

CONDEMNNS SHIP SUBSIDY BILL AS OPEN DOOR FOR BIG GRAFT

A. F. of L. Executive Council Blames Vessel Owners for Decay of Sea Power and Flays Their Entire Policy.

By International Labor News Service. Washington, D. C., May 25.—Because the proposal is "provocative of inefficiency and graft and general parasitism" and for other clearly stated reasons, the American Federation of Labor executive council, meeting here this week in preparation for the coming convention, adopted a resolution condemning the ship subsidy bill in the severest terms.

The resolution follows: Backed by False Claim. Whereas, Congress through its committees is now conducting hearings on S. 3217—"A bill to amend and supplement the Merchant Marine Act of 1920 and for other purposes"—which is in fact a bill to subsidize the shipowners of America; and

Whereas, this bill in every feature thereof is predicated upon the unfounded claim that such subsidy is needed to equalize the wage cost, which is claimed to run drastically against the American vessels; and

Whereas, there is no material difference in either wage cost or subsistence cost running against American vessels and any real enforcement of the Seaman's Act will prevent any differential against vessels under the American flag in the future; therefore,

Resolved, That acting for and on behalf of the Trades Unions of America we reiterate that we are generally opposed to subsidies of any kind and specifically opposed to subsidies being granted to shipowners because, first, there is no proof that subsidies built up or materially aided in building any merchant marine; second, because it is provocative of inefficiency and graft and general parasitism.

Resolved further, That we are opposed to this particular bill for reasons some of which we enumerate as follows:

But a Smoke Screen. First—Because it presumes to sell the vessels now owned by the government when in fact the so-called sale is nothing but a smoke screen to hide the fact that the shipowners are to receive the vessels for nothing and then three hundred million dollars over and above the purchase price for operating the vessels for ten years, after which time the ship operators may turn the vessels back to the government.

Second—Because this bill confers upon the shipping board powers such as have never been, so far as we can ascertain, given to any commission or board in any country; under this bill it can give the subsidy or withhold it, can reduce the subsidy or double it, it can sell the vessels at any price to one person or refuse to sell to another person at a high bid because it is of the opinion that the bidder's character is such that he may not use the vessel to promote the interests of the United States; it can lend money to one person at 2 per cent interest and refuse to use it for the same purpose.

Third—Because the shipowners, who are advocating the bill and will be the recipients of the bounty refuse to give any real information about their business during the last ten years, in fact, any information, which might show whether any subsidy is really needed, even from the point of view of the favoring subsidies as a principle, unless ordered to do so by the joint committee conducting the hearings.

Fourth—Because the shipowners are so organized that there is not now or will there be any competition between them in the buying of the ships.

Fifth—Because the shipowners have dominated the policy of the shipping board during nearly all of its history. They are dominating it now and there is no reason to believe that they will not continue to control it in the future.

Sixth—Because of our history, except in two or three instances, given the shipowners anything they asked; and it is, therefore, the shipowners and shipbuilders who are at least indirectly responsible for the decay of our seapower, and there is no good reason to believe that the shipowners and their policy will improve after getting the subsidies.

Finally we believe that this is no time to sell the vessels; but that, having agreed to operate the vessels under agreement with the shipowners and having failed to carry out their promise to operate them directly in the manner that Mr. Rosbottom is now operating his "spiked team" without any serious loss to the government. We believe that the losses would be much less, if any, and that the shipowners would then buy the vessels which they have so far refused to buy.

Olcott G. O. P. Nominee for Oregon Governor

Portland, Ore., May 24.—Complete returns from Oregon's 36 counties, being official today, gave Gov. Ben W. Olcott a plurality of 627 over Charles Hall for the Republican nomination for governor in last Friday's primary. The latest figures were: Olcott, 43,162; Hall, 42,475. Olcott carried 24 counties and Hall 12.

STEEL MONOPOLY IS LATEST MOVE OF WALL STREET

La Follette Ascertains Gary Crowd Is Behind New Merger.

Washington, May 25.—The steel trust does not oppose the proposed formation of a second trust by several independent steel corporations, said Mr. La Follette, on the floor of the senate.

"Why should it?" asked the lawmaker. "As a matter of fact, there are strong indications in what is already known about this proposed merger that the same financial forces which formed and now control the United States Steel corporation are also interested in this new merger."

"I call your attention to the fact that the financing of this new steel trust is in the hands of Kuhn, Loeb & Co. The congressional committee on the concentration of control of money and credit, generally known as the Pujo committee, reported in 1913 that the most active agents in forwarding and bringing about the concentration of control of money, credit and industry are J. P. Morgan & Co., First National bank, New York, Lee, Higginson & Co., of Boston and New York; Kidder, Peabody Co., of Boston and New York and Kuhn, Loeb Co.

"The report showed that these great financial groups never acted alone on any large transaction, but invariably acted in combination and shared the spoils.

"There is every reason to believe that while Kuhn, Loeb & Co. is the nominal financial agent in the creation of this consolidation, they are acting in concert with the financial interests which control the United States Steel corporation.

"Reports in the financial journals demonstrate that the merger has already proceeded far enough to result in the elimination of competition and the fixing of prices upon a monopoly basis."

JUDGE NULLIFIES ACTS OF WILSON

Permits Restoration of Vicus Interlocking Directorates.

New York, May 25.—Federal Judge Mayer has ordered a resumption of interlocking directorates between the Boston & Maine and the New York, New Haven & Hartford railroads.

This interlocking system between the two railroads was dissolved in 1914 by Attorney General Gregory.

While Judge Mayer's decision does not permit the New Haven to control the Boston & Maine, as of old, the former is allowed a voice in the management.

"The time has come," said the court in his decision, "when, in respect to the operation and control of these railroads the mental attitude should be one of construction."

It is stated that the decision marks a new policy toward the railroads, and it is believed that other railroads and industrial corporations will ask for modification of decrees which, under the Wilson administration forced their complete separation from allied interests.

EXPLORER ASKS DIVORCE. Chicago, May 24.—Carl E. Akeley, explorer and naturalist, filed a suit for divorce today against Mrs. Della Akeley, charging desertion. Mr. Akeley was a member of the expedition, Roosevelt's expedition into Africa and returned only three weeks ago from a second exploring expedition into that continent.

PRICES WOULD BE HIGHER. In this case, it is said, the prices of cotton goods will be higher through the reassessment of mills and machinery, and the people—including those who have escaped an increase in their own rates—will have to pay higher prices for a neighbor who purchases fewer cotton goods, and this will mean a decreased demand for labor in their production.

Unemployment in the cotton trade will react on other industries, it is pointed out, and the resulting competition for employment will drive wages downward. Heavy rates on industry therefore are bad alike for employers, for workers, and for the general public.

The league makes the claim that the reform sought would result in a reduction of the Manchester rates to about 6d in the pound at present, they stand at 15s. In New York, where land has been officially valued, the land value works out at an average of \$202 per head of the population; in New Zealand, it is \$250 per head. This gives, for a population of 147,500, a total of \$147,500,000. On that capital value, the \$3,500,000 required annually by the corporation would represent a rate of 6d in the pound, thus justifying the statement of the league.

PRESS SILENT WHEN STANDARD OIL WAS HANDED TEAPOT DOME

\$30,000,000 Speculation Takes Place While Grab Is Kept Secret; Trust Gets Navy's Richest Oil Reserve.

THE LABOR WORLD PRINTS "SUPPRESSED NEWS." Because of the suppression of vital news, The Labor World is publishing a series of eight suppressed stories furnished weekly by the International Labor News Service. This is the third of the series. The first exposed a "dummy" loan of \$5,000,000 to the treasurer of the Republican National committee by a bank member of the Federal Reserve; the second told the story of the ship subsidy, and the third gives the inside of the grab of "Teapot Dome," all of which are held not to be news by the big papers. Watch for the other five stories.

Washington, D. C., May 25.—How the Standard Oil-Sinclair-Doheney oil monopolists financed the Teapot Dome deal, in which Secretaries Fall and Denby secretly turned over to them the navy's richest oil reserve, guarded jealously by the American public since Roosevelt's time and worth about \$500,000,000, is news that has not received circulation.

The Mammoth Oil company was organized on Feb. 28 in Delaware with dummy directors.

"Teapot" Dome was leased to the Mammoth Oil company on April 7. The public knew nothing of the deal. Rumors of a lease were denied by the navy and the interior departments.

On April 15 a resolution was passed in the senate demanding the facts from the secretary of the interior.

On April 21 the acting secretary of the interior and the secretary of the navy officially admitted the existence of the lease.

Between April 7 and April 21 speculation in Sinclair Oil exceeded \$30,000,000, following an interview in the New York World with Harry Sinclair, of the Sinclair Oil company. The Sinclair company's interest in the Mammoth Oil company appears through G. C. Wahlberg, a director of the Sinclair-Centrol American Oil Corporation, who is vice president of the Mammoth Oil company.

The Mammoth Oil company is organized so as to permit gigantic financial operations. On Feb. 26 it was a paper organization with ten shares, each of \$100,000, and capital stock held by three dummy directors. Inter capital stock was increased to 2,000,000 shares, with control held in the 5,000 odd shares, incorporated as class B shares.

Who owns these 5,000 shares, the value of which is now about \$100,000 each? This committee on public lands and surveys has the job of finding out. The question is, will it find out?

Vigorous objection to the secrecy of the deal and to other outrageous phases of it has been made by the National Association of Independent Oil Producers. The president, W. H. Gray, says: "The delivery of the 'teapot' reserve of the United States to the Standard Oil-Sinclair-Doheney interests constitutes a return to the era of land grabbing and carpet bagging, whose hydra-head of iniquity was crushed by the policy of President Roosevelt almost a decade ago."

The gasoline content of Teapot Dome is said to be greater than that of any other oil.

Independent oil producers fear the use which a monopoly can make of this supply in driving them out of business.

The committee on manufactures will investigate this phase of the oil situation, following the passage on May 18 by the senate of a resolution introduced by Senator McCellar.

TOM MOONEY WITHDRAWS APPEAL FOR NEW TRIAL

That there may be no legal matter to embarrass Governor Stephens of California in considering the San Francisco appeal for Thomas J. Mooney, the latter has withdrawn a common law action filed in the district court of appeals.

The action was based on a petition for an ancient writ of audita querela (the complaint having been heard), a proceeding whereby a party under the charge of a trial court may, as the outcome of a trial action.

Under this writ the court could review the Mooney trial. Previous attempts to secure a review of the trial have failed, the court's holdings in the case being that the trial was not irregular, as the perjuries in connection with the trial were not made known until the record of the trial case was closed.

Official Quits After Arrest for Holdup

Chicago, May 24.—Frederick R. Huber, assistant state attorney, resigned today following his arrest yesterday on charges of holding up a baker, May 6. Mr. Huber denied the charge against him.

GEISSLER CONFIRMED. Washington, May 24.—The senate confirmed tonight the nomination of Arthur H. Geissler of this city, to be minister to Guatemala.

Rhode Island to Fete Social Workers Group

Boston, May 24.—Delegates from nearly all of the dioceses and missionary districts of the communion are expected to attend the conference of the social workers of the Episcopal church at Wickford, Rhode Island, June 20 to 22, which will immediately precede the national conference on social service work at Providence. Many of the delegates will attend both conferences, according to Charles N. Lathrop, executive secretary of the social service department of the church.

BOLSHEVISM CHALLENGES DEMOCRATIC CIVILIZATION MORE THAN PRUSSIANISM DID

least for the moment—controls European, statesmen and public opinion. Discussing the European political situation in the light of the Genoa conference and explaining American labor's relationship to the world problem, Mr. Walling said: "Diplomats are wrestling at Genoa with the psychology, the social philosophy and the propaganda of the Bolshevists. The diplomats have been studying these subjects for barely three years. European and American labor have been studying them—through direct relation—for fully seventeen years, since Bolshevism made its debut in Russia in 1905 at the time of the first revolutionary movement. Labor's claim to understand the Bolshevists better than the average statesman or newspaper article writer can possibly understand them is in no way a claim of superior intelligence but to actual experience.

YANKEE MINERS LEAVE HERE TO WORK IN RUSSIA

To Modernize and Operate Mines Now Unproductive.

Nearly 200 miners from Pennsylvania, Colorado, Montana, Virginia, South Dakota and the Pacific coast left New York on the Holland-American line steamship Rotterdam for Petrograd, Russia.

"These miners, in advance of a party of 5000 workers, took with them the tools of their trade, not only the well-known picks, shovels and safety devices for working underground, but also a large shipment of modern mining machinery and food supplies. Their ultimate destination is the Kuzbas Basin, the mines of the Ural range and Siberia. They are being sent to Russia, it is said here, by the combined efforts of Russian patriotic societies, and to enable them to get to their destination as quickly as possible, a special permit has been issued to the miners by the Soviet government.

The advance party, and the other members represent every state of the Union where the mining industry prevails. Among them will be hard rock men who have blasted their way through the strata of a dozen states in mining and railroad work. Some of them, it is said, will take with them to Russia an intimate knowledge of the New York subway system—knowledge gained in boring beneath tall buildings.

Muckers, pick and shovel workers, men experienced in operating power drills and in handling electric cars, as well as those who have an intimate knowledge of the ways of the old miners' standby, the draft mule, are included. Experienced mining engineers will guide them. The ultimate object of the whole expedition, it is stated, is to restore to productiveness as quickly as possible one of Russia's great sources of revenue and natural wealth.

Cleveland, Ohio, May 25.—One big union advocate was as silent as the proverbial clam when officers of the International Ladies Garment Workers' union reported to the convention that an amalgamation of the needle trades is "practically unthinkable."

By a unanimous vote the convention agreed to continue a needle alliance, formed two years ago. The convention wasted no time on so-called "lefts," who felt the heavy hand of trade union discipline. This discipline made poor "atmosphere" for sky shooters, who saw some of their associates unseated because of professed belief in communism, for slandering officials, and for other anti-union practices.

The plea for "freedom of opinion" was answered by the claim that "this is a gathering of trade unionists, and we want no divided allegiance."

Before this iron discipline the "soap box" delegate was forced to give way to those who treated with facts.

In reporting on the temporary formation of a needle trades alliance two years ago, officers of the garment workers said that in answer at that time to the suggestion for amalgamation:

"Our delegates pointed out that such an amalgamation would be a practical impossibility, they argued that the various needle trades are as distinctly different from one another as an amalgamation of them is practically unthinkable. Their work seasons are different, their labor conditions are markedly different, and the problems of one industry are not even understood by the workers in the other industries."

President Schlesinger was re-elected. The "lefts" made so many claims that he would be defeated that he drove them into the open by demanding a standing vote on the motion that the secretary cast one vote for his re-election. The opposition recorded 14 votes, mostly gay delegates from eastern wall shops who were attending their first convention. The same method was used in the re-election of Secretary Baroff, who has been the special target for the "lefts." He secured all but three votes.

The convention's attitude took all the fight out of the "lefts," who discovered they can no longer use their trade union for communistic propaganda, and that they will henceforth be called upon to prove their charges when they attack officials.

N. D. BUDGET APPROVED. Fargo, N. D., May 24.—The state board of education today approved a budget for the expenditure of approximately \$710,000 by the North Dakota agricultural college during fiscal year beginning July 1, next, it was announced tonight.

LABOR AND WAR VETERANS WILL GO HAND IN HAND

"The American Federation of Labor and the American Legion will be found working hand in hand in the years to come," said Commander McNider, national commander of the American Legion, predicted in an address before the state-wide convention of American Legion and legion auxiliary officials at Topeka, Kan.

Commander McNider said radicals were "still battling to keep up the prejudice between labor and the legion, which, their earlier efforts among the uninformed once seemed to promise, but such efforts are failing, and any prejudice that may have existed between the legion and labor is fast disappearing."

MINER REFUSED RIGHT TO SEE DEAD MOTHER

The Penn-Central News of Cresson prints this latest indictment of the coal owners' "blue guard" system: "Frank Rapp, a United Mine Workers' organizer, received word from Hooverville (Somerset township) that his mother had died at that place. Mr. Rapp immediately started to Hooverville. Much to his astonishment he was refused admission to the town. Though he made known the purpose of his visit, it had no effect upon the heathens mine guards who turned him away without seeing his dear mother."

"They may have ended wage-slavery; they have established state slavery and misery. They have robbed the workers of freedom of movement and of combination and are preventing the creation of economic democracy."

"With their thorough and complete control of the world's resources, they have established a system of economic democracy."

"Labor understands the propaganda of the proletariat better than do those who have had less experience with it."

"American as well as European labor continues in the most intimate

DAUGHERTY PLAYS QUEER GAME; IS PROTECTING WARGRAFTERS

Fraud Figures Amazing; Officials Who Dug Them Up Have Been Driven Out; Attorney General Passes Buck to Congress.

By International Labor News Service. Washington, D. C., May 25.—Is the \$500,000 appropriation of congress for the department of justice to prosecute the war fraud cases involving millions looted from the government a lullaby to quiet the public clamor for some action by the attorney general against war profiteers? If the \$500,000 fund is all that prevented action, why did not Mr. Daugherty follow the suggestion of congress made six months ago that he make a request for such an appropriation? He had his chance. His Republican colleagues gave him the tip. He failed to heed them and now he is getting in hotter water every day.

Forced Them Out. If the \$500,000 is necessary as a fund to hire fancy counsel and high-priced investigators, why did the attorney general permit faithful, competent servants of the public to be forced out of the department of justice as soon as they began peeling on the toes of the "higher-ups"?

If the \$500,000 appropriation is so essential now, why did Congressman Husted, chairman of the subcommittee on appropriations for the department of justice, say on April 7, 1922: "The department of justice has not asked for this item, but the department of justice is engaged in this work and has ample funds to carry it on at the present time. It does not need an additional dollar for this purpose, and if this money was appropriated it simply adds \$500,000 to the amount carried in the bill which we would have to raise by taxation and which the department could put to no good purpose."

It Appears Bad. If Major Scaife, Major Watts and Captain Sheppard, who are among the men forced out of the department of justice, were able at a cost of only \$1,900 to prepare for the government cases that would bring a return of \$40,000,000 to the government and put hundreds of crooks in jail, must \$500,000 be spent to cover exactly the same ground before any action is taken by the department of justice?

Will millionaire senators and officials be able through their influence to prevent these cases going to trial as they have prevented other cases involving millions of dollars from going to trial even after the cases have been put in the hands of the U. S. attorneys?

What excuse can be given for failure to bring immediate action in the following cases, which have been so thoroughly aired in congress and the press that a fortune in libel suits could be collected by the principals if the facts were not true.

Overpayments Made to Aircraft Contractors. Wright-Martin Aircraft Corporation \$2,476,476.75. Lincoln Motor Co. 1,188,561.98. American Electro Products Co. 2,057,261.72. Dayton Wright Co. 2,554,382.27. Standard Aircraft Corporation and Standard Aero Co., both controlled by Mitsui & Co., Japanese blowers & Weeks, G. A. MacDonald, and M. E. Kern at loss to government of \$2,869,250.82. Chemical Foundation Co. obtained from alien property custodian for \$250,000 rights to 4500 patents of dyes, chemicals, medicines worth \$10,000,000. Net loss to government \$9,750,000.

These are only a few of the cases which should be prosecuted by the government. Only 15,000 out of 100,000 war contracts have been audited, and the remaining 85,000 cases contain much more flagrant violations of public trust, much bigger amounts of loot, and involve many more interests. Will these audits be completed before prosecutions are impossible through the inevitable operation of the statute of limitations?

Congress, as a result of investigations of the sub-committee handling the cantonment contracts, voted 239 to 4, a request that the attorney general institute proceedings before grand juries for the purpose of securing the indictment and prosecution of such persons as were guilty of criminal conduct. Congress is now informed that "the statute of limitations" together with the neglect of the attorney general's department, has operated to defeat this clearly expressed wish of the house."

Law Clerk Handling Cases. The same resolution requested the attorney general to institute civil suits for the recovery of government funds fraudulently or illegally paid on account of the cantonment contracts, the majority of the committee believing that the returns should be (Continued on page 2.)

LADIES GARMENT WORKERS OBJECT 'ONE-BIG-UNION'

Declares Amalgamation of Needle Trades Unthinkable.

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CONGRESS ASKED TO GET GOUGERS

Undermyer Would Have Building Materials Put on Free List.

New York, May 25.—Material men have strangled building operations in this vicinity and congress is asked to lower the tariff on building material.

The request is made by the Lockwood housing committee, which has instructed its attorney, Samuel Undermyer, to prepare the memorial to Washington lawmakers.

The attorney said that pyramiding of prices has brought about the "worst profiteering known so far." Brick costing \$11 a thousand is sold at \$25, he said.

"There is no dearth of brick, cement and other material to be had from the other side. They can come in ballast under certain conditions. The easiest transportation is trifling. There is no reason why they should not be allowed to come in."