La Grande Evening Observer

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GOOD TIMES ARE BEFORE US---BABSON

Stop the Hand to Mouth Methods That Have Prevailed for Some Time.

INCREASE YOUR TRADE IS SLOGAN

Attitude of General Public, According to Statistician, Is Safe for Business to Reach Out.

(Special to The Observer)

WELLESLEY HILLS, Mass., Sept. 16.—Rober Babson evidently is not upset by labor difficulties and the threatened coal shortage. In a statement issued today he forecasts good business for the next few months.

"Go after business now," says Mr. Babson. "Buyers during these past two years have been following a hand to mouth policy. Everyone has purchased as little as possible because a delay has meant lower prices and a consequent saving. With the turn of the business tide, however, prices again tend up and both business man and individual will make more money by buying ahead rather than by following the more conservative policy. An analysis of 76 basic materials for instance shows that 48 are higher today than they were a year ago, 24 are lower than a year ago, while 4 commodities show no change. Price increase will be felt most on the raw materials that have been completely deflated, but finished goods in practically all lines will show some strengthening during the next few months.

Plan of Increase.

"It is particularly important that retail merchants fully grasp this change in the situation. They must turn with the tide. The retailer should plan on a substantial increase in trade between now and Christmas. If he does not he will be caught with a shortage rather than a surplus of goods, and a transportation tie-up will make it difficult to get more on short notice.

"This increase in business will be due to a combination of increased purchasing power and a change in the attitude of the general public. In spite of the strikes and labor unrest there is relatively little unemployment at present. On incomes over $1000 figures show that 48 per cent of the purchasing power of the country comes to the individual as wages and salaries. This makes up the bulk of the purchasing power upon which the average business man must depend. A drop in the cost of living and prospect of steady work is rapidly turning a majority of these people into ready buyers.

Better Prices for Farmers.

"In the farming field, bumper crops and better prices promise to class the farmer as a good prospect. He has bought very little since 1920 and his accumulated needs should absorb a tremendous quantity of farm machinery and supplies. The plans of the business world accumulated during these past two years will also be put into operation this fall.

"The combination of these several factors points to a merchandising shortage. If I were a retailer I should certainly buy all goods necessary for Christmas trade now and insist upon early deliveries.

"This general increased business activity will lead in turn to the increased business and industrial profits that are already being reflected in the action of the stock market. Increased profits, of course mean more money for expansion and equipment. Rents and money rates, in the mean time, are tending gradually downward relieving both individual and business house in the matter of over-head. Banks have ample funds to meet all commercial and investment requirements. In many localities money is a drug on the market. The slight seasonal tightening will doubtless be experienced at crop moving time, but taking the fall season as a whole money throughout the west and south should come nearer to the New York market level.

Interest Rates to Fall.

"In the investment market, prices of good bonds promise to rule strong this fall. As investment capital accumulates the interest rates ease off, bond prices automatically rise. As profits and income increase, the non-taxable issues will again be in demand. The affect of commodity prices will be more than offset for the time being by the quantity of money available. Continue to hold your bonds.

"Whether or not we shall have a reaction in the stock market this fall is not the great [illegible] we may get the break that the bears are hoping for is merely a matter of guess work. The point of importance as I see it, is the fact that [illegible] good outlook [illegible] and that the stock market has never reached its high point until early in the period of prosperity. Those who own good stocks outright need do no worrying about the market.

In spite of rail and coal difficulties, general business as reflected in the index of the Babsonchart is holding its own. Activity is now running at 9 per cent below normal.

VOLSTEAD CENTER OF INTEREST

Father of Prohibition Act Will be Opposed for Re-Election in the November Election by Old Opponent.

(By Associated Press.)

ST. PAUL, Minn., Sept. 16.—Congressman Andrew J. Volstead, father of the prohibition enforcement act, will be opposed for re-election in the November election by the man who defeated him in the primary two years ago.

This contest in the Seventh Minnesota congressional district rivals in interest the three-cornered fight for the United States senatorship, in which a woman—Mrs. Anna Dickie Olesen—has been setting the campaign pace for her two male opponents.

Prohibition is not an issue in the contest involving Volstead, for he will be opposed by the Rev. O. J. Kvale of Benson, who declares himself "as dry as Volstead with a little to spare." Mr. Volstead has the endorsement of the republican district convention, while both the democratic and the farmer-labor conventions endorsed the candidacy of Rev. Kvale. In 1920, as the candidate of the Nonpartisan League seeking the republican nomination, Rev. Kvale nosed out Mr. Volstead in the June primary by 17,369 votes to 15,059. Then charges of violation of the state corrupt practices act against Rev. Kvale were sustained, the nomination was declared vacant, and the republican district committee selected Mr. Volstead as the republican candidate.

With the approach of the fall election that year, the Kvale faction circulated petitions that enabled him to file as an independent, and in a three-cornered race—a democratic candidate having entered—Volstead polled 38,822 votes; Kvale 35,370, and the democratic candidate 5,358.

This year, with Kvale bearing the democratic endorsement, it will be a finish fight between Kvale and Volstead and the question lies in what strength the old Non partisan—now farmer-labor—organization has been able to retain.

Big Four Issues "Facts and Figures" to the Public

Brotherhoods Set Forth Claim that Nation is Being Hoodwinked by Railroads.

In a circular for general circulation to the public the Big Four railroad brotherhoods, under the name of their statistician, W. S. Carter, have issued the following information which they call "Facts and Figures":

Exploiting a Wage Increase.

Following the enactment by Congress in February 1920, of the Cummins-Esch Law (the Transportation Act):

1. Wages of all railroad employes, other than general and division officers, were increased by the Railroad Labor Board, created by the Transportation Act, to the amount of $618,000,000;

2. While freight and passenger rates for all railroad corporations were increased by the Interstate Commerce Commission approximately $1,550,000,000.

3. Two years later, by July, 1922, the Railroad Labor Board had decreased wages of railway employes as much as $558,000,000;

4. While the Interstate Commerce Commission had decreased freight rates only $400,000,000.

5. Since the enactment of the Cummins-Esch Law, and as a net result, railroad corporations have been placed in a position to benefit by increased transportation rates over increased wages to the total amount of approximately $1,090,000,000.

1. The increase in wages of railroad employes by the United States Railroad Labor Board, under the enactment by Congress of the Cummins-Esch Law in February, 1920, has been approximately 22 per cent, or $618,000,000.

This amount applies to all those employes who come under the jurisdiction of the Labor Board and does not include general and division officers. It is based on the traffic conditions existing at the time of the award, and is the estimate made by the Board itself of the total amount of the annual wage increase.

Commenting upon this increase, the Board said that owing to the increased cost of living and to other adverse conditions it was long due the workers, "who felt themselves called on to make sacrifices, as they believed, far beyond those of any other class." Notwithstanding the greatly aggravated conditions which had brought about a wide gulf between their low money waves and their necessities of life, "the great majority," said the Board, "have continued to serve and to conduct the transportation of the country, awaiting with disciplined and patriotic patience" ..... the award of the Board.

This Board found that as the Lane Commission under the United States Railroad Administration, had found, that contrary to popular impression, which latter had been assiduously cultivated by the paid railway propagandists, the railroad employes, including locomotive engineers, who were commonly spoken of as highly paid, were not "among the most highly paid workers."

2. The increase in freight and passenger rates awarded to all railroad corporations by the decision of the Interstate Commerce Commission following the enactment of the Cummins-Esch Law in February, 1920, was in excess of $1,550,000,000.

Of the above amount, $1,265,000,000 comprises increases in freight rates and $285,000,000 in passenger charges.

This total increase by the Commission, based on 1920 traffic conditions, represents an amount of net operating income, under the traffic conditions at the time of the award, that is $200,000,000 greater than the very high standard return paid to the railroads as rental by the Government during the thirty-two months of federal control and guarantee. This standard return, it will be remembered, was declared by Senator Cummins, one of the authors of the Transportation Act, to be so high that "it shocked the moral sense of mankind."

But in addition to the above rate increase of $1,550,000,000, the railroads of the country have been assured the benefits of additional earnings, since the passage of the Cummins-Esch Law, by the Commission's decision in its "Perishable Freight Investigation." By it, rules, regulations, practices and charges of carriers were so revised and overhauled as to give to them additional compensation for such services.

Also, by the Commission's decision in the "Consolidated Classification Case" (decided July 3, 1919) the railroads were placed in a position to secure increases in earnings. This is due to the many changes in ratings which had more of an upward than a downward trend, the increases numbering as many as 3,857 and the reductions only 1,840.

3. The decreases in wages of all railway employes made by the United States Railroad Labor Board since the enactment of the Cummins-Esch Law in 1920 have been in excess of $558,000,000.

Of this annual total, as much as $400,000,000 was taken away by Decision No. 147 in 1921, applying to practically all employes other than general and division officers.

Decision No. 1028, applying to maintenance of way and shop workers, reduced wages still further by an amount of $48,000,000.

Decision No. 1074, applying to clerks, freight handlers, express and station employes, chopped off another $60,000,000.

Besides those direct reductions, there have been additional decreases in excess of $50,000,000 a year in the earnings of employes resulting from changes and so-called revisions made by the Board in December, 1921, in the rules and working conditions of the shop crafts. This latter amount is understated, however, as it does not include estimates of decreased earnings resulting from changes in the rules and working conditions of clerks, stationary engineers, signalmen, telegraphers, maintenance of way employes and others.

Allowing for these decreased earnings and also for underestimated wage decreases and exaggerated wage increases, the great majority of railway employes are today actually receiving less wages than before the enactment of the Cummins-Esch Law.

4. The decrease in freight rates (passenger charges not being affected) for all railroad corporations made by the Interstate Commerce Commission since the enactment of the Cummins-Esch Law in 1920 amounts to approimately $400,000,000.

The above estimate by the Railway Age, based upon traffic conditions in 1922, includes the amounts of the reductions with respect to

(a) Carload rates on grain, grain products, and hay in western and Mountain-Pacific groups;

(b) Live stock in the same groups in excess of 50 cents per 100 pounds.

(c) Practically all other carload rates upon products of the farm, garden, orchard, and ranch throughout the country; and

(d) The Interstate Commerce Commission's award in "Reduced Rates, 1922," rendered in May of this year. This latter was a general reduction in freight rates of about 10 per cent and of itself (excluding previous reductions) amounted to about $325,000,000. The total estimate of $400,000,000 also includes.

(e) So-called readjustments resulting in reductions since the general rate advance of August, 1920.

With the increase of $1,550,000,000 previously referred to (item 2) and the above decrease of only $450,000,000, the railroad corporations have been placed in a position to benefit by increased rates under the Cummins-Esch Law in an amount in excess of a net increase of $1,150,000,000 a year. This huge sum does not include the additional increases in earnings resulting to the carriers from the Perishable Freight and the Consolidated Classification decisions of the commission.

5. Since the enactment of the Cummins-Esch Law the railroad corporations of the country have been placed in a position, through the difference between increases and decreases in wages and freight and passenger rates, to secure annually, under conditions similar to those at the time of the award, a net gain or profit of approximately $1,090,000,000.

It has been shown that

(a) Freight and passenger rates were first increased $1,550,000,000 and then decreased $400,000,000. The difference leaves a net increase to the railroad corporations of $1,150,000,000.

(b) Wages of employes were increased $618,000,000 and then decreased more than $558,000,000. The difference is a net increase of less than $60,000,000.

Subtracting this small sum of $60,000,000 of net wage increases from the enormous total of $1,150,000,000, representing net rate of increases, leaves the railroads of the country more than $1,000,000,000 in increased revenues based upon traffic conditions in 1920.

And this result is arrived at by taking estimates made by railway representatives themselves and the United State Railroad Labor Board. Those of the former are more than likely exaggerated as to the amount of wage increases and rate decreases and minimized as to the amounts of wage decreases and rate increases.

Subsidizing the Railroads.

The foregoing information is accurate.

It was prepared under the personal supervision of Dr. Frank J. Warne, an expert in such matters.

Here it is conclusively demonstrated that by "Educating the Public" to believe that the increases in wages, through decisions of the United States Railroad Labor Board, are responsible for the high freight rates, the railroad corporations have hoodwinked or deceived the entire Nation.

But there is an awakening among the common people! The farmers, who have been the greatest sufferers, are now learning the truth. The consumers in every walk of life are learning that no greater subsidy was ever granted to corporate wealth than that given to the railroads under the Cummins-Esch Law and by the bureaucratic agencies created by that law.

The United States Railroad Labor Board, as a part of the machinery of the Cummins-Esch Law, increased wages approximately $618,000,000 for a year similar to 1920.

COWS DANGER TO AIRPLANES

LLANDUDNO, Wales, Aug. 27—(By Mail)—An airplane was recently compelled to land in a field near here, and the mechanic went off for assistance.

Several cows then appeared. They nosed around, gored holes in the wings and licked off the castor oil which had been splashed out by the engine. The animals finally were driven off, and their owner had to compensate for the damage they did to the machine.

GERMANY WILL NOT PAY DEBT

Demands Made by Belgium Refused by Berlin and Crisis it Now on.

(By Associated Press.)

PARIS, Sept. 16.—The newly-developed crisis in the reparations question became so acute Thursday night, upon receipt of Berlin advices that Germany had categorically refused to give up the 160,000,000 gold marks demanded by Belgium as a guarantee of the six months' note issue on account of reparations, that the members of the reparations commission decided the situation has gone beyond their control, and required the immediate attention of the allied premiers.

Sir John Bradbury, British member of the commission, is proceeding to London to lay the matter before Premier Lloyd George, while M. Poincare has assumed command of the French side of the negotiations. The Italian and Belgian premiers also are handling the situation for their countries.

Belgium's request for the deposit of gold not later than Friday, instead of being merely a diplomatic maneuver to permit further discussion as at first indicated, now appears to be a stern demand, with the full backing of the French and Belgian governments.

French Cabinet Stirred.

The refusal of Germany to pay the £1,500,000 due Friday as part payment of her private pre-war debts to allied nationals, has served to stiffen the attitude of the cabinet. The recent London conference reduced the payments due in August and September from £4,000,000 to £2,000,000. Germany has paid £500,000 and was required to pay the balance Friday. Her refusal to do so has caused resentment in the French cabinet, which feels that Germany could easily meet the payments.

Despite the very serious turn of events, the German delegation in Paris remains calm and optimistic. When informed when the cabinet had decided upon a stern policy, one German official said:

"They always decide on stern measures. However, we have refused the gold and shall continue to refuse it. But I think that some compromise will be effected, as the allies do not want to precipitate trouble at this time."

Making 20 Years of Racing Serve Car Owners Today

IN the early days of automobile contests, Barney Oldfield—out to win every race—studied tires. His consistent success led other drivers to ask for tires constructed to his specifications.

Twenty years of road and track victories—with a steady and increasing demand for tires as he built them—convinced Barney Oldfield that these speed tests pointed the way to a better tire for everyday use.

The enthusiastic reception of Oldfield Cords by the public proved he was right. Scores of the most prominent dealers in the country—and many thousands of car owners, experienced in the use of tires—bear witness by their decided preference that Oldfield is doing a bigger and better job of tire making.

This volume, handled in an effective way in every phase of manufacture and distribution, has resulted in price quotations far below what you'd expect on tires known to be better built and more enduring.

Practically every important race event for three years has been won on Oldfields. The Wichita Test Run in which an entire set of Oldfield Cords covered 34,525 miles on rough roads proves the mettle of the Most Trustworthy Tires Built in everyday driving.

The Master Driver and Tire Builder has given the public a new standard of tire wear and tire cost—a true economy that every car owner should know about.

Your Oldfield dealer has these facts—talk to him.

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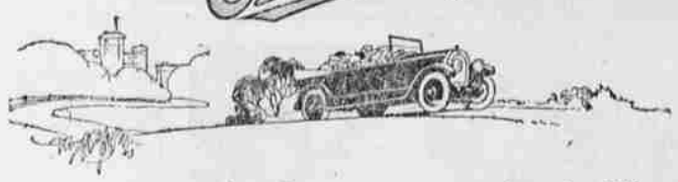

Without doubt or uncertainty! The man who travels, whether far or near, in an Oldsmobile Four does so with the dead certainty that his car will take him there and back without care or thought of touring trouble. A quarter of a century of building right, of knowing how, has made this Four—"The best thing on wheels."

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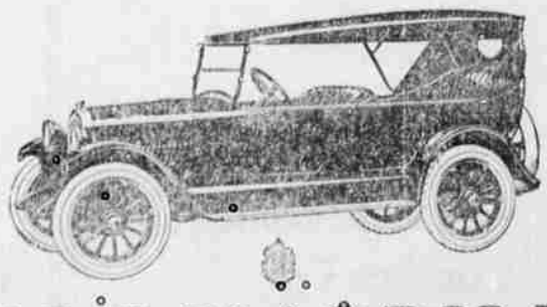

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