

CARNEGIE WRITES ON THE FUTURE OF LABOR

Says Co-Operative and Profit-Sharing Plans will Eventually Solve Conflict Between Labor and Capital.

NEW YORK, Dec. 28.—"In the future, labor is to rise still higher. The joint stock form opens the door to the participation of labor as shareholder in every branch of business. In this, the writer believes, lies the final and enduring solution of the labor question. Nothing can stand against the direct management of owners. We are only pioneers whose duty it is to start the movement, leaving to our successors its full and free development as human society advances."

These are striking statements found in an article by Andrew Carnegie in the forthcoming January number of The World's Work made public today. An editorial note states that the article is taken from Mr. Carnegie's new book "Problem of Today" and that it is published in the magazine "because of the remarkable—it might be called even sensational—forecast that he makes of the continued improvement in the relation of labor till profit-sharing does its perfect work and the laborer and the capitalist become the same man."

Mr. Carnegie tells of the beginnings made by the Carnegie Steel company many years ago by making from time to time forty odd young partners, who paid for their interest in the business by their notes, payable only out of the profits of the business. Great care, Mr. Carnegie says, was taken to admit workers of the mechanical department which had hitherto been neglected by employers. Speaking further on of the combination of many steel works into the one United States Steel corporation he says that the problem presented was not altogether new, "for individual and corporate management have co-existed since joint-stock companies were formed. The former had undoubtedly great advantages over the latter. Able men managing their own works, in competition with large bodies of shareholders employing salaried managers, were certain to distance their corporate competitors, and did so. Nothing can stand against the direct management of owners."

Going on to speak of the experiment of the United States Steel corporation in interesting its officers and employees in its shares Mr. Carnegie says that "every corporation could well afford to sell shares to its saving workmen, giving preference in repayment at cost as a first charge in case of disaster, just as present laws provide first for the mechanic's lien and for homestead exemption.

This is due to the workingman who necessarily buys the shares without knowledge, and is asked to buy them, not solely for his own advantage, but for the benefit of the company as well—the advantage of both."

The writer points out that "just as the mechanical world has changed and improved, so the world of labor has advanced from the slavery of the laborer to the day of his absolute independence and now to this day, when he begins to take his proper place as the capitalist-partner of his employer. We may look forward with hope to the day when it shall be the rule for the workmen to be partner with capital, the man of affairs giving his business experience, the workingman in the mill his mechanical skill, to the company, both owners of the shares and so far equally interested in the success of their joint efforts, each indispensable, so that without their co-operation success would be impossible."

Replying to the possible charge of being over-sanguine, Mr. Carnegie declares himself convinced that "the huge combination, and even the moderate corporation, has no chance in competition with the partnership, which embraces the principal officials and has adopted the system of payment by bonus or reward throughout its work. The latter may be relied upon, as a rule, to earn handsome dividends in times of depression, during which the former, conducted upon the old plan, will incur actual loss, and perhaps land in financial embarrassment."

By way of illustration, he cites the case of the Filene stores, of Boston, which he says "has gone farthest of all in the direction of making its employers shareholders." The establishment, he says, employs seven to nine hundred men, the capital stock is held only by employees, and is returned to the corporation at its value, should the employe leave the service. Every share of stock belongs to some one working in the stores. "The most important advance," says Mr. Carnegie, "is that all questions are submitted to arbitration, not only complaints or disputes, but wages, scope of work, and tenure of employment. More than 400 cases of arbitration have arisen, and the result is that both managers and employes have been satisfied that this is the true plan. When an employe has been discharged he has the right to appeal to an arbitration board composed of fellow employes

(Continued on Page 4.)

AN EARTHQUAKE WRECKS ITALY

Terrific Temblor, Followed by a Tidal Wave Practically Destroys the City of Messina--Other Towns Damaged---Communication Cut off and the Death List is Unknown

(By Associated Press.)

ROME, Dec. 28.—The three provinces of Cosensa, Catansaro and Reggio di Calabria, comprising the department of Calabria, which forms the southwestern extremity of Italy, were devastated today by an earthquake of far-reaching effects, which was felt throughout the entire country.

The town of Messina in Sicily was partly destroyed and Catania inundated. In Messina hundreds of houses have fallen and many were killed. Communications are almost completely destroyed, and it is impossible to estimate the damage. The fate of the entire regions within the zone of the earthquake is unknown, but reports received indicate that havoc has been great and the destruction of life and property more terrible than Italy has experienced in many years.

All reports show that the present catastrophe embraces a larger area than the earthquake of 1905. A tidal wave followed the earth shocks on the eastern coast of Sicily, sank vessels and inundated the lower part of Catania. It is known a number of persons were killed at that place, but the rushing waters carried everything before them and caused indescribable confusion. It will be impossible for some time to estimate the damage and the lives lost.

For a period the town of Messina and the whole province of Reggio was completely isolated through interruptions to telegraph and telephone, and by landslides that obstructed the railroads. Absolutely nothing was heard from Reggio throughout the day, while the first news from Messina came in the form of a dispatch which a torpedo boat, flying at full speed along the coast peninsula, carried from point to point, always finding the wires down until it reached Nicotera, where the telegraph lines were found intact. From this place a dispatch was sent. It briefly told the situation and ended with the announcement that Captain Passino, the commander of the local station for torpedo boats, was buried under the debris, after having with other officers performed a heroic work in trying to save others. The government proceeded energetically and has concentrated troops and engineers at the points of greatest need.

RED CROSS AT WORK.

ROME, Dec. 28.—Members of the Red Cross were dispatched to various places and camps with provisions immediately prepared, all available railway lines and warships being used for their transport. The city of Messina suffered more than any other place, and latest direct information states two-thirds of the town was destroyed and several thousand killed.

Five steamers left Catania for Messina and assisted in removing the injured from that place. At Catania the panic-stricken people, fearing new shocks, refused to enter their houses, and are camping in the squares.

MESSINA HARD HIT.

The tidal wave sunk 500 boats and there was great damage to several large vessels. Not only did Catania suffer from the tidal wave but a similar body of water inundated the streets of Messina, covering them with mud, which rendered more difficult succoring the wounded, many of whom could be seen under the wreckage. It is reported the villages of Faro and Ganzirri, adjoining Messina, have disappeared.

The effects of the earthquake were aggravated through an explosion of gas. Flames swept along several of the streets, adding terror upon terror.

The town of Stefanaceni, containing about 23,000 inhabitants, was virtually destroyed. Only five were killed, but many injured.

THOUSANDS HOMELESS.

Thousands of persons have abandoned their homes, although a terrific rainstorm prevailed. In some places people entered the churches while the latter were falling, and carried out the saints. They bore these in a procession through the

ing everything they could lay their hands on, even robbing the injured as they lay helpless, and the dead. Stores were broken into and great disorder, even terrorism, prevailed for a time.

Professor Jicco, director of the Mount Aetna observatory, says the center of the earthquake is near the volcano.

Santa Maria college, at All, between Messina and Catania, was overthrown and several girl students buried in the ruins. The steamer Piemonte, according to word received, has arrived at Milazzo, with 300 women and children and fifty men injured at Messina.

SHOCKS FELT IN FRANCE.

TOULOUSE (France), Dec. 28.—Dec. 28.—Earth shocks were felt at Bigorre, Gloron and several other places today. No damage is reported.

SUGAR KING IS NO MORE

SAN FRANCISCO, Dec. 28.—Claus Spreckels died of pneumonia at his home in this city Saturday. Mr. Spreckels recently returned here from New York, and soon after his arrival contracted a slight cold which developed into pneumonia last Tuesday. Last night the condition of the aged millionaire became alarming and the various members of his family were summoned.

At the bedside when the end came were two sons, John D. and Rudolph Spreckels, the latter having arrived

in the city from Honolulu yesterday on the steamer Nippon Maru. Two grandchildren, Mrs. Harry Holbrook and Mrs. Alexander Hamilton, were also present at the bedside. Three other children of the aged financier, C. Augustus Spreckels, Adolph Spreckels and Mrs. Emma Watson were absent.

Claus Spreckels, who was known as the sugar king of the Pacific coast and Hawaiian islands, was born at Lamstadt, Germany, in 1828. He came to the United States as an emigrant in 1846, and ten years later came to San Francisco, where he accumulated an immense fortune. He first established a store and later on engaged in the brewing business.

In 1868 Mr. Spreckels built the Bay sugar refinery and began the importation of sugar on a large scale from Hawaii. Later he established several other sugar refineries and was an important factor in promoting the beet sugar industry on the Pacific coast. He invested largely in the Oceanic Steamship company and became heavily interested in numerous other business enterprises, including the building of the San Joaquin Valley railroad. His son, Rudolph, while on his recent trip to Honolulu, disposed of several of his father's interests in the islands.

"PRINCESS" ETHEL MAKES HER DEBUT

WASHINGTON, Dec. 28.—President Roosevelt's youngest daughter, Ethel, tonight made her formal bow to society. The invited guests numbered about 400, only unmarried members of the younger set participating in the dancing.

Preceding the ball Miss Roosevelt was the guest of honor at a dinner given by Assistant Secretary of State and Mrs. Bacon.

Advertise in the Daily Bonanza.

EIGHT ARE KILLED BY A COLLISION

(Associated Press.)

GREAT FALLS (Mont.), Dec. 28.—Eight men are dead and four injured seriously as a result of a head-on collision between a freight and work train on the Great Northern this afternoon. The wreck occurred because the freight, which was coming north, did not stop at Mid-Canyon to allow the work train to pass, but the persons to blame are not decided upon. The work train consisted of engine, caboose and pile driver, the engine shoving the cars ahead with the caboose leading. There is a curve in the track a mile this side of Mid-Canyon, and coming around that the work train ran into the freight, coming the other way. Both caboose and pile driver were smashed to pieces and catching afire, were burned.

A HUGE DEAL IN REALTY

DENVER, Dec. 28.—A report has reached this city today of a merger of Texas ranches in the territory penetrated by the Colorado and Southern railroad, which is being formed and comprises 7,000,000 acres of land, worth \$75,000,000. James J. Hill, who has secured control of the Colorado and Southern is named as the interest behind the move.

STOCK MARKET GETS STRONGER

(By Associated Press.)

NEW YORK, Dec. 28.—The notable strength and breadth of the stock market today seemed based on fresh realization of favorable factors in the general situation rather than on any new developments. The speculative spirit was discernible in the bond market as well as in stocks. The assignment of H. W. Poor and company, announced during the holiday interval, was totally ignored. Bonds were strong.

SILVER IS FIRM.

NEW YORK, Dec. 28.—Silver, 49 3-4; lead, dull, 4.12 1/2 @ 4.15; copper, firm, 14.25 @ 14.50.

25744