La Grande Evening Observer

VOLUME XXV | SECTION TWO | LA GRANDE, OREGON, SATURDAY, AUGUST 19, 1922. | MEMBER OF ASSOCIATED PRESS | NUMBER 272

BABSON SEES END COMING IN STRIKES

Since War Strike "Curve" Has Been Below Point Called Normal.

BUSINESS IS COMING AHEAD

Noted Statistician Claims Labor Will be Hard to Deal with in the Future but That Everything Will Work out All Right.

(Special to The Observer)

WELLESLEY HILLS, Mass., Aug. 19.—In view of the newspaper space recently taken by the coal strike, railroad strike, and certain textile strikes, we are prone to think that strikes are very general at the present time, Roger W. Babson, however, refutes this opinion in a statement issued today, as follows:

"As a matter of fact, we have very few strikes at the present time. Ever since the war the strike curve has been below the point which was then called 'normal.' The fact that we have had three strikes of large dimensions blinds us to this basic truth. Two of these strikes, the coal strike and the rail shopmen's strike, are in industries which have not been deflated, so far as war time wages go. The other the cotton textile strike, has been partially deflated and the trouble is about going the rest of the distance. The difficulties in these three industries are then cases of belated hostilities.

Summer Always Brings Strikes.

"For the most part labor is not striking, wages are being gradually let down to lower lev- and the disposition of men is to keep at work. There is always a rise in the strike curve during the summer. We are having that rise now. Nevertheless, we are not having the number or the wide distribution of strikes which he had last year or at any time since 1915. We will not have a repetition of those conditions this year. The strike curve is nearer normal than almost anything else in industry.

"As to the future, the answer is to be looked for in conditions. What made the tremendous wave of strikes which marked the years 1915 to 1920? The simple fact that there were more jobs than men; that the cost of living was going up; that labor was in a position to force the issue. No such prospect is in view for the years right ahead. Therefore, we need not look for a repetition of the strike conditions of the war days. Those days are passed. Nevertheless, we are going to have strikes. There are going to be a good many of them. They are going to be called for reasons other than the ones that backed the strikes of war time. Then men went on strike for more pay. They were courageous, confident, buoyant. They were sure of success. They were seldom disappointed. In the future just ahead, they are going to strike against wage cuts, against attempts to rule out the unions. They are not going to be as successful as they were in the war time strikes.

Labor to Be Sullen.

"In consequence of this the real question of the next few years is as to the frame of mind which Labor is going to have. In contrast with the buoyant confidence of the war years, Labor is now going to be sullen, resentful, revengeful. What they do not gain in open victories, they are going to be disposed to accomplish by indirect means. A man who cannot get his pay raised can stall on the job. He can get the best of his boss by all kinds of nasty tricks in the factory.

These are short-sighted policies. In the long run they work to the disadvantage of Labor. Still, they are the usual recourse of Labor when it is met by obstacles that do not yield.

"Right here is the problem of the employer of the next few years. How shall he meet the new temper of Labor? In my opinion that ugly temper must be met by open dealing, by setting before Labor the facts under which business is done and by admitting Labor progressively to a greater share in management of the elements of the industrial relations which most directly concern Labor. That is to say: the time to develop personnel departments, set up profit-sharing, organize shop committees and all of the rest of the things that belong to this class is, not when Labor is in the saddle and holds a gun at the employer's head, but when the employer himself is in the saddle and is in the position to dictate terms.

Sees Shortage Coming.

"The employer does not have to take this reasonable course if he does not want to. He can use these next few years to pile up trouble for himself and his successors in days to come. If, however, the employer is wise, he will take advantage of his position to set up the best kind of machinery, with which to defend himself and his industry. It is not a question of strikes in the immediate future. It will be a question of sabotage. Sabotage, however, is worse than strikes. It demands its own treatment.

"In view of these conditions, investors should give more thought to the labor policies of the companies in which they purchase securities. An examination of corporation earnings shows that the labor policy is the great determining factor between profit and loss during normal times. This especially applies to various concerns in the same line of industry. They all pay approximately the same price for raw materials; they all have practically the same hours of work, but one company succeeds and the other fails. Statistics show that the difference is largely due to their labor and financial policies. Therefore, conservative investors will seek securities of companies which have a broad-minded labor policy, and which companies are now developing plans which will be of use when the next period of prosperity comes. Ice cannot be gathered in the summer, but must be put up in the winter when it is not needed. The same principle applies to Labor. Labor troubles are very difficult to settle when they occur. Wise manufacturers prepare, during such times as these, preventative measures so that labor troubles will not occur when times are good."

General business is holding its own, according to the index of the Babson-chart. It shows activity today at 7 per cent below normal as compared with 9 per cent last week and minus 18 per cent a year ago.

WILL STRAHORN BUILD ROAD

Frank Miller Tells Baker Commercial Club That Strahorn has Said he would Build Central Oregon Line.

BAKER, Aug. 19.—There is a strong probability of early railroad building in Central Oregon, according to Frank Miller, former public service commissioner, who was in the city Wednesday to address the Chamber of Commerce in the interest of the commercial organizations of Western Oregon and the Southern Pacific. Mr. Strahorn stated that he recently met Robert Strahorn, at Bend, who is interested in railroad building, and quoted Mr. Strahorn as saying he would build the road across the central part of the state to Crane, with connections to Klamath Falls and Bend and a feeder connecting with Lakeview.

Mr. Strahorn also stated, according to Mr. Miller, that he is confident there will be sufficient tonnage from the territory to be covered to give a return of 6 per cent on the investment. His plan of railroad building will call for approximately 400 miles of track.

Mr. Strahorn was building a road out of Klamath Falls on this program at the opening of the world war and was forced to suspend operations when costs of construction began soaring. He has recently resumed work and now has men laying steel on a part of the completed grade out from Klamath.

AMERICANS TO VISIT POLAND

(By Associated Press)

WARSAW, July 14. (By Mail).—The Polish American chamber of commerce announces that in order to increase trade relations between the United States and Poland, an invitation to visit Poland has been extended to various American trade concerns and financial institutions. In answer to this invitation, 22 American organizations have promised to send their delegates to Poland. They are expected to arrive early in the Autumn.

CHRISTIANIZE INDUSTRY PLAN

British Churches Unite in a Remarkable Survey of Conditions Followed by Conference.

(By Milton Bronner.)

LONDON, Aug. 19—Is modern business Christian?

Do people nowadays confine their religion to an hour or so on Sunday and forget it the rest of the week?

These are questions all Christian churches of Great Britain—Catholic and Protestant—will try to answer in a remarkable conference of citizens and experts in April, 1924. A similar conference may be held in the United States.

Elaborate Plans.

Questionnaires are being sent out and elaborate plans are being made by committees. The Rt. Rev. Edmund A. Knox, Bishop of Manchester, is president of the British conference. The honorary secretaries are a Quaker woman and an Anglican clergyman, and council members include Church of England clergymen, representatives of all evangelical churches and prominent Catholic priests.

"Property and industry" is the questionnaire subject expecte to command most serious attention.

"The purpose of industry," says the council, "is to supply the needs of the community. In present practice the choice of the consumer, backed by ability to purchase, is accepted as the arbiter of what those needs are, and causes the appropriate goods and service to be put on the market. This choice is considerably influenced, by the producers who push their own goods."

To Christianize Industry.

Finally a program is set forth which its supporters believe practicable and capable of Christianizing industry, and the council asks whether those who answer the questionnaire consider the program Christian in character and the first step toward a really Christian society. This is the program:

1. Minimum wage law, with security for adequate leisure.
2. Prevention of casual employment and unemployment.
3. Workers' maintenance during involuntary unemployment.
4. Abolition of labor of children under 16.
5. Publicity for costs and profits in industry.
6. Taxation to correct inequalities of dependence of mothers and children.
7. Administration of monopolies as public services.
8. No payments to able bodied adults except for service.
9. Democratic control of industry by all engaged in it by representation.
10. Prices based on economic costs, social control of credits; labor banks.

The council urges those to whom the questionnaire is sent to investigate and study rather than prejudge how far the existing industrial order is Christian or un-Christian.

FRISCO NEEDS GOOD THIRD BASEMAN

(By Associated Press)

SAN FRANCISCO, Aug. 19.—Fans are wondering who will succeed Willie Kamm at third base on the San Francisco baseball team next year when Kamm goes up to the Chicago White Sox on a $75,000 deal.

Two White Sox players, Eddie Mulligan and Herb McClellan, are being mentioned for the post. McClellan is a utility man for the Chicago team. Mulligan plays short and third.

What the Shopmen's Strike is All About

Official Letters and Resolutions Between President Harding and the Shopcrafts

In order that there may be a clearer understanding as to just what principles are involved in the shop crafts strike the following official letter resolutions are printed so that the general public may read and understand for themselves:

The White House,
Washington, D. C.,
July 31, 1922.

B. M. Jewell,
President, Railway Employes Department, American Federation of Labor, Chicago, Ill.

I am hereby conveying to you the terms of agreement upon which the Railway Managers and United Shop Craft Workers are to unite preliminary to calling of the existing strike. First, Railway Managers and workmen are to agree to recognize the validity of all decisions of the Railroad Labor Board, and to faithfully carry out such decisions as contemplated by the law. Second, The carriers will withdraw all law suits growing out of the strike, and Railroad Labor Board decisions which have been involved in the strike, may be taken, in the exercise of recognized rights by either party, to the Railroad Labor Board for rehearing. Third, All employes now on strike to be returned to work and to their former positions with seniority and other rights unimpaired. The representatives of the carriers and the representatives of the organizations especially agree that there will be no discrimination by either party against the employes who did not strike. I think it is fair to say that I have changed the second condition from the original form in which it was discussed with you and your associates. You will note that I have suggested that appears for rehearing may be taken "in the exercise of recognized rights by either party" to the Board for rehearing. This does not change the substance, but I thought it only fair to have the statement apply to either side of the controversy alike. I hope you and your associates will see fit to express your approval to the terms submitted. Confirmation follows by mail.

(signed) WARREN G. HARDING.

July 31, 1922.

My Dear Mr. Cuyler:

I am writing to convey to you the terms of agreement, as I understand them, upon which the railway managers and united shopcraft workers are to agree, preliminary to calling off the existing strike.

First—Railway managers and workmen are to agree to recognize the validity of all decisions of the Railroad Labor Board, and to faithfully carry out such decisions as contemplated by the law.

Second—The carriers will withdraw all law suits growing out of the strike, and Railroad Labor Board decisions which have been involved in the strike may be taken, in the exercise of recognized rights by either party, too the Railroad Labor Board for rehearing.

Third—All employes now on strike to be returned to work and to their former positions with seniority and other rights unimpaired. The representatives of the carriers and the representatives of the organizations especially agree that there will be no discrimination by either party against the employes who did or did not strike.

In view of the things said in our personal interview, it is hardly necessary for me to emphasize my belief in the wisdom of the railway managers accepting this compromise in order to bring the strike to an end. I have made a very full appraisal of all the embarrassments involved in making the seniority restoration. It has ing the seniority restoration. It has the order of things on the day the strike began be restored, and that employers and workers agree against discrimination toward either those who struck or did not strike, will leave to the managers only the difficult problem of dealing with the new men employed. It would be futile for me to attempt to point the way of most easily solving that difficulty. I have only attempted to appraise the situation from the larger viewpoint. It seems to me that such a settlement brings, first of all, the restoration to normal operations in transportation for which the country is calling. In the second place, it establishes definitely the full recognition of the Railroad Labor Board by all parties concerned. I have not specifically stated it in the terms of settlement, but, of course, the abandonment of the contract system, in accordance with the decision of the Board, is to be expected on the part of all railroads. It is wholly unthinkable that the Railroad Labor Board can be made a useful agency of the government in maintaining industrial peace in the railway service, unless employers and workers are both prompt and unquestioning in their acceptance of its decisions. I think it is more desirable than I know how to express to have established the unchallenged authority of the Railroad Labor Board, because we must do those things which are necessary to bring about the recognition of suitable authority to decide and end such disputes as menace the continuity of transportation.

You are at liberty to present the situation as I have outlined it to you, and I hope you will convey to the members my deep conviction that this dispute must be brought to an early termination. I need hardly add that I have reason to believe these terms will be accepted by the workers. If there is good reason why the managers can not accept, they will be obligated to open direct negotiations or assume full responsibility for the situation.

Very truly yours,
(signed) WARREN G. HARDING.

Col. T. Dewitt Cuyler,
Chairman, Association of Railway Executives,
care, Waldorf-Astoria Hotel, New York City, N. Y.

August 3, 1922.

The President,
The White House,
Washington, D. C.

My dear President:

The following in confirmation of my wire of the 2nd.

Your terms of agreement for settling the present controversies between th railroad managements and employes, as embodied in your telegram under date of July 31, 1922, have been presented to a meeting of the general conference committee held in Chicago, and acted upon as follows:

The representatives of the employes feel themselves under obligation to support every proper effort on the part of the Government to bring about or to preserve the uninterrupted operation of the transportation industry. The stubborn refusal of the railway executives to establish a Board of Adjustment, as contemplated by law, in order to settle efficiently disputes over rules and working conditions between the carriers and their employes; the continued refusal of railways, representing over a quarter of the mileage of Class One Railroads, to comply with the decisions of the Railroad Labor Board against the practice of contracting out work and shops; the persistent campaign to deny to the railway employes just and reasonable wages, to impose upon them unfair working conditions and to disintegrate their organizations; all in cumulative effect rendered service by railway employes under the terms and conditions to be effective July 1, 1921, intolerable to over ninety-five per cent of these employes, who, therefore, voted to suspend work.

It is now proposed that they return to work, temporarily accepting wages and working conditions which they feel to be unjust with reliance upon the following program for redress of grievances.

"First, railway managers and workmen are to agree to recognize the validity of all decisions of the Railroad Labor Board, and to faithfully carry ont such decisions as contemplated by the law."

The employes have always taken the position that as long as they continued to render service they should abide by the rules and working conditions and accept the wages agreed upon by proper negotiation, or determined by the Labor Board after a hearing of a dispute upon any of these matters. They respectfully point out again that violations of law and refusals ot comply with decisions of the Labor Board, have been exhibited only by the railway managements and that it has been universally admitted that the employes, in exercising their right to suspend work under non-acceptable conditions, were neither violating the law nor the decisions of the Board.

We understand that the recognition of "the validity of all decisions of the Railroad Labor Board, as contempated by the law" means, for example, that in the case of the Pennsylvania Railroad all employes will return to work under the wages and working conditions established in the decisions of the Labor Board and that the sole question of "validity" pending is the authority of the Labor Board to determine as in decision No. 218, the method of selecting accredited representatives of the employes, assuming that the railroad has appealed from the decision of the United States Circuit Court of Appeals, which sustained the action of the Labor Board.

"Second, the carriers will withdraw all lawsuits growing out of the strike, and Railroad Labor Board decisions which have been involved in the strike may be taken, in the exercise of recognized rights by either party, to the Railroad Labor Board for rehearing."

It is our understanding that the representatives of the employes, upon seeking a rehearing of the controverted decisions concerning wages and working conditions, will be afforded a prompt rehearing and decision by the Labor Board. We assume also that the practically unanimous action of the employes in electing to suspend work and in continuing this suspension under the sanction of, and in accordance with the laws of, their national organizations, has ended any captious questioning as to who are the properly accredited spokesmen of the vast majority of railway employes. We desire to call attention to the orderly and disciplined conduct of these empoyes under difficult conditions, which has demonstrated the indispensable value of their national organization in aid of the effective adjustment of controversies and the efficient conduct of the industry.

"Third, all employes now on strike to be returned to work and to their former positions with seniority and other rights unimpaired. The representatives of the carriers and of the organizations especially agree that there will be no discrimination by either party against the employes who did or did not strike."

We are glad to observe that the obvious justice of this proposition has been accepted. It would certainly be a wholesale injustice of unparalleled

(Continued on Page Two)

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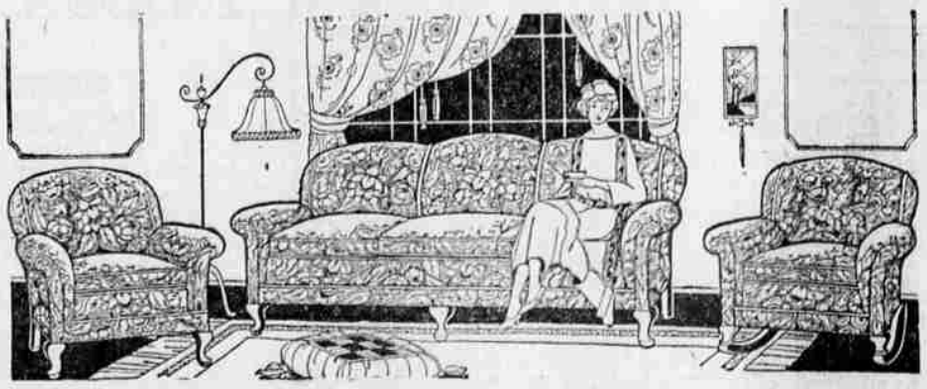

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