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# Industrial Peace

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BY

ANDREW CARNEGIE

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*Address at the Annual Dinner of the National Civic Federation  
New York City, December 15, 1904*

## INDUSTRIAL PEACE

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“ I HAVE been furnished with an admirable text,— ‘Industrial Peace.’ This is the day of Peaceful Arbitration Treaties among Nations to promote ‘International Peace,’—a beneficent change, even although these agreements reserve two kinds of disputes for the arbitrament of war in the last resort.

“ We should always remember with satisfaction that peace reigns in six-sevenths of the industrial world. There are only seven in mechanical and manufacturing occupations out of twenty-two millions engaged in gainful pursuits. Now, we hear nothing of war in the agricultural branch, which of itself has more than ten millions of workers. The farmer and his farm-hands co-operate peacefully, their relations are satisfactory, as we safely infer from the absence of quarrel between them. In domestic service, comprising five and one-half millions, all is peace; perhaps

in this department the relations of employer and employed are most satisfactory of all. How very few are the homes with servants in which we do not find several old retainers, old nurses or old butlers, old coachmen, old gardeners, who pass their old age in comfort as part of the household. There are differences, of course, in small households, where servants are not made comfortable. These naturally desire a more independent existence and rightly so. As a rule they deserve better treatment and better quarters than they get. This is a healthy discontent.

“These facts lead us to the cause of much of the tension and strife found in the manufacturing and mechanical departments. It rests just here: the former bring in the personal equation, and into the latter nowadays that scarcely enters. It is these personal relations, the knowledge of the virtues of the employer and employed revealed to each other, creating mutual regard, that establish the reign of peace in agricultural and domestic service. Shakespeare’s rule holds good:

‘Like mistress like Nan.  
Like master like man.’

“Small manufacturers and contractors, employing each a few men, rarely have trouble with each other. Each man knows the qualities of the employer and

the employer knows his men. Naturally they become interested in each other, and mutual esteem, often ripening to affection, ensures not only peace but good-will. Eliminating the class of small employers, there remain out of the seven millions engaged in manufacturing and mechanical pursuits, probably not more than three millions of the seven, from whom the blessings of peace are often swept away by industrial war. That is, out of twenty-two millions of workers, six-sevenths may be assumed to have industrial peace. Only one-seventh employed in huge numbers at the large works or mines are exposed to successive and disastrous outbursts of war, and this chiefly for the reason that employers and employes are strangers to each other's good qualities. It is, therefore, to this class,—employers equally with employes, we of the Civic Federation require to devote most of our thoughts and efforts. I am persuaded that quarrels arise quite as often from the employer's ignorance of the fine qualities of his employes as from ignorance of the workmen of the good qualities of their employers.

“As far as the largest manufactories and mines are concerned, I think the great corporation engaged in a dispute with its men makes a mistake if it adopts the policy, or even considers it, of running the works with new men. First, the best workmen are not idle,

and to employ the only class that can be obtained is to lay the foundation of serious future trouble. It does not pay to lose a body of excellent workmen and sober, respectable men, nor to employ the class of workmen whose services can be obtained to fill their places. There is another consideration of much weight. Just in proportion as the workman is earnest and efficient is his pride in his work; he feels that the tools he operates or the furnace he works are in a sense part of himself. He has a personal interest in them and in his job. To compel him to stand by and see an outsider,—almost sure to be his inferior both as workman and as man,—take his place, is to subject him to a trial he should be spared. That the support of his wife and children depends upon his labor, of which he is deprived by another, is the most excruciating thought of all. This is a trial to which no workman should be subjected.

“Even when the employer succeeds in running the works with new men, his victory is really a defeat. He will ultimately lose more by the change than he would have lost had he patiently awaited a settlement with his own men. The fact that there are in the works thousands of men who began there in youth and are now middle-aged, all proud of the works and fond of their owners, is the best preservative of peace and

successful operation. It is such works that break records.

“If, in case of a strike, the employer promptly informed his men that they need have no apprehension about their jobs, that he would not have any but his own men and knew that he could not get such men as they, and therefore would wait for them until their unfortunate differences were settled, all would soon be well. I think employers should make this an invariable rule,—never to employ new men in case of a strike, but to wait patiently for the old men.

This is no new doctrine for me to preach. It has ever been my view and I have always acted upon it.\*

“In special branches this policy is impossible, such as in street and other railways and wherever the daily wants of the public are concerned. No doubt new men in extreme cases must be employed, but it is a sad necessity, to be avoided whenever possible. In these cases, public sentiment plays a potent part and hastens a settlement.

“We have another branch to deal with, much in evidence in New York. I am told that a contractor building a residence here employs men from no less than thirty-eight trade-unions. In recent years one

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\*In the case of the “Homestead” strike—when I was absent in Europe—my partners opened the works upon being assured that nine-tenths of the old men wished to go to work. It was for these the mills were opened, and not for new men.



or more of these have been constantly at war. Seldom are the thirty-eight all enjoying industrial peace. Saddest of all sights, it is often against each other,—union against union,—that war is waged. Union fighting union must surely give the great fiend exhilarating rapture.

“I have no personal experience in this matter, but such information as I have been able to acquire from some fair-minded employers is to the effect that the fair, competent and quiet workmen do not yet give proper attention to the management of their unions, and that, consequently, these have been hitherto left to the extreme men. This is a stage which organized labor always has to meet, but it often passes that stage, and as the necessity for prudent action is realized, the moderate, open-minded and fair men finally obtain control. In organizations like the Locomotive Brotherhood and other unions of railroad men, we have proof that there is evolved a safe, conservative, fair management, which renders strikes a very rare occurrence indeed. It is not the able, educated workman that favors demands or violent action, but the ignorant, and just as men become intelligent, there will be greater harmony.

“It were idle to expect that differences between buyer and seller of labor will not arise, for these

characterize every kind of exchange. It is naught, sayeth the buyer. It is invaluable, says the seller; and in one point of view the workman sells labor and the employer buys. It is wholesome that capital should be made to pay well for labor, and to pay very high for it when profits are high, and it is inevitable that wages will fall when profits fall, so that we must expect, and not be alarmed at, repeated demands and repeated rejections from both employers and employes from time to time. These are healthy signs. What the Civic Federation should aim at is that strikes or lock-outs should be prevented, and for these I can see no cure so effective as a trade agreement providing for arbitration, after every effort has been exhausted to settle the difference by the employer and his men themselves, as friends co-operating in a vast enterprise to whose success both must contribute, and in the prosecution of which capital and labor are not foes but allies.

“I would not call these conferences ended between employers and employes until not one ray of hope existed, for employer and employed agreeing between themselves is the best proof of mutual respect, esteem, yes, and of regard,—surest foundation of all upon which any enterprise can rest. The employer who does not estimate the cordial co-operation of



employes, because their hearts are with him, as worth a very considerable advance in wages does not share my opinion.

“Gentlemen, the most cheering feature in the relations of capital and labor is that there seems a law at work which rejects the extreme men of both employers and employes and slowly evolves the reign of the fair-minded element which continually makes for industrial peace. The mission of our Federation is to bring these together in friendly conference and prove to them that there are two sides to all disputes, and also many kindred virtues and an earnest desire for harmony upon both sides; that there are fair employers as there are fair workmen, and that it is a bad day for both capital and labor when they fail to settle themselves peacefully any dispute that arises between them.”