

RAILROAD AND COAL STRIKES WILL ULTIMATELY BE AVOIDED

Wellesley Hills, Mass., August 26, 1922—People are not so much interested in the temporary settlement of the coal strike and the railroad strike as in developing plans so that they will not periodically re-occur. It is not enough to know that we shall have coal this winter or that railroad traffic is not now suspended. If the people of this country are to be happy, healthy and prosperous, we must know that some plan is being evolved to prevent these strikes from re-occurring. In view of these facts, Roger W. Babson this week asked to make a forecast as to future labor developments. His diagnosis of the strike situation follows:

"When in Washington during the war, assisting the Secretary of Labor, it was evident that the students of labor problems were divided into two distinct groups; one group believes in compulsory arbitration as illustrated by the Kansas Industrial Court, and the other group stands purely for conciliation without any compulsion. Conservatives and radicals can be found in both groups. Investigation leads me to believe that there is a field for both of these lines of work. Labor disputes in connection with general industries, such as the textile industry, the boot and shoe industry and possibly the steel industry, should be kept on a conciliation basis. It surely would be a mistake to attempt compulsory arbitration in connection with these businesses which are operated solely for profit. The best means of avoiding trouble in these industries is by keeping these industries in two major labor groups, one group to be strictly "union" and the other group strictly "non-union". Let the union group adopt the closed shop and let the other group be strictly non-union. Then let the two groups compete. I do not mean necessarily in production, but rather see under which system the public, the employees and the stock-holders, all combined, are most prosperous. My own guess is that none of these three parties would long be healthy, happy and prosperous with all "union" or all "non-union". When one group secures control it becomes inefficient, careless and arrogant. My guess is that an industry would be most prosperous and all concerned in it would be rendering the most service and be happiest if the industry were equally divided into a union and non-union field. So much for general industry. When disputes arise, only conciliation should be applied by a third party. There should be no compulsory settlements in such cases.

When, however we come to transportation, fuel, public utilities such as water, light and gas, or to the distribution of milk, bread, etc., we find a group of industries to which compulsory arbitration must be applied. The first two groups to which such strong-arm methods will be applied are the railroads and coal mines. First let me say that the railroads and the mine operators are themselves largely to blame for present troubles. Altho the owners of these properties are now behaving themselves, they have not always done so. Most of the unwise methods that labor leaders are using today were applied by the railroads and mine operators twenty years ago. Hence these corporations are now only reaping what they have sown. Nevertheless, two wrongs do not make a right. Our nation must have transportation and fuel at a fair rate and the operation of its railroad and coal properties must be undisturbed by either labor leaders or stock market operators.

Regarding the railroad situation: To secure a fair rate the Interstate Commerce Commission has been organized, and to secure undisturbed transportation the railroad labor board has been created. The first of these—that is, the Interstate Commerce Commission—is functioning very well, and the struggle is now over the railroad labor board."

At this point Mr. Babson was told of a strong feeling on the part of both the railroad managements and the employees that the railroad board was not properly made up. Concerning this, Mr. Babson stated: "Experience has shown that boards consisting of three groups (one group representing capital, one group representing labor, and one group representing the public) do not function well. The group representing capital vote in one body for the corporations; the group representing labor vote in one body for the wage workers; this leaves the decision to the three men who represent the public. The problems involved are too great to permit leaving the decision to three men chosen more or less for political

reasons. To have the railroad labor board or any other such board properly function, five, seven or nine men should be selected who represent neither the corporations nor the wage workers, but who represent the nation. These men should be paid large salaries, given dignified positions, appointed either for life or for long terms and treated like the Supreme Court of the United States. These men should gradually build up a code based upon their rulings seeking the advantage of no one group, but rather the welfare of the nation as a whole, which in the end would be for the best interests of both the owners and the wage workers. The decisions of this board as applying to transportation, public utilities and similar conflicts, should be absolute and final.

"Railroad owners are now willing to accept compulsory arbitration, but the labor leaders are not. Some claim the labor leaders are afraid of losing their jobs, but I do not believe this is the reason. They appear to be honest in their belief that enforcing men to work in a steel plant which is operated for profit may be a form of slavery. If compulsory arbitration applied to all industry, we certainly would be reverting to slavery. When, however, it is applied only to transportation, public utilities, coal mining and one or two other industries, thus leaving the great field open, compulsory arbitration cannot be called slavery. I say this because under such conditions any man who did not wish to work for the railroads, the public utilities or the coal operators would be free to go into competitive industry to which compulsory arbitration would not apply. The labor leaders state they are willing to accept compulsory arbitration—as best exemplified by the Kansas Industrial Court—provided the railroads, public utilities, coal mines etc., are operated by the Government, not for profit. They illustrate their case by stating that this is the reason they are willing to be drafted for the army, because the army is operated by the Government and not individuals for profit, and that this is why being drafted for the army is not a form of slavery.

"This may be alright in theory", continued Mr. Babson, "but the public is in no mood at present for further Government operation. The results of the war, in connection with the operation of the railroads, the building and operation of ships and the various other interests in which the Government took a hand, show that under present conditions Government operation is expensive, inefficient and unsatisfactory.

"The public today believes that better organization, better discipline and lower costs come thru private operation. The public further believes that private operation should continue so long as the present employees of the railroads, public utilities, and coal operators are not compelled to work for the owners of these properties but are free to leave them and work for other people, and so long as there are plenty of other men available and willing to work on the railroads, public utilities and coal mines under a system of compulsory arbitration.

"In view of these facts it seems to me that the public will not at present take seriously the claim of the labor leaders that compulsory arbitration applied even to industries operated for profit is necessarily slavery. If it were to apply to all industries or if there were not a group of men perfectly willing to work on the railroads, public utilities and coal mines under a system of compulsory arbitration, then there might be some justice in the slavery argument. Today, however railroad men are perfectly free to go into other lines of activity for which no compulsory arbitration is suggested, while hundreds of thousands of men are willing to work for the railroads, public utilities and even the coal operators under a compulsory arbitration system. How will such a compulsory system be put in operation in connection with the railroads, public utilities and mines? Possibly the people will be so irritated that Congress will with one swoop apply the Kansas Industrial Court idea to the railroads, public utilities and mines. I hope, however, this will not be done. The need of the hour is to have workers feel right. We shall never have efficiency and a reduction in the cost of living until those engaged in industry feel right toward their work. People never feel right when forced to do anything against their better judgment. Hence my forecast is as follows:

"The railroad labor board's rulings will not now be made compulsory as to the present employees, but they will be compulsory on every employee who goes to work for the railroads after a certain date. Those employees who are now at work for the railroads came on a free, competitive basis and have done faith-

ful work. Although theoretically they can change to some other job, yet practically they cannot. They know the railroad business and this is all they do know, and it isn't fair to say they can quit at their present time of life and enter a new field of work. Therefore I say that unless these present employees will voluntarily come under the compulsory arbitration system they should be free to continue as at present. But every additional man hired will be hired with the distinct understanding that he will conform to the decisions of the railroad labor board, as must the stock-holders of such corporations. This would be perfectly fair and would bring about a result which would be gracefully accepted by all in the course of time. Under this system it would take but a few years to bring about the desired result, but we would rapidly approach it from year to year, and when adopted it would have the full co-operation of all concerned. This is my forecast of the way that the problem will ultimately be worked out. Then there will be no more strikes on our railroads, nor in connection with the public utilities, mines, etc., when the same method is extended to include them also.

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