

THE POSSIBILITY OF NEW LEGAL OBLIGATIONS.

SECOND PAPER.¹

“ With respect to them (Progressive Societies) it may be laid down that social necessities and social opinion are always more or less in advance of Law. . . . Law is staple ; the societies we are speaking of are progressive. The greater or less happiness of a people depends on the degree of promptitude with which the gulf is narrowed.”²

IV.

In my first paper on this subject I attempted to point out three things: First, that what we know as law, legal right and obligation, grew out of our economic and social conditions, and not out of *a priori* theories of right and wrong. When “conditions” changed the law might change also. Second, that the present century had experienced profound changes in methods of production which, on the whole, tend to concentrate the direction of industry in a comparatively small number of persons. The conclusion drawn was that we might reasonably look to the director of industrial enterprise, or *entrepreneur* and the buyer of his products on the one hand; and the *entrepreneur* and his workmen on the other, for changes in legal conceptions. Third, an examination of the cases dealing with the *entrepreneur* as a seller disclosed the fact that already the legal right of an owner to sell at the price he could get was beginning to be modified in the face of altered economic conditions. I also tried to point out the extent of the possible modification. In the present paper I desire to take up the second part of my subject, and see what effect, if any, the changed conditions of production have had, or are likely to have, on the legal obligations of employer and employed. And first to examine somewhat more closely than in the former paper the economic changes affecting these obligations.

The tendency towards large productive establishments, the elimination of smaller producers in many lines of industry, the

¹ First Paper in the January Number, p. 1.

² Maine's Ancient Law, Chap. 2, p. 23.

combination and consolidation of the large producers in a single industry, results, as I have heretofore pointed out, in a decrease, relatively speaking, of the class which directs industry, and an increase of the class which labors for others. In one industry after another the *bourgeoisie* class of small employers, is passing away. This means that, on the whole, there is less chance for a workman at the end of the nineteenth century, than there was at the beginning, to move out of his class and become an employer on his own account. It is a natural result of these changes that our time has witnessed the first organized effort on the part of workmen to better their class as a class. In past centuries the natural leaders among the workmen devoted their energies to getting out of their class. The efforts of trade unions have been, among other things, to obtain better terms from the employers. The weapon or club which has been used to accomplish this object has been the strike, or simultaneous abandonment of work. The ability to strike in a body is essential, under modern conditions, to secure careful consideration of demands from employers before refusal. Under existing laws, there is a complete freedom of contract, not between the employer and the whole body of his employees, but between the employer and each employee. The place of a single individual in any trade or industry can be easily filled. If the man is dissatisfied he may leave and, if he can, find work elsewhere on better terms.

The strike, however, has some features about it which have already rendered it an impossible remedy in many employments. At the best it is a rough cure. Production, on which the progress of the community depends, stands still while producers wrangle among themselves. It reminds one of the practice prevalent among primitive communities, and used in India under the name of Dharna down to the English occupation. If a debtor of social position failed to pay his debt, the creditor starved himself at the door of his debtor until he died or was paid. But aside from its crudity the strike is invariably accompanied by certain evils to the whole community. In the first place, a peaceful strike is out of the question. There are

always some men willing to take the strikers' places, and it is past human nature as at present manifested for men peaceably to stand by and see their places filled by those whom they regard as traitors to all they themselves hold dear. Judge Jenkins in, *Farmers' Loan and Trust Company v. Northern Pacific Co.*,¹ says, "It is idle to talk of a peaceful strike; none such ever occurred. A strike is essentially a conspiracy to extort by violence; the means employed to effect the end being not only the cessation of labor by the conspirators, but the necessary prevention of labor by those who are willing to assume their places." Mr. Justice Harlan, when the case came before him in the Circuit Court of Appeals, refused to take this view, saying that the court had no evidence from which they could assert as a matter of law that all strikes were illegal as being necessarily accompanied by violence.² But the great mass of lay minds, and I am inclined to think the great mass of judicial ones also, will conclude that Judge Jenkins was right, and that a strike without violence may indeed be thinkable but is practically never attainable. Indeed, it may be seriously questioned, whether if workmen on a strike invariably stood by and peaceably allowed their places to be taken by others, the strike as a means of affecting a desired end would be worth anything.

But, besides the violence which seems to be the necessary concomitant of a strike, there is another equally serious feature, which arises from the new facts of our industrial organization. The economic changes of the nineteenth century have not been confined to turning small factories into large. There has been a division of industry, as well as a combination of industrial establishments. Where one industrial plant began and completed a product, now several separate industries are represented in almost everything which we use. Take, for instance, a house. In the first part of the century the saw-mill and the carpenter almost sufficed to complete it. Now, we have the structural iron-worker (who may depend

¹ 60 Fed. 803, p. 821. See a criticism of this case by the author, 33 Amer. Law Reg. & Rev. 81.

² *Arthur v. Oakes*, 63 Fed. 310, p. 326-7. See also Sir James Hannen in *Farrer v. Close*, L. R. 4 Q. B. 600, p. 612.

on the foundryman for the supply of his raw material, who in turn, depends upon the miner); the brickmaker; the terracotta worker; the mill worker; the stone mason; the bricklayer; the carpenter; not to mention others on the regularity of whose labor the work of all may not depend. It is recognized by every one that all industry depends on the business of transportation. Stopping the wheels of our locomotives means stopping all trade and industry. Transportation is the most striking instance of the interdependence of industry; but in a less degree this interdependence is true of any other industry, and tends to become more true every day.

What may be said of the dependence of one industry upon another may also be said of each industry in its internal organization. Once there were few trades which did not include the knowledge of the whole process of manufacture from the raw product of the industry to the completed product. A shoemaker knew how to make a shoe, even from cutting out the leather to the last stitch. Now one set of men know how to feed the cutting-out machine, another how to heel the shoe, while still another run the machines which sew the uppers on the soles. Again, we find that transportation affords the most striking example of the general drift of things. On every railroad work is so divided that each man does only a small portion of the whole business, but, as in the shoe factory, the whole depends on his keeping at work. A few engineers or a few switchmen ceasing to work will paralyze a whole railroad system. The result is an ever-growing importance to a widening circle of persons that a particular class of workmen should keep at work, and an ever-growing possibility of harm from the strike even of a few men.

These being our new conditions, how has the law dealt with them? It required no new legal conception to declare that a workman had no right to lay violent hands on an employer's property, or to declare it a crime for him to use threats and violence against one who would work for his former employer. In repressing violence and intimidation when occurring in respect to strikes, the only develop-

ment of the law has been on the side of the remedy and punishment. Striking employees and officers of their unions have been served with injunctions commanding them to refrain from acts of violence and trespass on property, and placed in prison for contempt when the mandate of the court has been disobeyed. Though this involves no new substantive legal conception, it is, nevertheless, a startling development of legal remedies and is, I believe, an indication of the character of what will be new legal obligations on the part of both workmen and employer. It will, therefore, be profitable to note the outline of the development of injunctions as applied to restrain the violence of strikers, and the reasons which influenced the judges to extend their equitable powers. The first injunctions served on strikers both in this country and England were, oddly enough, injunctions restraining acts which bordered on libel—the very thing of all others which a court of equity will not restrain. In *Springhead Spinning Co. v. Riley*,¹ Vice-Chancellor Malins restrained the striking employees of the complainant company from posting signs throughout the city advising workmen not to apply for employment at the complainant's mill. The ground of the decision was that the act, which was in pursuance of a boycott, was unlawful, and, being a continuing injury to the property of the complainant, for which there was no adequate remedy at law, an injunction should be granted. In the first American case of any importance, *Sherry v. Perkins*,² the defendants were enjoined from displaying a banner in front of complainant's premises with the inscription, "Lasters are requested to keep away from P. P. Sherry's, per order of L. P. U." Judge Allen says: "The banner was a standing menace to all who were or wished to be in the employment of the plaintiff, to deter them from entering the plaintiff's premises. Maintaining it was a

¹ L. R., 6 Eq. 551. Reversed on the ground of restraining a libel: Prudential Assn. Co. v. Knott, L. R. 10 Ch. App. 142.

² 147 Mass. 212 (1883). The earliest case that we know of is New York, Lake Erie and Western R. R. Co. v. Wenger, 17 Wk. Law Bul. (Ohio), 307, (1887.) Judge Stone, of the Cuyahoga County Court, issued an injunction restraining the ex-employees of a railroad company from trespassing on the property of the company for the purpose of preventing freight cars from being moved by non-union hands.

continuous unlawful act, injurious to the plaintiff's business and property, and was a nuisance such as a court of equity would grant relief against." The idea on which the equity jurisdiction of the court was based in these cases was that of a continuing nuisance. In the first case, the posters would have stayed up indefinitely; in the last, the banner had been displayed for more than three months in front of the plaintiff's premises before the bill was brought.¹

The next step was to restrain threatened acts of violence destructive of property. In 1885, Judge Brewer, then Circuit Judge for the Eighth District, had committed strikers to prison for contempt in that they had entered the property of a railroad with a view of hindering the running of trains by intimidating the employees. The railroad was in the charge of the court under a receiver.² The ground for the imprisonment was the duty of the court to see that property committed to its charge was protected. As reported, no prior injunction had been issued. The power of the court to commit arose out of the peculiar circumstance that the property was in the custody of the court. Yet the case was one of those on which the important case of *Cœur d'Alene Consolidated & Mining Co. v. Miners' Union of Wardner*,³ rested. This case grew out of the Idaho mining riots of 1892. In the bill to restrain the strikers from molesting the property or intimidating the workmen a condition of anarchy was set forth, which makes the assertion of Judge Beatty that he was not restraining a crime curious reading. The mine property had been attacked, workmen dragged forth, marched to the borders of the state, and then turned adrift in a wild and uninhabited country. Yet, the opinion of the court regarded

¹ See also for a similar case of publishing hand-bills: *Casey v. Typographical Union*, 45 Fed. 135; *Steamship Company v. McKennam*, 30 Fed. 48, was a case of mailing threatening letters. For a case refusing an injunction against publishing notices that the defendant was employing non-union labor, see *Rieter Bros. v. Journeymen Tailors' Union*, 24 Wk. Law Bul. 189 (1890).

² *United States v. Kane*, 23 Fed. 748.

³ 51 Fed. 260 (1892). See for a case restraining on a motion for a preliminary injunction laborers from conspiring to prevent the employment by a steamship company of men not in the union: *Elder v. Whitesides*, 72 Fed. 724 (1885).

the question involved as "whether the acts complained of considered as unlawful and not criminal may be restrained." The injunction was issued on the ground that frequent repetitions of the acts might be expected. Prior cases, among them *United States v. Kane*, which was not a case of injunction, was cited to show that equity will restrain wrongs by strikers. Yet this case had important differences from such a case as *Sherry v. Perkins*. In the former the act was a continuous one; in the latter a repetition was only feared. But more important yet, in the previous case, the acts complained of were such that any officer of the police force would not have thought of interposing. The acts might have been indictable, but that would not have been known until an indictment had been brought. In this case the acts complained of, in spite of the opinion that they were not criminal, did subject the strikers to immediate arrest and warranted the calling out of the United States troops. These differences may not be material, but they are differences, and mark the progress of the use of the injunction to quell the unlawful acts of strikers.¹

The celebrated injunction issued in the great Chicago strike of 1894, was the first injunction ever issued at the instance of government. Its purpose was to assist the executive arm in restoring order.² In the court below the right to issue such an injunction had been placed on the ground of the statute of 1890,³ commonly known as the Interstate Commerce Act. The first section declares that every combination in restraint of commerce between the states is illegal, and the fourth section provides that, "The several circuit courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act, and it shall be the duty of the several district attorneys . . . to institute proceedings in equity to prevent and restrain such violations. . . ." The court, through Judge Wood, expressly refused to place their

¹ For a more extended discussion of this case see article by present writer in 31 Amer. Law Reg. & Rev. 782, on Injunction to Restrain Libels and Courts of Criminal Equity.

² In re Debs, 158 U. S. 564-571 (1895).

³ 26 Statutes at Large, 209; U. S. v. Debs, 64 Fed. 724.

injunction on grounds outside the statute, because of lack of precedent,¹ and Judge Baker, in another case, growing out of the same injunction,² declares that "prior to the second day of July, 1890, it is entirely clear that the United States, as a municipal corporation, had no power, either by petition or bill, to go into the courts of equity of the United States and invoke the aid of these courts, by their restraining power, to prevent interference with the carriage of the mail, or with the carriage of interstate commerce." Yet, when the case came into the Supreme Court of the United States on *habeas corpus*, that court, through Mr. Justice Brewer, preferred to rest their judgment on broader grounds than the act. Justice Brewer maintained that the relations of the federal government to the mail and to interstate commerce were such that the government was justified in a direct interference to prevent a forcible obstruction. "The strong arm of the national government may be put forth to brush away all obstructions to the freedom of interstate commerce or transportation of the mails." He then proceeds to state that where the power exists the government is not limited to executive action, but may appeal to a court of chancery to aid the executive in the enforcement of the law. Where the necessity exists, the court will issue an injunction restraining those who are threatening, or who are defying the authority of the government. The court refused to rest their decision on the fact that the United States Government has a property in the mails, but rested it on the broader ground that "every government entrusted, by the very terms of its being, with powers and duties to be exercised and discharged for the general welfare, has a right to apply to its own courts for any proper assistance in the exercise of one and the discharge of the other." . . . It is safe to say that, had this power been claimed by the courts in the days when the executive was wielded by those who would oppress the people, rather than maintain order, the chancery would have been expressly abolished along with the star chamber, as the right-hand instrument of tyranny.

¹ Page 745.

² *United States v. Alger*, 62 Fed. 824.

It is not our purpose here, however, to criticise or justify the action of the court in the Debs case, either on the ground of precedent or expediency. The result of this and prior cases is all that we are interested in. The injunction is no longer confined to private hands or the hands of municipal corporations, or to cases where the present damage to property is under color of right. A state, or national government, when the subjects under the control of Congress are affected, can obtain an injunction restraining strikers from acts of violence.

In all the cases which we have reviewed, the persons restrained were the leaders of the unions and brotherhoods as well as the strikers. In the Debs case the proceedings for contempt were against Debs and other leaders of the American Railway Union. After the injunction had been served on them they still continued to encourage the strike. Their speeches and telegrams showed, on the whole, that they had done nothing to deter their followers from stopping trains. They, however, had done nothing on which it is likely that an indictment for inciting to crime could have been successfully maintained. Their conviction on the evidence leads to the conclusion that, if after an injunction is issued, the leaders still encourage the strike, and any violence is committed, the leaders will be held to have violated the injunction and render themselves liable to commitment for contempt. Of the efficiency of an injunction in ending a strike there can be no doubt. As practically every strike is accompanied by violence, the issuance of an injunction either causes the leaders to end the strike or lands them in jail. The result of the Chicago strike, shows that if the leaders are arrested the strike is at an end. The testimony before the United States Commission of Inquiry is very eloquent on this point. "As soon as the employees found that we were arrested, and taken from the scene of action, they became demoralized, and that ended the strike. It was not the soldiers that ended the strike, it was not the old brotherhoods that ended the strike; it was simply the United States Courts that ended the strike." It may be that the outcry against government by injunction will force the passage of acts submitting all contempt cases to a jury.

but it is unlikely that the power of the court to issue the injunction will be taken away. The evil of strikes is too great, and the efficacy of the injunction to restrain these evils too manifest. The conservative forces of the country will lean towards upholding the power.

What efficacy the strike had, therefore, has been practically taken away by these decisions, as far as the transportation industry is concerned.¹ They have not, as has been stated, altered, at least consciously, the obligations and rights of the parties to a labor contract. Those rights, as at present usually expressed, are simple in the extreme. The employer can hire whom he wants, on what terms he wants. He can terminate the employment at any time, being liable only to civil damages if he breaks a contract for a longer period. On his part the employee sells his services for what he can get, to whom he wants, and can break the relation at any time, subjecting himself only to civil damages for the breach of contract. Let us examine, however, one or two recent cases. In the early part of 1893, the engineers on the Toledo, Ann Arbor and Northern Michigan Railroad struck. The strike was ratified by Arthur, the chief of the Brotherhood. He sent out a telegram to the employees on the connecting lines, ordering them to enforce Rule 12. Rule 12 provided that when there was a strike on the road, which strike was approved by the head of the Order, the members who were employed on the other lines should refuse to handle cars from the line on which the strike had been inaugurated. As a result of Arthur's telegram, the companies connecting with the Ann Arbor line notified that company that they would not handle their cars, because their men would strike. The Ann Arbor Company then filed their bill in equity petitioning the court to restrain the connecting companies, their officers and

¹ Should our courts follow the recent English case of *Lyons v. Wilkins*, L. R. 1 Ch. 811, (1896), we might say that the courts had destroyed the efficacy of any state. The striking employees of a manufacturing company through the officers of their union were restrained from "watching or besetting the plaintiff's works for the purpose of persuading or otherwise preventing persons from working for him, or for any purpose except merely to obtain or communicate information. . . ." It should be said that this injunction was issued under Conspiracy and Protection Act § 7, Int. § 4.

employees from refusing to handle their cars. The injunction was granted on the ground that under the Interstate Commerce Act it was the duty of all roads to handle interstate freight and passengers.¹ Three employees of the Pennsylvania Railroad Company were proceeded against for contempt of the injunction in refusing to handle the Ann Arbor cars. According to the facts found by the court three of the defendants had taken their engines out of the round-house and proceeded to the yard where they were ordered to take out a train containing cars from the boycotted road. The defendants refused and resigned from the road. Another defendant was ordered to pick up a car at a particular junction. On arriving at the junction, he found it was an Ann Arbor car. He held his train and refused to obey the order. Later in the same day he received permission from an officer of the Brotherhood to haul the car which he immediately did. Before investigating the facts, Judge Ricks made an address on the scope of the injunction; in which he said, "You are engaged in a service of a public character, and the public are interested not only in the way you perform your duty, while you continue in that service, but are as much interested in the time and circumstances under which you quit that employment. You cannot always choose your own time and place for terminating these relations." Further in his opinion in the case, the same judge says²: "In ordinary conditions as between employer and employees the privilege of the latter to quit the former's service at his option cannot be restrained by force . . . but these relative rights and powers may become quite different in the case of employers of a great public corporation charged by the law with certain great trusts and duties to the public." Noticing the power of a few men, such as engineers, to cripple a road and paralyze industry, he says, "If such ruin to the business of employers, and such disasters to thousands of the business public, who

¹ Toledo, Ann Arbor & Northern Michigan Railroad Company v. Penna. Ry. Co. et al., 54 Fed. 746, 1893. For a more extended review of this and the subsequent case see an article by the present writer entitled: The Courts and Striking Railroad Employees, 32 Amer. Law Reg. & Rev. 41.

² Page 752.

are helpless and innocent, is the result of a conspiracy, combination, intimidation, or unlawful acts of organized employees, the courts have the power to grant partial relief¹ . . .” In the other reported case growing out of the same trouble,² Judge Taft points out that if a workman “uses the benefit which his labor is or will be to another by threatening to withhold it, or agreeing to bestow it, or by actually withholding or bestowing it, for the purposes of producing, procuring, or compelling that other to commit an unlawful or criminal act, the withholding or bestowing his labor for such a purpose is itself an unlawful or criminal act. . . .”³ The conclusion from these statements is two-fold. From Judge Ricks we gather that a combined strike paralyzing industry may, in his opinion, itself be illegal, on account of the disaster such an act will cause ; and from Judge Taft, that refusing singly or in a body to work because an employer will not enforce a boycott, is illegal. Both judges refused to extend the powers of a court of equity to restrain men from leaving the employ of the railroad company on the ground that this would be an order to keep men at work. The court does undertake to force them to perform their duty as employees while they remain such. Thus, Judge Ricks, while he dismissed the case against the three engineers who resigned rather than handle Ann Arbor cars, imposed a fine on the man who refused to handle such a car in the middle of a trip. Judge Taft ordered Arthur to rescind his telegram enforcing the boycott. The Brotherhood generally refused to obey the order of the court, but Arthur obeyed the order to rescind the boycott and the trouble was at an end.

It must be confessed that the refusal of the court to order the men not to strike, to put in force a boycott, in view of the length which the court did go in its restraining order, leaves an

¹ Page 753.

² Toledo, Ann Arbor & N. M. R. R. Co. v. Penna. Ry., 54 Fed. 730.

³ In *Temperton v. Russell*, L. R., 1 Q. B. 715 (1883), it was held that an action lay against the officers of a trade union for enforcing a boycott against the plaintiff's mill. An injunction against members of the union was refused: *Ib.* 435. In *Flood v. Jackson*, L. R., 23 B. 21 (1895), a workman recovered against an officer of a union who had procured his discharge.

unsatisfactory impression, though the line drawn by the court is logically clear. It is equally a crime injuring property to refuse to handle a particular car and remain in the employ of the company and to combine with others and leave the employ, not for the purpose of severing your relations with the company, but to force the company to commit a crime. And not only are both acts criminal, but both acts are similar and have the same object.¹ Judge Jenkins in *Farmers' Loan and Trust Company v. Northern Pacific Railroad Company*,² took this view of the matter when he came to the conclusion that all strikes were illegal because they were a conspiracy to compel. He restrained the employees and their organization from "combining or conspiring together, or with others, either jointly or severally, or as committees, or as officers of any so-called labor organizations, with design or purpose of causing a strike."³ As we have seen, Mr. Justice Harlan annulled this order, not on the ground, however, that it was keeping men at work, but on the ground that all strikes were not illegal. He expressly says, that if strikes were what Judge Jenkins thinks them to be, the order of injunction, so far as it relates to strikes, is not liable to objection as being in excess of the power of the Court of Equity."

It would, therefore, seem that where a strike is for an illegal purpose, it is likely that the court will now restrain the strike itself by injunction, even though such action practically involved an order to remain at work. It also seems that the minds of our judiciary are fast coming to the opinion that all strikes are illegal. The Chicago strikes and the Debs Case add little to our information on these points. The case settled the fact that a combined conspiracy to quit work on a railroad, crippling interstate commerce, was a crime; it upheld the right of the court of equity to aid the government in the enforcement of civil order; but the injunction being skillfully drawn, carefully avoided ordering the men to continue at

¹ *Southern Cal. Ry. Co. v. Rutherford*, 62 Fed. 796 (1894), was a case in which Judge Ross, under similar circumstances, followed the Ann Arbor Cases.

² 60 Fed. 803 (1894).

³ Page 809.

work in so many words. The principal clause of the restraining order says: "From compelling or inducing, or attempting to compel or induce, by threats, intimidation, or *persuasion*, force or violence, any of the employees of said railroads to refuse or fail to perform any of their duties as employees in respect to interstate commerce and mails." But the line between such an injunction and compelling a man to work until his ceasing to do so does not cause great public inconvenience is a narrow one. That a combination to refuse to work, as far as the employees of a transportation industry is concerned, is a crime seems to be established, whatever the powers of the court, and this is only another way of saying, that there is a right on the part of the employer to the continuance of the employees' services, until his leaving does not cause serious embarrassment.

Some will say that this is the return to a form of slavery. That is true, if the new obligation to continue to work is not to be followed by a recognition of a corresponding right on the part of the employed to have the conditions of his employment determined by some one besides the employer. That the right to compulsory adjustment of disputes between employers and employed in those industries where the right to strike is effectually repressed will not be obtained, is almost unthinkable. The economic facts, which we have pointed out, tend to place much power for harm in the strike of a few employees. The cases which we have been over show a legitimate effort on the part of the court to meet this new condition. That effort is not going to stop when the courts have satisfied the new needs of one class. Already we hear the demand for compulsory arbitration between companies and their employees where the companies are exercising a public franchise. Justice Harlan, in one of the cases of which we have been speaking, asserts his belief in the right of the government to fix the rate of wages of railroad employees by statute, or to prohibit leaving companies at will.¹ Indeed,

¹ *In the absence of legislation to the contrary*, the right of one in the service of a quasi public to withdraw therefrom . . . and the right of the managers to discharge an employee must be deemed absolute: *Arthur v. Oakes*, 63 Fed. p. 319 (1894).

if present economic tendencies continue, there seems no reason to doubt but what in time the contract of one man for the labor of another will be a contract, the main outlines of which will be settled by a court, or by legislative enactment. This will not arise from any fondness for paternalism or any form of socialism, but simply from the fact that conditions make it of vital public importance that the relations between an employer and his men should continue without serious dispute or violent interruption. We can lay it down as a general proposition that whenever the terms of a contract or its continuance are vital to the progress of the State, the State will see to the terms of the contract, in spite of that inborn prejudice in favor of *laissez faire*, the outgrowth of conditions which surrounded our ancestors.

William Draper Lewis.

Philadelphia, February 1, 1897.