levels and combined with inflation, can asphyxiate an economy. But how do you get this across to politicians who thrive on the transfer of resources to the State?

Luckily, there are some politicians who care more for their productive-minded constituents than they do for themselves. One of them is Jack Kemp, the Congressman from Buffalo, who was once a most effective professional football