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THE CONDITIONS OF INDUSTRIAL PEACE

BY

J. A. HOBSON

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PREFACE

It is generally recognised that industrial conflicts issuing in strikes and lockouts, with their waste, disorder, misery and malice, can only be averted by the willing consent of the parties to submit their differences for settlement to some equitable and impartial tribunal. It seems so evidently just and reasonable that disputants should not be judges in their own cause and administer by economic force their self-made justice, as to blind many minds to the difficulties that beset this path of reason. Most trade disputes relate to the terms upon which workers will undertake employment, the price of labour. Even when hours or other conditions figure in the front of a dispute, they mean to the employer 'cost of production.' Now all business is so permeated by the notion that prices shall be fixed by the relative strength of bargaining between sellers and buyers, and that every seller and buyer has full liberty to refuse to sell or buy, if he does not find the price acceptable, that business men, whether employers or workers, experience a shock when it is suggested that the sale of labour must be conducted in some other way, if industry is to function successfully. Yet this is the meaning of the demand that grave trade disputes shall be submitted to arbitration, with some legal or moral compulsion to accept the award. It seems an encroachment upon personal liberty.

If this feeling is to be overcome, the whole problem of industrial peace must be envisaged in its broader setting, and

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preliminary measures must be taken for limiting the areas of conflict. In the first place, the crucial fact that the economic consequences of a trade dispute cannot be confined to the disputants in the particular trade, but must always extend with varying degrees of intensity to other trades and the consuming public, demands recognition in any scheme for satisfactory settlement. The notion that any trade may legitimately hold up other trades and block the thoroughfares of industry, because of some private quarrel between its members, is wholly indefensible. It ignores the fact that industry is a unified organic structure, with elaborate interdependence of its parts.

Evidently, therefore, any sound arbitration must base its award upon a recognition of all the interests involved, and its process must provide for a due presentation of interests that lie outside the immediate area of conflict. Industrial settlement cannot be secured by purely piecemeal arrangements. Arbitration requires not only calm consideration of the particular dispute, but rules of general application to industry as a whole. These can only be worked out by some National Industrial Council competent to survey the whole field of industry. But there are other prerequisites to peace. Some general Government of Industry is needed with limited powers, (1) to secure subsistence wages and other minimum conditions for workers, (2) to own and control the operation of a few essential monopolies, (3) to secure for public revenue and communal services as large a share as is practicable of rents, excess profits and inheritances.

Such functions, in part belonging to the State, in part to

the new forms of industrial self-government, are needed to remove, or reduce, those elements of unearned or surplus wealth that everywhere are chief sources of discord, and to utilise them for strengthening the economic system and for other work of human progress.

Such is the line of argument unfolded in these chapters. I do not pretend to work out in practical detail the proposals here outlined. In such a scheme of reconstruction much must await experiment. But I have set down what appear to me to be the prime essentials of a policy of industrial peace now practicable.

I wish to express my indebtedness for some valuable suggestions and criticisms to my friend Mr. Delisle Burns, who has read this book in manuscript.

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