

THE LABOR WORLD

William E. McEwen, Publisher.

Advertising Rates Made Known on Application. Entered at Postoffice at Duluth, Minn., as Second Class Matter.



Published Every Saturday. Established in 1916 by Sabrie G. Aikin.

Business Office. Suite 610 Manhattan Building, Duluth, Minn.

Subscription Rates: One Year, in advance, \$2.00; Six Months, in advance, \$1.00; Three Months, in advance, \$0.50.

WHAT AILS DULUTH?

In 1907 a fight was made against the union shop in the building industry in Duluth. A "Committee of One Hundred" was selected from among the business men and employers of the city to wage the contest against organized labor.

It will be remembered that there was a small panic at the time. Money was tied up in the banks which were issuing cashier's checks to the people in lieu of United States currency.

Many and sundry reasons were advanced by the business interests for the fight they were making on organized labor. It was charged that the union or closed shop was impeding the growth of the city; that the "tyranny" of union labor was preventing new industries from locating here and that the United States Steel corporation, which was then planning to build a steel plant in Duluth, would not start work until and unless the strength of organized labor was broken.

That was nearly 13 years ago. For 11 years of that time the "open shop" prevailed in most of the industries. During and since the war, due to the rapidly advancing cost of living and the new world-wide concept by the workers of democracy in industry, organized labor took on new growth. There are more union and fewer non-union wage workers now than formerly.

The union shop came back in the building industry, which is the most strongly organized, through very natural causes. The trades union had absorbed the larger number of non-union workers and in most instances the employers found it more profitable to deal with their employees collectively, through the unions.

The master painters, too, found that the "open shop" had produced a new and menacing situation for them. The long conflict had forced a number of journeymen with little or no capital, save their skill and experience, to do work on their own account.

A similar condition developed in every branch of the building industry. Several busy years followed, but they were far from profitable to building trades employers. A few favored firms which managed to get contracts from the steel corporation did fairly well, but the building industry as a whole suffered tremendously.

During the war the builders came to realize the folly of working against the unions. Some of them longed for the old pleasant relationship and confidence that once prevailed between themselves and their employees, and union shop agreements were re-established. Last year and the year before it was common to see employers and employees in the same hall, the former the guests of the latter, enjoying happy pastimes together.

We recall one such event. The master painters were the guests of the Painters' union. The regular order of business was transacted in the presence of the employers, after which a fine program of music and speeches was given. Then came refreshments, consisting of coffee, sandwiches and cigars. Some good stories were told, all clean and witty. The "master and man" touched elbows. Suspicion and distrust had given way to faith and confidence. The situation was ideal. Here were true social well-being and industrial peace.

Then came the "Citizens' Alliance," composed largely of "class conscious" employers and professional men of the old school who have not yet caught the spirit of the new democracy in industry. It was organized, as was declared at the outset, to fight for the "open shop." It began its work systematically. The daily newspapers, while usually short of news space, on account of the high cost of print paper, give full publicity to such activities of the alliance as its officials wish the public to know. They haven't said anything, however, about the threat of the alliance to let no contracts to firms that make union shop contracts with their employees. And since such a threat was made things don't seem to be the same in the shops and on the jobs. Employers and unions no longer meet in pleasant social pastimes. Their relationship is strained.

The old union shop employers are not keen about the "open shop." Some of them have had costly experience under it in other days, and they don't want any more of it, but what are they to do when the big interests having buildings to construct refuse to give them contracts if they make union shop agreements? They did the only thing they could do under the circumstances. They resolved for the "open shop," but they are still employing only union men.

The agitation for the "open shop" is wholly unnecessary. Indeed it is disastrous to Duluth. It has destroyed this season's building. As architect informs us that he had plans under way for four apartment houses, but the prospective builders have since got "cold feet." The cost of building did not discourage them so much as the fear that their money and buildings would be tied up by an "open shop" strike.

A theater was to have been built this year on the site of the St. Louis hotel. The owners have decided to put it over for a year or two, and for no other reason than that they do not wish to become involved in an "open shop" fight. They were not afraid of the cost, for this is the harvest time in the theatrical business, and they are now during this period of high prices building a \$2,000,000 theater in St. Paul. Busybody "open" shoppers' scared them out here. That is all there is to it.

When the "open shop" was first launched in Duluth 13 years ago this city had a population of 78,000. We now have a little more than 95,000. The growth in 10 years was approximately 20,000. The steel plant and the shipyards have since been built employing together 4,000 workmen, whose families and dependents make a population of 20,000 souls. That represents Duluth's growth in 10 years. Why haven't more industries come? Are the unions to blame? The metal trades have not enjoyed the union shop to any extent. In fact they are mostly working in "open shops."

No, union labor is not to blame, and none know it so well as do the "open shoppers," who try to make other people believe that the union shop prevents the growth of a city. Labor does not destroy; it builds. It does not control the credit of the city. It owns no banks. It does not close the town against competitors in business. That is the only kind of a closed shop there is in Duluth, and it is run by the very people who are shooting the loud-est for an open labor shop, which after all is but a shop closed to union men.

The real open shop is the union shop. There is no such thing as a closed union. It is open to every worker who may seek admission. The intelligent men and women of labor realize that without organization they can do nothing and can gain little. They organize, not because they want to, but of necessity. A union without a working agreement with the employers of its members can render little good. Only through the union shop can it accomplish most for its members and for all workers. The opponents of labor recognize this fact, and it is for such a reason they are fighting for the "open shop," knowing that when it shall have been established the effectiveness of organization will be destroyed, and the wages of labor will be more easily reduced at the first sign of industrial depression.

THE MISERABLE MAKERS. Mr. L. C. Harris, president of the Citizens' Alliance, addressed the Rotary club recently on the "open shop." Among other things he said that the alliance was formed primarily to bring about industrial peace in the community. By their works we shall know them. Duluth has had fewer strikes than any industrial city in the country. Employers and unions gen-

erally were on the most friendly terms, and a fine confidence in each other obtained until the alliance was organized. Now there is suspicion, distrust and unrest. The building industry has been literally shot to pieces and the season's work has gone glimmering. Owners have been frightened lest they be tied up with an "open shop" strike and have cancelled building plans. The alliance is surely doing fine work in promoting industrial peace and the city's growth.

The alliance stands for the open shop in industry and it is opposed to the restrictions and limitations that surround the closed-shop system," said Mr. Harris. Pray what are the limitations and restrictions set up by union labor? We know of none and we have never seen any in the unions of Duluth. There are only 5,000,000 organized workers in the country and there are from 35,000,000 to 40,000,000 unorganized laborers," declared the speaker, but he failed to state that of this latter number of laborers only 8,000,000 belong to branches of labor that are organized. Of the 35,000,000 persons in America engaged in gainful occupations 12,650,000 are employed at agriculture; 5,770,000 in domestic and general service; 1,700,000 in professional service; 1,700,000 in clerical service and 2,600,000 engaged in trade, a total of 29,900,000. None of these may be classed in the organized occupations. There are left 14,100,000 persons engaged in mining, transportation, manufacturing and mechanical work of which number 4,000,000 are employers and 2,000,000 are youths, leaving but 8,100,000 that are organized. Union labor, therefore, represents 62 1/2 per cent of the persons in this country engaged at organized occupations. These figures are taken from United States census reports and are absolutely reliable. Mr. Harris should analyze them more carefully before making such strong statements.

He attempts to put the blame of the American apprentice system on the unions. Will Mr. Harris kindly tell us what industry is doing for the apprentice other than to exploit him and to employ him when there is work and discharge him when there is none? The union is the only real friend of the apprentice in American industry, and when limitations are placed on his employment in great numbers it is for the boy's own good as well as for the trade itself. The modern employer takes no interest in the boy save to get him to work cheaply and to have him produce as much as possible at the earliest moment without regard to the boy's welfare as a future journeyman. Mr. Harris quoted a number of employers who claim that their employees are less efficient than they were before the war and he charges this lack of efficiency to the "closed shop" of union labor, and among those quoted is Vice President W. W. Atterbury of the Pennsylvania railroad system. But Mr. Harris should know, and if he does not know, we are pleased to apprise him of the fact that the Pennsylvania railroad is run on the so-called "open shop" system which he lauds so highly.

Again, we repeat, union shop employees are not making complaint about any lack of efficiency or slowing up on the part of their union employers. Mr. Harris is merely citing conditions that obtain in his "open shops," which he would have the public believe are chargeable to the union shop system. The bucket in which he carries his anti-union solution is leaky.

A PEOPLE'S CONGRESS. The leading article in The Labor World this week is the review of a contribution by Samuel Gompers in which he scores the present Congress for its service to privilege and its failure to enact a single law to assist in relieving the people of the burden that has come to them through the high cost of living and the criminal plundering of the profiteers. Mr. Gompers points out that President Wilson on two occasions since his return from Europe recommended to Congress the passage of several laws that would contribute to a reduction in living costs. The president's program provided for the extension of the Lever act until the treaty of peace was signed; the extension of its scope to include fuel, food and clothing; the enactment of a law to require manufacturers to stamp the cost price on their products; to provide for the punishment of profiteers; to license corporations doing an interstate business and to control securities to prevent speculation.

Congress gave the president respectful attention and that is all it did do. It has not only failed to comply with the recommendations of Mr. Wilson, but it has turned a deaf ear to a suffering and loud-erring people, while its members have been quarreling over non-essential things. It did not hesitate to legalize eight billion dollars of watered stock in the railroads of the country and guarantee to them a six per cent dividend on their excessive book value. It lost no time in serving privilege by turning over valuable oil lands and water-power lands to a favored few. It would save the country from the mad-

ness of the Bolsheviks while its masters are making new Bolsheviks by the thousands through their greed and avarice. It verily has been a Congress of negation which has vetoed everything worth while to the people that has come before it.

Republicans and Democrats may divide on party political questions, most of which are inconsequential, but on social and economic measures party lines are cast asunder and members of Congress vote in accordance with their liberal or reactionary tendencies. The cost of living issue is not a party question. It is the masses of the people versus the greedy and the avaricious privileged few. The people have mighty few dependable representatives in Congress.

A nation-wide campaign of a non-partisan character is to be waged by labor and the liberal forces for the election of a Congress that will serve the interests of the people; that will pass laws to curb profiteering and bring material relief to the masses. The forward looking people of every congressional district will be expected to cooperate in this campaign.

In this district the issue will be more than clear. Congressman Carrs is of the people and has voted with them and against privilege on every question coming before the house. He understands thoroughly the labor problem in all its phases and he acts on his own understanding. There are nearly 300 lawyers in Congress now and they have failed to heed the call of the people. They don't know how because they do not breathe the people's atmosphere. There are three lawyers aspiring to succeed Mr. Carrs, one workingman. Haven't we enough of them here now?

If we again elect Mr. Carrs from this district we will be playing our part with the liberal forces of the country in helping to redeem our government for service to all the people; and not for the sole benefit of the privileged few.

PROFITING IN FLOUR.

It is claimed by labor that war-time profits absorbed one-third of the price paid by the consumer for a barrel of flour, and that 60 per cent of this huge margin was chargeable to profiteering.

The actual cost of producing a barrel of flour in 1917, including interest, freight and other expenses of the miller, was only \$8.60. For this the consumer was forced to pay at least \$14.50. Had the miller, jobber, wholesaler and retailer been content with reasonable margins, this flour might have been available to the purchaser at \$11.57. However, the product was saddled with so many extortionate profits in passing from the miller through the various distributing agencies, that the ultimate cost to the consumer was more than three dollars in excess of a reasonable selling price.

Profits and profits were piled up and accumulated until the price paid by the consumer seems largely composed of profits. Prior to the war the miller's profit of 13 1/2 cents a barrel assured a liberal return of 12 per cent on invested capital. Under government supervision during the war, the millers were permitted to take almost double this profit of 25 cents a barrel. But during the year ending June 30, 1917, the millers had been actually averaging 32 cents a barrel, while one mill, it is said, showed returns for a period of six months of \$2 a barrel.

In 1917 the profits had advanced practically 375 per cent over 1913 earnings, while the cost of operation, which includes labor cost, advanced only 26 per cent in the same period, or only five cents a barrel, as contrasted with an increase in the miller's profits of more than 43 cents a barrel. The excess profits were more than eight times the increase in operating and labor expense, amounting to a levy of \$2 on each family in the country.

The millers had little excuse for increasing their margins on flour, since the price of feed, an important by-product of the industry, soared to such an extent during the war that it practically compensated the millers for the entire cost of converting wheat into flour.

The jobbers are also guilty of inexcusable profiteering. While their cost of operation increased only 11 per cent, their profits were nearly 175 per cent greater in 1917 than in 1914. During these years the jobbers sliced a profit of \$1.50 on a \$2.00 cost, a profit of 75 per cent. The price of flour advanced only 100 per cent, but the price of the loaf advanced 200 per cent. The price of the loaf advanced 200 per cent, but the price of the loaf advanced 200 per cent.

The margins taken by the wholesalers and retailers varied so much that no economist has been able as of yet to give the precise figures as to profits being taken by these agencies, but it is clear that the price gouging was general all the way down the line from the miller to the grocer. Of course it is admitted that many influences have operated since 1917 to increase production costs, but not in any degree sufficient to warrant the prices exacted from the consumer. In any event much of the increased costs which have been passed on to the consumer should have been absorbed by excessive profits. If when the government releases its

control on wheat, the price of flour to consumers takes a sudden jump the millers and jobbers will have some interesting explaining to do.

DOES THE SHRINE REFUSE?

Duluth needs a large public auditorium in the heart of the city and it needs it badly. Duluth needs a free forum where the people can go to hear social and political questions discussed from any lawful angle. We haven't any such place now. The Labor World tried to save the old armory for such purpose. We were ejected out of it.

Now private parties own the building, a fraternal society. Its officers can say who may or may not hold meetings in it. They may rent it for dances, prize fights, wrestling matches, vanity fairs and just plain harmless political gatherings.

But when such an organization as the Duluth central committee of the Minnesota Working People's Non-Partisan league attempts to secure the Shrine auditorium for a political meeting at which speeches are to be made by Dr. Heinrich Steipstad, Captain Matton, one of Pershing's hundred heroes, and Thos. Sullivan, all candidates for state office in the Republican primaries, it is refused rental by the Shrine representative.

The right of the Shrine to refuse its auditorium to anyone it sees fit is not questioned. It has a legal right to do so, but it is conducting a public hall and it should at least accept a public responsibility. We need not plead for the Non-Partisan league; it probably does not expect considerable support in Duluth, but it is highly important that this community be given a reputation for tolerance and a square deal. We cannot afford to be placed in the position of denying freedom of assemblage or free speech. We should at least be just enough to permit others to say the things that displease as much as we like to hear the things that please. The splendid institutions that we have in America were founded on just such principles of fairness. Our democracy depends upon a strict adherence to them.

The Non-Partisan league, no matter how much its opponents may hate it, is not an unlawful organization. It does not exist without a cause. Were it not for general misuse in our state government and its failure to serve the people there would be no such organization in Minnesota. There would be no reason for it. In any event it represents a considerable number of good people in this and other states, and it is entitled to a respectful hearing. Only tyrants or know-nothings would refuse it.

The Shrine, so closely identified with Masonry, an institution that has come up through the ages in spite of persecution, detraction and calumny, which preaches and practices justice and tolerance, should clip a page from the beautiful precepts of that ancient order and hand it to its hall committee to read and observe.

BLANTON WANTS HELP.

Congressman Thomas L. Blanton of Abilene, Texas, whose interruptions, outbursts, points of order and speeches of denunciation of progressive ideas appear in almost every issue of the Congressional Record, has a resourceful campaign manager in his relative, William W. Blanton. As Blanton has capitalized his hatred of trade unions in his speeches, and has drawn the fire of Samuel Gompers and other labor officials for his reckless statements regarding them, he or his manager conceived the idea of passing the hat for "campaign funds" among the anti-labor employers in the East. A circular letter was issued by Manager Blanton, describing Congressman Blanton as a "very poor man," and saying that "I am of the impression that you would deem it a privilege to contribute to his campaign; and I am writing this letter only to a few business men who have evidenced a special interest in his work."

Incidentally, Manager Blanton says that Congressman Blanton was largely responsible for turning back the railroads to private hands, thus "saving the government from bankruptcy," and that because of this and other patriotic service the American Federation of Labor, "the pernicious Plumb Pfad league, the 168 locals of federal employees, the I. W. W.'s and other organizations" will spend \$100,000, if necessary, to defeat him.

Other members of the Texas delegation say that Blanton is not poor, that his family is conspicuously well-to-do, that the opposition candidate has not strength nor support worth mention, and that the fight is largely located in Blanton's imagination. A congressman's salary is \$7,500 a year. The other day Blanton put into the Record affidavits declaring the cost of his campaign efforts thus far, and they put at the rate of over \$6,000 a year for printing and addressing speeches alone.

GEN. WOOD, WATCH OUT.

On his page in a recent issue of Metropolitan, General Wood, his administration in Cuba, American occupation of the island, is especially proud of the method by which he rehabilitated agriculture. This, he says, he did by exempting the farm-

ers from taxation who improved their lands.

If General Wood wants to retain his plutocratic supporters in his race for the presidency, he had better say no more on that subject. Some one may ask why American agriculture should not be stimulated in the same way, and that won't suit the land speculating interests.

But regardless of how the General may feel on the subject, he has introduced a reform that should be introduced here. He is not the first one, however, to point it out. The Non-Partisan league, which controls the North Dakota government, has legislated along that line in the interest of agriculture. It has exempted improvements on farms from taxation.

It is a wise move removing a check on industry and enterprise. It is more sound economically than General Wood's move in Cuba, since it distinguishes between land and improvements.

The Non-Partisan league's example should be followed in other states. And General Wood should beware lest he be mistaken for a Non-Partisan leaguer.

"CHEAP" CANADIAN LABOR.

According to the reasoning of the American Protective Tariff league, wages in the United States must be considerably less than in Canada, and Canada needs a higher protective tariff than she now has to protect her highly paid labor against pauper American competition. How else can the protectionists explain the rapidly increasing flow of American imports into Canada? Imports from the United States through Toronto during the month of March amounted to more than for a whole year twenty years ago. If protectionist logic is correct, this means unemployment for Canadian workers and lowering of wages. However, the actual facts do not sustain protectionist theory.

Canadian workers are busy and getting higher wages than when imports were low. Perhaps the theory is wrong. Perhaps protection is a fraud and a robbery after all.

Perhaps the theory is wrong. Perhaps protection is a fraud and a robbery after all.

Militarism Is Diagnosed By Kansas Congressman

Does "preparedness" prevent wars? That question was pretty thoroughly thrashed out in the house of representatives during the debate on the army reorganization bill.

Congressman Kahn of California, is chairman of the House committee on military affairs, and a leading champion of compulsory military service. He calls it "preparing," but no one has been able to discover the difference between compulsory military service and compulsory military training. A rose by any other name would smell as sweet.

In advocating his scheme of "preparedness," Congressman Kahn used the argument that if America had been "prepared" it would not have suffered such severe losses in men and money during the late war.

Congressman Kahn, of Brooklyn, and Congressman Wingo, of Arkansas, submitted Mr. Kahn to a very interesting cross-examination, and finally Congressman Little, of Kansas, who led the "fighting" twentieth Kansas in the Philippine campaign, told the following graphic story of what "preparedness" had done for the great nations of Europe.

"The gentleman from California (Mr. Kahn) asked me eloquently to the fact that we spent some \$30,000,000,000 in this war, and he tells us that \$3,000,000,000 of that was spent on killing, and his argument is that if we had had preparedness, they would not have been killed. I fail to see the logic of that. As matters killed just as quickly if he is prepared as he does if he is not, if an enemy bullet hits him, he is dead. I don't think the gentleman from California really meant that. That would be an insult to the intelligence of the House, to presume that their war deaths of the American soldiers had been prepared. If Germany had not been prepared we would not have lost 80,000 men, and Germany would not have lost 800,000 men."

London uses only a single 2,400,000 gallons of water for the purpose of extinguishing the fire.

COUNTERFEIT 1919 WAR SAVINGS STAMPS

Beware, Benjamin Franklin with a swollen cheek! It is on 1919 war savings stamps and it means a counterfeit.

Warning to this effect has been issued by the postal department and through the government savings organization is being sent broadcast throughout the Ninth federal reserve district.

The Franklin "mumps" counterfeit is regarded by the government as "very dangerous." It is printed on a steel plate on a good grade of paper and closely resembles the 1919 war savings stamps. The counterfeit defects include:

The left cheek of Franklin has a pronounced swelling; the lower one of the two left dots below the portrait is comparatively indistinct.

The vertical opening between the lines in the left lower part of the numeral "2" in "1924" is closed.

The swelling in the cheek of Franklin is the most marked defect. The other defects are so slight as to require expert examination to detect them.

As a result of these counterfeits, when application is made for payment of the 1919 war savings certificate, the applicant is notified to present his certificates for examination and the stamps are then carefully gone over by government experts. No examination is made of 1919 war savings stamps registered before Jan. 1, 1920, as the counterfeit was issued after that date.

INDUSTRIAL INSURANCE COSTLY IN GREAT BRITAIN

LONDON, England, May 27.—The government's unemployment insurance bill, which increases the workers' contributions, is being vigorously protested and figures prove that overhead charges consume about 75 per cent of the total income.

Previously the worker paid 2 1/2 pence weekly or about 12 shillings when unemployed, and he was now proposed that he pay 3 pence to get 15 shillings.

During the year 1917-1918 the total benefits paid were \$375,640, while the cost of administration, salaries, etc., was \$2,180,755, or six times the amount the workers received.

Advertisement for 'The Bank With the Clock' featuring a clock image and text: 'Getting your Money's Worth-- when you spend your hard-earned dollars is your economic duty. Saving a part of your income now when nothing but money cheap is another duty, a duty to yourself.' The Bank Of Duluth.