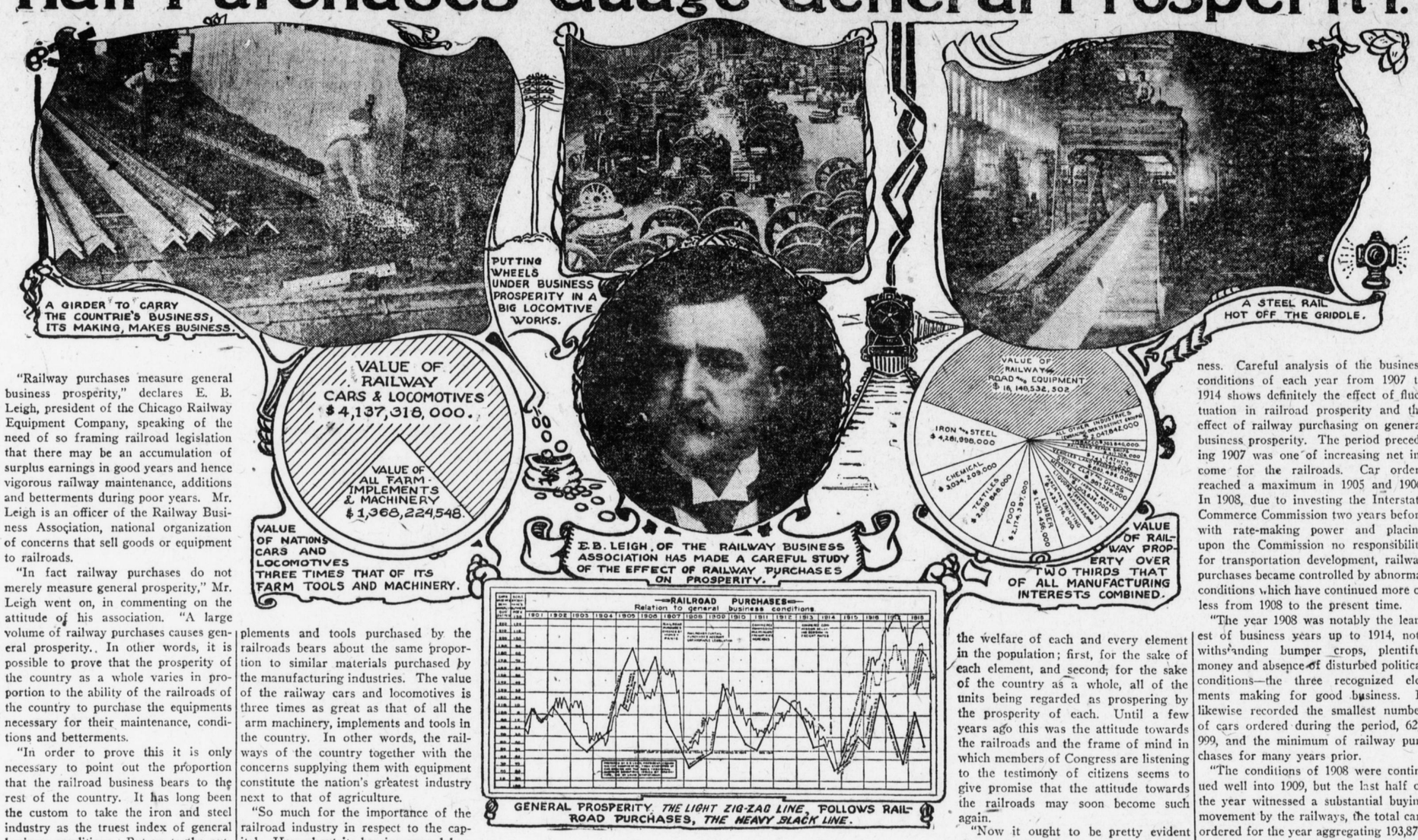
Rail Purchases Guage General Prosperity.



"Railway purchases measure general business prosperity," declares E. B. Leigh, president of the Chicago Railway Equipment Company, speaking of the need of so framing railroad legislation that there may be an accumulation of surplus earnings in good years and hence vigorous railway maintenance, additions and betterments during poor years. Mr. Leigh is an officer of the Railway Business Association, national organization of concerns that sell goods or equipment to railroads.

"In fact railway purchases do not merely measure general prosperity," Mr. Leigh went on, in commenting on the attitude of his association. "A large volume of railway purchases causes general prosperity. In other words, it is possible to prove that the prosperity of the country as a whole varies in proportion to the ability of the railroads of the country to purchase the equipments necessary for their maintenance, conditions and betterments.

"In order to prove this it is only necessary to point out the proportion that the railroad business bears to the rest of the country. It has long been the custom to take the iron and steel industry as the truest index of general business conditions. But up to the outbreak of the war the railways of the country directly and indirectly consumed between 40 and 50 per cent. of all the iron and steel produced in the country. The iron and steel index, therefore, is largely dependent upon the purchasing power of the railroads. Carefully prepared statistics show that the value of the country's railroad and equipment is over two-thirds of that of all the manufacturing industries in the country combined. The value of the machinery, implements and tools purchased by the railroads bears about the same proportion to similar materials purchased by the manufacturing industries. The value of the railway cars and locomotives is three times as great as that of all the arm machinery, implements and tools in the country. In other words, the railways of the country together with the concerns supplying them with equipment constitute the nation's greatest industry next to that of agriculture.

"So much for the importance of the railroad industry in respect to the capital. How about its bearing upon labor, the second and equally essential element in the nation's prosperity? Investigation shows that no occupation except agriculture employs so many people as do railroading and providing the needs of railroads. Sometimes the building trades are ranked second to agriculture in the number of employees. But it must be remembered that a very large proportion of building trades employees are engaged in making railway structures or the material for those structures. It is believed that nearly 2,000,000 men are employed in the railway supply industries and another 2,000,000 working for the railroads themselves. If the railroads were able to construct new lines and purchase new equipment that are sorely needed, many thousands more men would be employed.

"But I am not arguing in behalf of either capital or labor as classes but in the general interest of the whole nation. That is why I favor tendency underlying the provisions of the Cummins Bill with respect to the accumulation of surplus earnings. Some proposed railroad measures are framed in the interest of labor, others in the interest of security holders. But the Cummins Bill, to my mind, gives prominence to the needs of the people as a whole.

"Ever since Henry Clay raised his voice for policies designed to stimulate prosperity, the attitude of our Government has been the one of solicitude for the welfare of each and every element in the population; first, for the sake of each element, and second, for the sake of the country as a whole, all of the units being regarded as prospering by the prosperity of each. Until a few years ago this was the attitude towards the railroads and the frame of mind in which members of Congress are listening to the testimony of citizens seems to give promise that the attitude towards the railroads may soon become such again.

"Now it ought to be pretty evident that the prosperity of our largest industry, excepting agriculture, and our greatest single buying industry, is going to determine directly the prosperity of the country as a whole. Let us test this belief by a glance at business conditions during recent years.

"For a quarter of a century I have noted that when the railroads enter the field of substantial purchases general business prosperity invariably follows. Likewise the cessation of such purchases always means a decline in general business. Careful analysis of the business conditions of each year from 1907 to 1914 shows definitely the effect of fluctuation in railroad prosperity and the effect of railway purchasing on general business prosperity. The period preceding 1907 was one of increasing net income for the railroads. Car orders reached a maximum in 1905 and 1906. In 1908, due to investing the Interstate Commerce Commission two years before with rate-making power and placing upon the Commission no responsibility for transportation development, railway purchases became controlled by abnormal conditions which have continued more or less from 1908 to the present time.

"The year 1908 was notably the leanest of business years up to 1914, notwithstanding bumper crops, plentiful money and absence of disturbed political conditions—the three recognized elements making for good business. It likewise recorded the smallest number of cars ordered during the period, 62,999, and the minimum of railway purchases for many years prior.

"The conditions of 1908 were continued well into 1909, but the last half of the year witnessed a substantial buying movement by the railways, the total cars ordered for the year aggregating 193,874, nearly 70% of which, however, were ordered within the last four months, with particularly heavy orders in November and December. This gave a fairly good business year, with a heavy carry over' to 1910.

"General business promptly followed in 1910 and the heavy 'carry over' from 1909, coupled with fairly good buying on the part of the railways during the first six months, made 1910 a still better year than 1909, although the total of car purchases was only 145,085. The falling off in car orders after the middle of the year was duly reflected in the decline of business until at the end of 1910 the probabilities of 1911 were clearly foreshadowed.

"The decline in general business, together with the falling off of railway purchases, continued throughout almost the entire year of 1911, but at its close a buying movement on the part of the railways set in. The total number of cars ordered for the year was 135,740, nearly 30% of which were placed at the very end of the year, and necessarily carried forward into 1912.

"We reached a high point in railway purchases about May, 1912, continuing with normal purchases for most of the remainder of the year, again reaching a high point at the very end of the last quarter, the total car purchases being 239,400, the largest number in any year since 1906. It is here significant to note that the foregoing conditions in railway purchases were followed by a phenomenal revival of general business during the last half of 1912; this too in the face of a national election fraught with more uncertainties as to its outcome than any we had had for years. Business seemed to ignore these conditions, however, while the heavy purchases made by the railways filled the steel mills of the country with orders toward the close of the year, so overtaxing their capacity as to compel buyers to anticipate deliveries by orders placed four, six, and even nine months in advance of shipping date—a condition theretofore unprecedented, while general business assumed almost the aspect of a boom.

"Railway purchases sharply declined in 1913 to a very low level foreshadowing the memorable depression of 1914; but the European War, resulting in tremendous war buying, supplanted railway buying and brought the country in 1915 and 1916 to a high point of business prosperity.

"This controlling current, issuing forth from the railways, proceeds first to the great car-building plants; thence on to the iron and steel plants and to the very large number of railway supply industries. By the latter it is again directed toward the iron and steel and other industries—thence in turn influencing a highly increased number of other and contributory industries, until this influence has reached or set in motion the entire industrial machinery, while at every turn and in every direction it has furnished employment to labor. Prosperity and employment are synonymous terms, as conversely are stagnation and unemployment.

"Adequate railway revenues are essential to adequate railway purchases; adequate railway purchases are fundamentally essential to general business prosperity; general business prosperity means the prosperity and well being of the entire nation."

GOV'T PROTECTS U. S. BY INJUNCTION

[Continued from First Page.]

national disaster was impending and on the broad general grounds that the government has the right to enforce its laws and protect its people from calamity.

The order was directed against Frank G. Hayes, the incapacitated president of the union; John L. Lewis, acting president; William Green, secretary-treasurer, and all other officials of the organization. It took effect when served and will continue in force until after the formal hearing which Judge Anderson set for November 8.

Doesn't Affect Rights

In presenting the petition Judge Ames made it clear that the case will not involve the general right of workmen to organize or quit work. He said it would have no bearing on other industries and "merely involves the right of labor during the war to restrict or destroy the supply of food and fuel."

"It rests," he added, "on the broad general powers of the government to enforce its laws and to protect its people against disaster."

C. B. Ames, assistant attorney general of the United States arrived in Indianapolis this morning as a representative of Attorney General Palmer. John B. Creighton, speccial assistant to the attorney general in charge of the Bureau of Investigation, spent most of yesterday conferring with other Federal officials here and yesterday and last night numerous representatives of the bureau from cities within a radius of 500 miles of Indianapolis reached the city.

It was regarded as significant that practically all of the bureau chiefs summoned were from coal mining states.

Ready For Walkout

Early to-day messages began pouring into international headquarters of the United Mine Workers of America here, from bituminous coal mining districts through the country, declaring that the miners were prepared for the walkout tonight and expressing confidence that the industry would be effectually tied up before tomorrow morning. Union heads stated that in many districts the strike really would become effective late this afternoon, as a large per cent. of the mines do not employ night shifts.

Officials also expressed confidence that in many districts where the men are unorganized, the miners would follow the example of the union men and walk out. They were inclined, however, to give this feature little concern, as they declare the unorganized miners represent scarcely more than ten per cent. of the total number of bituminous workers and that they would not produce enough fuel to hurt the strikers' cause.

The miners reiterated their assurance that there would be no physical damage to mines through any action of the workers.

Promise Mine Protection

The union officials said the mine owners and public could rest assured that no act of the organization would be allowed to work physical damage to the coal diggings. They pointed out that the strike order provided that local unions must allow sufficient men to remain at work to insure the proper care and protection of all mining properties in conformity with the provisions of the district agreements in the several fields."

Building fences against charges that the demand for a six-hour working day was calculated to reduce production, the statisticians of the union assembled figures which they said proved that even the country's peak production of 685,000,000 tons of bituminous coal in 1918 was not the limit of the industry. They said this was dug with the mines averaging only about seventy per cent. of capacity and with the skilled working force reduced by 80,000 miners in the Army and Navy. Out of a possible 212 working days in the year, they said Western Pennsylvania miners averaged 260, Indiana 249, Illinois 228 and Ohio 224. The bulk of the bituminous tonnage comes from those states.

Present Statistics

Against this record they set figures for 1919 which they said showed that the mines had operated at not to exceed fifty per cent. of the time. Despite this reduction in time, they said the 1919 production of the country up to October 18 was 379,000,000 tons, only 103,000,000 tons less than in the same period of 1918. They estimated that the mine workers will not average more than 180 working days in 1919 and claimed that a full working force working steadily throughout the year can produce 800,000,000 tons if need be. They said the estimated needs of the country for 1920 were 550,000,000 tons.

Strike Order Rescinded in Kentucky Counties

By Associated Press

Washington, Oct. 31.—The Department of Labor was advised today that the coal strike order had been rescinded in Hopkins, Webster and Christian counties, Kentucky, comprising one-half of the Western Kentucky fields, employing 6,000 miners.

Operators Welcome Investigation of Situation by Federal Tribunal

By Associated Press

Cleveland, O., Oct. 31.—The executive committee of the central competitive coal field, employing approximately 300,000 soft coal miners in Western Pennsylvania, Ohio, Indiana and Illinois, in conference here to-day to take action on the nation-wide strike of miners scheduled for midnight, adopted a resolution welcoming an investigation by a tribunal appointed by President Wilson to investigate the threatened strike. The conference then adjourned.

Shortly before noon a committee was appointed to draft a resolution setting forth the operators' position. After presenting the resolution and its adoption by the conference, Chairman Brewster, of the executive committee, made public the resolution as follows:

"We have accepted in its entirety the President's proposal of October 24 and reaffirm that acceptance. We welcome an investigation by a tribunal which the President may appoint, as suggested by him in the last paragraph of his statement of October 26.

"We hold ourselves ready to comply at all times with any commands which the government, acting in the interests of the whole American people, may deem it wise to issue."

Brands Move as Attempt to Enslave Workingmen and Women of Country

Springfield, Ill., Oct. 31.—Assuming a defiant attitude toward the Government's move to stop by injunction the threatened strike of soft coal miners, Frank Farrington, chairman of the miners' scale committee and president of the Illinois district, declared to-day the "strike had developed into something more than a miners' strike," and that it was "an attempt to enslave the working men and women of the country."

Will Inflame Them

"I don't believe there is any power on earth that can stop the miners from going on strike to-night," Farrington said. "The action of the Government will only inflame them. The question involved now is whether working men and women have the right to strike when they think they have cause to do so."

Branding the act of the Government in obtaining the injunction as the "most far-reaching and high-handed restraining order ever issued by a court in this country," Farrington declared its influence to breed radicalism was unlimited.

"Nothing that I know of could have a tendency to incite Bolshevism in this country as the restraining order will do," said Farrington. "All the agents of Lenine and Trotzky could not do as much."

"We are going through with the strike," Farrington declared. "Labor is bound to fight this injunction. If it stands, it is within the power of any court to enslave the working man and woman any time the court decides to do so.

"If this injunction stands, there will be a lot of us deceived as to the liberties we thought American citizens enjoy. The restraining order is a blow at the very heart of free institutions of our country."

TROOP C SENT TO FIELDS

By Associated Press

Pottsville, Pa., Oct. 31. — Troop C, Pennsylvania State Police, left this morning for the western portion of the State on a special train over the Reading lines. The troops with horses took every available man fully equipped leaving only sufficient men to handle routine work in the county.

Alabama Prepares to Guard Coal Property

By Associated Press

Birmingham, Ala., Oct. 31. — On the eve of the threatened strike of bitumnious coal miners, conditions in this region, where 15,000 men are employed appeared normal. Adjutant General Moon, of the National Guard, is here and it is understood that detailed plans have been made by the State to protect property.

The miners of the Bank Head local union voted yesterday to strike and deposed their president, who with other speakers, contended that the Alabama miners should not take part in a sympathetic strike in the interest of the central competitive fields.

Operators claim that many of their employes will return to work Monday. Miners at Acwar announced they would attempt to set a record in the way of tonnage on November 1 as a protest against the strike.

EXEMPT 28 MINES

By Associated Press

Denver, Colo., Oct. 31. — Action of the United Mine Workers in exempting 28 mines in Colorado from the strike order effective at midnight, will result in the production of 15,384 tons of coal daily, or 30 per cent. of Colorado's normal output, according to a statement to-day by John G. Kerr, secretary of the Colorado Coal Operators' Association.

Will Quit as Scheduled in Western Pennsylvania

By Associated Press

Pittsburgh, Oct. 31. — Injunction procedings in Indianapolis will make no change in the strike situation in Western Pennsylvaiia, officials of District No. 5, United Mine Workers of America, said this afternoon. "Our preparation are going right along, and the men will quit as scheduled." was the word which came from the office of President Philip Murray.

Too Late to Recall Strike Order, He Says

By Associated Press

Charleston, W. Va., Oct. 31.—It now is too late to recall the bituminous coal strike order, in the opinion of President Frank Keeney, of District No. 17. He said, when told of the Indianapolis injunction, that it would be impossible to prevent the men from going out.

Refuse to Disclose Troop Disposition

Charleston, W. Va., Oct. 31.—No official information was available here to-day concerning the disposition of Federal troops on their way from Camp Tyler to Huntington for possible strike duty.

Governor Cornwell's office said that for "obvious reasons" no information as to where the troops would ultimately be sent could be given out.

Reports, however, came from Fayette county to the effect that arrangements were being made for the reception of several hundred soldiers and some had already arrived at Kanawha falls. There was no confirmation of the report.

Lancaster Joins Pottsville Detail

The State Police department has ordered details from the troops at Lancaster and Pottsville barracks to go to points in Western Pennsylvania. Some of the men will relieve men of the Wyoming troop which has had 40 men in the western section cooperating with the Butler and Greensburg troops.

The usual garrisons are being maintained at the eastern troop headquarters.

Hall Says 10 of 30 Districts Will Work

Frank Hall, deputy of chief of mines, to-day stated that reports received here indicate that "in eight or ten of the 30 soft coal districts into which the State is divided, a large number of men will remain at work, probably 50,000 in the aggregate." The reports here indicate that the anthracite region will continue at work.

In a statement made to-day Mr. Hall says:

"A strike of the coal miners at this time would, no doubt, be more disastrous than at any other time in the history of the country. The people of Pennsylvania, however, would probably not suffer as much hardship as the people of some of the other states, for the reason that the great anthracite mines of the state will remain in operation, and many of the bituminous mines will also continue to work.

"In the Connellsville field, where the miners are not unionized, work will go on without interruption and possibly production will be increased by increased hours of labor. Reports received at the Department from the various districts indicate that in eight or ten of the thirty districts a large number of the men will remain at work, probably 50,000 in the aggregate.

"The threat of a coal strike is always alarming to the people because it brings to them visions of discomfort and hardship that would inevitably result from the lack of fuel, but strange to say the disastrous effect upon the vital industries of the country, the paralyzing of all business in which coal is the most important factor, is a phase of the strike menace that is rarely appreciated by the public.

"The commanding importance of coal as the most essential element in the operation of the machinery of the world receives little consideration. It does not occur to the average person that deprived of this fundamental source of power, there would be an almost complete cessation of creative work and consequently a shortage in many of the most necessary commodities of our everyday life.

"The people really need to be educated regarding this great natural resource and the many beneficient purposes it serves. They should know that the pre-eminence of Pennsylvania as a manufacturing center is due to its intelligent use of coal; they should know that our great Commonwealth is the largest depository of coal in the United States, producing almost one-half of the total output and almost one-fourth of the entire output of the world. These things they should know, as well as many others connected with this vast subject. The history of the coals of Pennsylvania should be a part of the instruction in all the schools of the Commonwealth."

House Joins Senate in Pledging Support in Industrial Crisis

By Associated Press

Washington, Oct. 31. — By an overwhelming vote the House to-day adopted the Senate resolution pledging support to the national administration and all others in authority, in their efforts to meet the present industrial emergency.

On the rollcall not one of the 266 members present cast negative votes. As the Senate has adopted the resolution, the House action completed its enactment as the measure does not have to receive presidenial approval.

Asserts Miners Can Not Be Notified in Time to Prevent Walkout

By Associated Press

Columbus, Ohio, Oct. 31. — John Moore, president of the United Mine Workers of Ohio, upon learning that the miners' union had been enjoined from striking to-morrow, declared that thousands of Ohio miners could not be notified in time to prevent them from striking at midnight tonight

"We have no official notice of the injunction and if we did have, it would be impossible to notify the 40,000 Ohio miners in time," said President Moore. Many of the miners will read of the injunction in the newspapers, he said, but other thousands will not see a newspaper for several days.

Operators of Central Field Are Discussing Their Strike Policy

By Associated Press

Cleveland, Ohio, Oct. 31.—Coal operators of the Central Competitive field —Ohio, Indiana, Pennsylvania and Illinois—are meeting here to-day to discuss the policy of the operators during the nation-wide strike of soft coal miners scheduled for midnight to-night.

Cleveland delegates to the meeting have no hope that the conference will avert the strike.

When asked if it were possible that overtures to the miners would be made by the operators' conference, C. E. Maurer, one of the Cleveland representatives, said:

"The strike is in the hands of the government. We are to meet and consider problems arising from the threatened strike."

The central competitive field comprises the bituminous mine operators of Western Pennsylvania, Ohio, Indiana and Illinois. Each State was represented by four members, which is half the number attending the recent conferences with the mine workers at Buffalo and Philadelphia.

The committee will remain in session until to-morrow night, it was announced, to be prepared to reach a decision should any signs come from the government at Washington of the miners.

Topeka, Kan., Oct. 31.—The Southwest Coal Operators' Association, through its president, F. W. Lukins, has agreed to a proposal made by Governor Henry J. Allen's office to negotiate a new contract and wage scale for the Kansas district, independent of action in other fields, on condition the miners remain at work while the new scale is being worked out.

Indianapolis, Oct. 31.—John L. Lewis, president of the United Mine Workers, characterized as "unacceptable" the proposition advanced through Governor Allen, of Kansas, for an independent agreement between miners and operators in the southwest field.

"Please note," he said, "that the proposal is contingent on the men violating the strike order. That order was issued by the Cleveland convention and none of us have power to modify it. This is an operators' plan and has been advanced in Missouri and other states as well as in Kansas."

Taft Condemns the Proposed Strikes of Miners and Firemen

By Associated Press

Malden, Mass., Oct. 31.—Former President William H. Taft, speaking last night at a political rally, declared that the bituminous coal miners in calling a strike were "engaged in an unlawful conspiracy" and that Congress had full power "to condemn such a cruel conspiracy as an offense."

"In an ordinary strike," he said, "incidental annoyance to the public, which is negligible, does not render the strike illegal. But when enormous combinations of working men deliberately enter upon a country-wide plan to take the country by the throat and compel the country to compel the employers in that particular field of industry to yield to the demands of the men, they are engaged in an unlawful conspiracy. The sacredness of their individual right to labor on such terms as they choose and to leave their employment when they will does not protect or justify them in such a conspiracy.

"That is the kind of conspiracy the bituminous coal miners propose to begin on the first day of November. The extent of the suffering that they plan to impose upon the public cannot be measured. The suffering will be entailed on those who are so poor that they cannot buy their coal in advance. It will fall upon the poor wage-earner whose employer will have to shut down for lack of coal. Congress has full power, if it has not already done so, in the interstate commerce law, to condemn such a cruel conspiracy as an offense.

"The locomotive firemen are threatening a similar strike. If they enter upon this plan, it will constitute a conspiracy to starve the people of the United States into some kind of action to compel the authorities to pay the wages they demand. Congressmen condemn this as an unlawful conspiracy, too."

Declares All Union Miners in Pennsylvania Will Join Walkout

Pittsburgh, Oct. 31.—Operations in hundreds of coal mines of Western and Central Pennsylvania will cease to-night when thousands of miners will go on strike, according to representatives of the United Mine Workers of America, who announced to-day that the program for the walkout, complete in detail, was ready to be put into effect. While official figures were not available to-day on the total number of miners involved in the Pennsylvania fields, union leaders said that 48,000 men in District No. 5, the Pittsburgh section, are ready to quit work.

In the fields of Western and Central Pennsylvania outside of the Pittsburgh district, all members of the United Mine Workers will strike at the hour set, union officials declared.

40,000 Miners in West Virginia to Quit

Charlestown, W. Va., Oct. 31.—Union coal miners of the bituminous fields of West Virginia, 40,000 strong, will leave their underground workings to-night, not to return until the controversy between the operators and the United Mine Workers of America has been settled. This was the word from union leaders here early to-day, and they emphatically declared that the coal diggers of the 466 mines in union fields of West Virginia would heed the call of their organization to strike.

State officials, mine workers and representatives of the union expressed much interest to-day in the announcement that 800 seasoned soldiers of the regular army were en-route to Huntington, W. Va., from Louisville, Ky., to perform guard duty in the various mining centers of the mountain state. Little was known about the capitol of the movement of the troops, but the opinion in official circles was that the soldiers, with headquarters in Huntington, would be used mainly in the southern coal fields of West Virginia.

Of the ten big fields in the state, six, listed in the "nonunion" class employ some 52,000 men in 422 mines Just what effect the strike will have on these fields is not known, for neither the union nor operators have approached the subject.

900 Troops of First Division Patrolling West Va. Coal Fields

By Associated Press

Louisville, Ky., Oct. 31.—Under instructions from the Central Department of the Army, 900 troops of the famous First Division, composing two provisional battalions, are ready to patrol the coal fields of West Virginia in the disturbed mining districts should a strike of coal miners go into effect Saturday.

Colonel W. S. Harrell, commander of the Sixteenth Infantry, is commanding the contingent, which, it is said ,will retrain at Huntington, W. Va., and scatter in various towns. Infantry and machine gunners, the necessary medical detachment and staff officers left here on the first train which left shortly after 3 a. m. Other trains followed, carrying more than twenty army motor trucks and machine guns, rifles, small arms and ammunition.

Ammunition is being taken for extended service, said Major General Charles P. Summerall, commander of the First Division. He said he had received on October 17 from the Central Department headquarters a request from Governor Cornwell, of West Virginia, for troops in event of a strike. This resulted in the selection of 2,500 troops from the 160th, 180th, 26th and 28th Infantry regiments, 1,700 of whom remain at Camp Taylor under telegraphic instructions to be ready for entrainment for strike-affected centers.

Busily Preparing For Complete Tieup in Ohio

By Associated Press

Columbus, O., Oct. 31.—State headquarters of the United Mine Workers of America was busily engaged to-day preparing for a complete tieup of the bituminous coal mining industry in Ohio.

Officials of the organization expressed the conviction that all of the more than 40,000 coal miners in the State would heed the call to strike and that production of bituminous coal in Ohio will have ceased entirely at midnight to-night.

Reports from all parts of the State told of the confiscation of thousands of cars of coal by the railroad administration.

20,000 Will Answer Call in Western Field

Pueblo, Col., Oct. 31.—Twenty thousand of the 25,000 members of the United Mine Workers of America in District 15, comprised of coal fields of Colorado, New Mexico and Utah, will answer the strike call at midnight to-night, according to figures made public by H. C. Stewart, district secretary of the union. Four thousand men employed in twenty-eight mines of Colorado are exempt from the strike order, he said, because they are working under a union contract which has not expired.

Mr. Stewart predicted the strike would paralyze production in the properties of the Colorado Fuel and Iron Company, which does not recognize the union. This company is the largest single employer of labor in the mines of District 15.