

THE LABOR WORLD

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GERMANIZE AMERICAN LABOR?

Another Minnesota man has returned from Germany who advises that American labor accept reductions in wages if we would compete with Germany. This time it is Dr. George Shephardson, head of the electrical engineering department of the University of Minnesota.

"Germany is winning the industrial war," says Prof. Shephardson. "Eight marks, which are now worth eight cents in American money, is the average worker's hourly pay there. Sixteen marks, 16 cents in our money, is the hourly pay of the most skilled worker in Germany."

"A good meal is obtainable for ten marks or ten cents. German industries are operating at about 75 per cent of their capacity. The people of Germany have realized that hard work, low wages and low living costs are the things which enable their country to cope with other nations for trade."

Then Prof. Shephardson concludes with the following advice to American labor: "If laborers in the United States that would follow the example of those in Germany and agree to lower wages, the cost of living would soon drop in proportion."

But would it? There has been little to happen in that direction in the United States to warrant such a conclusion. Germany is not trust-ridden as is this country. If the law of supply and demand operates there as to wages it applies with equal force to prices. Almost everything consumed in the home of the American worker is controlled by monopoly. The prices of the things we use rise and fall, not according to supply or demand, but rather to the will or whim of the combination of persons controlling a product.

In almost every line of trade that combination is so strong that it absolutely controls the production or marketing of any product, and sometimes both. In the matter of food the combination may not control production, but its control of marketing is so complete that it willfully and wantonly destroys food products to keep the price up, while at the same time numberless are hungry.

The trusts which control coal, iron, copper and other like products merely stop production when they see in the dim future evidence of a falling market, and no matter how much purchasers may want their products they continue to hold to a monopoly-fixed price.

In the face of such a situation the American worker would be committing social suicide to permit his wage to fall to meet the competition of a country which is trying, in some measure at least, to protect the natural law of economics.

The trouble with Prof. Shephardson and others of his superficial habit of thinking is that they want labor to carry the sack for industry and business. We haven't observed any falling off of the profits in the big trusts of the country since they started on their wage-slashing campaign. Nor would there be any even if the American worker agreed to reduce his wages to that which, it is said, now obtains in Germany the probability is profits would be greater. We do not know very much about rates of exchange, but we do know that in normal times a German mark is worth approximately 25 cents in American money. If pre-war exchange now obtained the German worker receiving eight marks a day would be paid the equivalent of two dollars in our money. The German skilled worker receiving sixteen marks would get what would equal four dollars.

The chances are that the German mark today will purchase as much in goods as it does in wages. That is not true with the American dollar. And until the equilibrium between prices and wages is restored in this country there will be little chance for any reasonable or fair settlement of either the wage or business question.

BUILDING TAXLESS HOMES. A public sentiment is developing in Minnesota to lower or exempt taxes on homes to encourage building. Commissioner Merritt would like to exempt taxes on houses in Duluth if the city had the power to do so, but it is doubtful if the city has that power. There is no local option in taxation in Minnesota.

Leading Twin City papers are advocating the passage of a law by the act

legislature to "reduce the assessments on residence structures, lightening the tax burden and so encouraging the building and owning of homes." That's good, and we are for such a law.

But why stop at residences? If it is a good thing to reduce the assessment on homes, or to exempt them from taxation, to encourage building, why would it not also be a good thing to reduce entirely, to encourage industry and its development? The principle is the same.

The light tax on unimproved land encourages persons to put the money into it. They then depend on social growth to enhance the value of the land, but they do so at the expense of development. A light tax or no tax on industry, as on residences, would have the same effect, but such would be contributing to social growth and business development.

There is special privilege in taxation today. In Minnesota we are forcing the mining interests to pay a larger share so that others of us may escape our just share. They have more money with which to pay taxes, and there is one thing certain—they can not move the mines into another state over night as a manufacturing plant may do. So we merely soak them while the soaking is good.

We are not defending the mining interests, we are merely attempting to point out the iniquity of the present system of taxation. If all land were assessed at its full value, and all improvements were exempt from taxation in mines, on farms, on buildings, stores, factories and mills, there would be a new and more healthful social order in the state that would spring up as if by magic. Idle land would put into use; production would increase; employment would be more steady; consumption would keep pace with production, and prosperity would be less spasmodic and more permanent.

The same thing to do is to get away from the present method of penalizing by taxation the people who do the work of the world and placing a premium on idleness, and instead take the yield from capital and labor and place it upon those who profit from both without "tolling or spinning."

DEPENDING ON SUBSIDY.

Privilege of striking while the iron is hot. Ever since Mark Hanna's day American vessel interests have been trying to get Congress to pass a ship subsidy bill. That bill has bobbed up and has been knocked down in nearly every session since 1887.

Now we read that President Harding and his cabinet have just tackled the "biggest and most far-reaching problem of the administration—something that relates to unemployment more markets for agricultural products, limitation of armaments and international relations. It is the question of the merchant marine and its subsidy by the government." That's how the story reads.

The ships made by the government during the war have been sold on the auction block at less than junk prices, and now to run them the new owners, patterning after the railroads, want to tap the public treasury.

It is all very well for business, the railroads and vessel interests, to look to the government for help, but when John L. Lewis, president of the United Mine-Workers, arises in the conference on unemployment to suggest government loans to workers, the members are shocked.

Wouldn't it be better for all if every form of privilege was abolished; if every interest was firmly told to sit on its own bottom and depend upon its own initiative, industry and ability to survive. Give all a free hand and no favor; let each work out his own destiny in his own way without the handicap of privilege-enjoying competition, and there will be precious little unemployment in the country, and less need for giving government assistance to any established interest.

So far as the workers are concerned, they want no alms. Give them opportunity to work at living wages under reasonably fair conditions, and they'll take care of themselves. That is the real American way. The other way is Prussian.

MONOPOLY DOES IT ALL.

President Harding has had before him for several months a report of one of the ablest commissions in Washington, which not only points out the causes of continued high prices, but also the effective remedies. Since neither the chief executive nor congress has acted to relieve the public from the increasing burden of fair prices and profiteering, it is time that the people know the facts and take action to protect themselves.

In his address to congress of April 12, 1921, President Harding, in discussing the consequences of the high cost of living, said:

"Deflation has been in progress, but has failed to reach the mark where it can be proclaimed to the great mass where it can be proclaimed to the great mass of consumers. Reduced cost of basic production has been recorded, but high cost of living has not yielded in like proportion. . . . The maintained retail costs in perishable foods cannot be justified. . . . A measuring rod of fair prices will satisfy the

country and give us a business revival to end all depression and unemployment."

At the request of the President, the Federal Trade Commission made exploitation of the consuming public. The commission, in its report to the President, states that it finds five principal causes for this condition:

(1) "The excessive price of many basic commodities, prominent among which is coal, which vitally affects the cost of other commodities, to say nothing upon the effect upon the health and comfort and upon the cost of living and the buying power of the people."

(2) "The existence of typical corporate monopolies, and agreements in violation of the anti-trust laws."

(3) "Open price associations, in many cases not yet challenged by law."

(4) "Interference with the channels of trade by disturbers' trade associations, . . . while shutting out new dealers seeking to sell at lower prices, and especially co-operative purchasing and distributing organizations of consumers."

(5) "Monopolistic control of importations from foreign countries."

Here is a definite and dependable statement of how both the farmer producers and the city consumers are being bled white by the monopolists and middlemen who control "the channels of trade."

The Federal Trade Commission follows with equally definite recommendations as to how this exploitation can be terminated.

It asks power to obtain and publish information as to production costs and profits of industries affecting the necessities of life, shelter, clothing, food and fuel.

It wants prosecution of the monopolistic profiteers under the anti-trust laws.

It calls for the elimination of gambling in "futures" and other "unnecessary reconignment and brokerage operations."

It recommends "protection of the farmer against the more closely organized elements with which he deals" by the extension of liberal federal assistance, especially in securing suitable local markets and proper storage facilities.

Finally, the Trade Commission urges "positive encouragement of co-operative associations of agricultural producers' and co-operative consumers' organizations."

Summarizing, the Trade Commission says: "The cost of living must come down as a prerequisite to normal business. . . . The first object should be to increase rather than lessen the purchasing power of the consumer. This will afford an immediate and double relief to the agricultural producers."

Regardless of party politics, both consumers and farmer-producers—and that includes all of us—have a right to demand the reason why neither the President nor Congress has acted on these able recommendations. Government figures show that prices and profits are increasing, while wage-workers and farmers are being so badly "deflated" that they cannot maintain a decent standard of living. In fact, instead of aiding the Trade Commission in bringing relief to the people, the executive, the courts, and Congress have rebuffed it, handicapped it, and limited its power.

The department of justice has failed to bring to book the monopolistic violators of the anti-trust laws. The courts have granted an injunction to the National Coal association and the steel trust preventing the Trade Commission from investigating their production costs and profits. And congress has not only failed to give the Trade Commission the necessary power requested, but actually enacted the pseudo-packer-control bill with a provision, alleged to have been drafted by the attorney of the meat trust, destroying the power of the Trade Commission to deal with law violations by the big packers.

There is only one thing left for the people to do. They need not wait until their elected representatives decide to punish the powerful profiteers who prey upon them. Nor need they stand still expecting any "positive encouragement" from Washington in the organization of producers' and consumers' co-operative associations. But they can proceed now, without this encouragement to root out the profiteers and reduce their cost of living.

Following the recommendation of the Trade Commission, the farmer-producers and town consumers can organize co-operatively to prevent further exploitation. They can open direct trading with each other to cut out wasteful middlemen.

And unless their national representatives give more heed to their welfare, it is possible that they may co-operate still further to effect a political housecleaning.

PASSING OF LODGE.

There are hints from Congress of the possible passing of Lodge. "Too old for leadership" is the hand writing on the wall. The demands of the disarmament conference on his time and attention may be made the pretext of a party reorganization that will leave him nothing but the title of leader emeritus.

For 34 years Lodge has been a figure in Congress, most of that time, while

the Republican party in the senate. His passing would seem almost like the passing of an American institution.

Not that he is so beloved. Heaven save the mark! He himself would be the last to wish it. It is recorded of him that he always creates the impression that it is "a condescension on his part to have allowed God to create a world not exclusively inhabited by the Cabots and Lodges."

But he has come to stand for the canons of the gentleman, the scholar and "the best minds." In fact it is rather more than suspected in certain quarters that he himself is a big majority of "the best minds."

Dignified and impressive as his earlier career may have been, his later years have been overshadowed by his bitter hatred of Woodrow Wilson.

Like many another, Cabot Lodge would have been a bigger man in history, if his passing had come sooner.

THE SHAME OF IT.

The puttering about of our "best brains" in a search for the causes of unemployment, the most critical of a long series of social wrongs and inequities, would be laughable were not the situation anything but a laughing matter.

It is impossible to form an adequate conception of the hideous farce and the ghastly tragedy that characterizes the social system under which we live, and about all that our "best brains" have to offer is meaningless jargon about the workers getting too much for their services, of silk shirts and "flippers" and like absurdities.

Here, at the present time, we have unparalleled famines, in which millions perish, and coincident with these calamities a deliberate decrease in production on the part of those who control industry.

This world could be fabulously rich, it has such means to create wealth that there need not be a poor man or woman on the face of the earth. And yet, through the failure of our "best brains" to properly discharge the one function that is demanded of them, the vast majority of mankind is afflicted with the curse of poverty, and many actually die of the pangs of hunger.

In his recently published work Major Douglas draws attention to the "slowing down" that is practiced by manufacturers.

"Processes and discoveries of immense value," he says, "have been willfully stifled because it did not suit producers to modify or increase their product. Any practical business man will know of cases—probably dozens of cases." If he does not, he can be enlightened if he will apply to the United States Bureau of Standards.

One of America's foremost industrial engineers has declared that the industrial efficiency of the United States "was about 5 per cent in 1919." And Major Douglas remarks: "He was under no delusion as to the cause of this; it was because it did not pay those in control of the industrial process to make it any higher."

So that, according to these authorities, the United States, the most progressive of industrial countries, is producing only a twentieth part of what it could produce were it organized for the common good!

Major Douglas estimates that, were scientific methods fully utilized, "something over three hours' work per head per day, on the part of all adults between 18 and 45 years, would be ample for the purpose of meeting the consumption and depreciation of all the factors of modern life, under normal conditions and proper direction."

Instead of which, such as the chaotic muddle due to incompetence, and such the waste of labor in the form of unemployment, misdirected effort and cultivated idleness, that children are dragged from school at an early age to toil, and men and women drudge eight, ten and twelve hours a day and whole multitudes die of starvation, and in the most advanced countries three-fourths of the people struggle along on the border-line of destitution.

Verily, the record of modern industrialism, with its philosophy of "getting everything possible while the getting is good," is shameful to the last degree, and no one has fathomed the depths of its dishonor.

And because its record is wholly shameful and dishonorable, there is neither hope nor expectation of anything good coming of a conference made up very largely of the "best brains" who propagate and profit through the existing monstrous situation.

ETHICS OF TREASURY HELP

It is not required of politicians that they be consistent; and, it being incumbent on them to do a deal of talking, they may not always be called to account when they contradict themselves.

It may appear, to many, however, that President Harding, opening the unemployment conference, gave an example of inconsistency that lays him open to a charge of bad faith.

curity owners who are clamoring for deferred dividends.

It is understandable that a certain type of mind can comprehend the difference between providing public funds to save millions from starvation and providing money to supply luxuries to those who already enjoy too much of luxury for their own good.

But it is not as easy to understand the mental processes by which the President has arrived at the conviction that "stimulation from the 'treasury' can be harmful in the one instance and salutary and beneficial in the other, unless it be on the theory that a considerable part of the population has for some months been suffering and by this time must be used to it."

UNCLE SAM THE GOAT.

The Federal government owns and operates several large lines on the Mississippi and Warrior rivers. They were undertaken because private capital was reluctant to assume the risk involved in a new and undemonstrated commercial venture. The lines have made good, are making money, and, according to the New Orleans Picayune, "are emphasizing themselves more and more as a factor of ceremony in transportation."

The initiative of the government averted serious congestion at the port of New Orleans and saved unnumbered thousands of dollars to the citizens of that section.

It is natural to assume, therefore, that the government is entitled to the grateful appreciation of those it has benefited, and that they should desire that the existing satisfactory situation is continued indefinitely.

Poohish assumption! The New Orleans Association of Commerce, directing attention to President Harding's announced policy of taking government out of business, is out with a statement to the effect that these profitable lines must be turned over to private interests.

Not just now, but a little later, for, the Association of Commerce says, "much still remains to be done in the way of development. Adequate terminals of the proper kind and in sufficient number must be created, rate relations must be worked out, and other big obstacles overcome before the foundation on which private capital would be willing to build is laid."

There you have in a few words the whole philosophy of the privileged interests that dictate the policies of the government. The people are to take all the chances up to the point where enterprise is profitable and then must step out and turn over a going business to those who make up Chambers of Commerce.

And the worst of it is that this philosophy is being translated into a concrete political program.

TIME TO CALL A HALT.

In lending themselves to the purposes of propaganda directed against the workers of the nation organizations of business men have made themselves contemptible, as well as ridiculous. In demanding now that freight rates be reduced solely at the expense of the rail workers' pay envelopes they take an indefensibly selfish position and as well become a real menace to the peace of the nation.

Freight rates are too high and should be reduced. But to contend that workers' wages are too high is to completely ignore the facts.

Until railroad managers make an honest effort, by efficient and conscientious management, to reduce operating costs, the workers should not be requested to make further sacrifices. To thrust them closer to actual suffering would be inhuman and unwise to the last degree.

It is incontestably true that heretofore every retrenchment made by the railroads has been at the cost of workers. It must not be so in the future. Transportation depends as much upon satisfied and contented workers as it does upon satisfied and contented stockholders and arrogant and autocratic management.

"Make everybody work," declares Cal Coolidge; and if he is in earnest he can do something by buying in to the limit of his resources the "slaves" who are being put up at auction in Cal's own beloved Boston.

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