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PART E

Let Us Have Industrial Peace

❖ By Clarence R. Wharton ❖

THE importance of stable business and labor conditions is apparent to all. Texas is moving forward in a steady development. Texas has suffered less from the economic disasters of the last 10 years than many other states. We can go forward if we can preserve industrial peace and prevent a repetition of things that have happened in other places.

On the west coast the San Francisco area alone has suffered a series of major strikes within the last three years that have conservatively cost California a billion dollars. Many industries have been paralyzed. Markets that it took endless years to develop have been destroyed. We must not let that happen here.

There are two guilty foes to industrial peace: the chiseling, unfair employer, to those whose door the origin of these troubles may be largely traced, and the labor racketeer, who is a product of modern industrial conditions in this country but does not flourish elsewhere. A plan for industrial peace that does not outlaw them both alike is a poor plan.

It is obvious to all that organized labor is here to stay, that the right of laborers to organize if they desire must be recognized. But the right for them to organize carries with it the right not to do so if they desire. Interference, coercion by the employer against the free exercise of that right has been outlawed by the Wagner Act. On the other hand the professional labor agitator and racketeer who would force laborers into a union merely to get dues from them, force them in when they do not desire to enter, should be outlawed and here the Wagner Act is defective.

Since labor is organized everywhere, on every front, and demanding increased wages, shorter hours, a demand which can only be met by increased cost of production which falls upon business, increased cost of goods which falls upon the consuming public, business and the public are concerned and should be considered in any plan for industrial peace.

Since the right of labor to organize and demand these things is conceded, does it not follow that the public and employer should organize for the purpose of dealing intelligently with these encroaching forces and for the purpose of their protection? If our captains of industry were all men of integrity and unselfish it would not be necessary for the public and employer to get its rights from such employers. If those found in the ranks of labor were all men of this type, not willing to demand anything to which they were not fully entitled, it would not be necessary for the public and employer to get its rights from such employers. We must make the world as it is, not as it should be.

This, however, we know: We want and must have an industrial peace in Texas for the good of the business and the public. And how to have it is the purpose of this article.

I think, and the business world believes, that the Wagner Act is one-sided and unfair to employers, that the Labor Board is arbitrary and unfair. I don't think we can have industrial peace until the law is so amended as to apply alike to employer and employee, to create obligations on the part of both which must be performed. I don't think we can have industrial peace until the Labor Board has been reorganized as suggested by the American Federation of Labor so as to have on it a representative of labor, a representative of management, and a representative of the public. Senator Walsh, who offered the amended bill for the American Federation of Labor at the last session of congress, suggested that it be increased and made representative.

There will be no industrial peace in this country so long as the present board continues to render the kind of judgment it has been rendering, some of which will be discussed in succeeding discussion.

Lawlessness at Home and Abroad

NEWSPAPER headlines announcing lawlessness, men beaten and killed, property destroyed in labor disputes, are so common that they have almost ceased to be news. Employers who have resorted to lockouts and professional strike breakers in labor disputes, employees who under the guise of peaceful picketing have imported beef squads and goons on the picket lines, have terrorized whole communities.

In the last 20 years suffering the war there have been many men beaten and killed in labor disputes here in Houston and in the suburbs, especially along the waterfront, and it is very rare indeed that anyone has been punished for it.

Has the public come to accept lawlessness as a necessary incident to labor disputes? Is there no way to settle them except by strike breakers and beef squads? These are questions the public should ponder over and this is a situation that a long suffering public should see terminated.

Recently the International Labor Office published the statistics of labor disputes in 19 countries during the year 1938. The report disclosed that in number

of disputes, in the total of workers involved, in work days lost, in men killed and violence, our country exceeded the combined totals of the other 18 countries under examination.

The president of the United States recently appointed a committee to investigate labor relations in England and Sweden and its report has been widely published and is distributed by the United States Department of Labor. The committee was composed of nine nationally known persons and its reports have generally been accepted as great documents.

Speaking of strife in England in labor matters, the committee says that the procedure for settling disputes is generally effective and though strikes are sometimes called, which ignore settlement procedure set down in the agreement, yet they are rarely serious either in number or result. Local flare-ups are not approved by either the employers or the national unions.

And again, agreements between employer and associations and labor unions or associations of unions rest upon good faith rather than upon legal enforceability. Strikes calculated to coerce the government are not directly or indirectly by inflicting a hardship upon the community have generally been discontinued in England since 1875.

While we know that England had almost a nation-wide strike a short time ago, yet it was of short duration and settled almost without disorder.

The Swedish report is likewise interesting in its disclosure that there has been little violence in labor disputes in the history of that country, though employers and employees are each strongly organized in Sweden and a majority of Swedish labor is unionized, nevertheless their troubles are handled almost without lawlessness.

In 1931 there was a severe strike in the Swedish lumber region where strike-breakers were introduced. The military was called out and five deaths resulted. The president's committee was told that this so shocked all Swedes that no attempt would ever again be made to use strike-breakers, that employer representatives and union officials concurred in the opinion that it would never be necessary to again call out the military.

Strike-breakers and picket lines of thugs and goons are alike outlawed in Sweden.

It is obvious that this country can accomplish what has been done in England and Sweden and elsewhere in the promotion of industrial peace and it is not necessary for America to continue the most lawless of all the nations in this regard.

Operations of The Wagner Act

WHERE two classes of free persons must live together in the same community there can be no peace where unfair burdens are placed on one of them, unless, of course, it is done with a hand so heavy that the oppressed class cannot resist—is destroyed.

A society which exists on the theory of mutual rights will be disrupted by laws which do not recognize the rights of both parties.

The employers of the United States and the great majority of the public who have given thought to the Wagner Act believe that it is unfair, one-sided, and highly oppressive, that it should be amended.

The theory of the act was to remove labor disputes burdening interstate commerce. One would think against this act alone that only employers caused labor disputes which would burden interstate commerce, that employees could not be guilty of any act that would obstruct interstate commerce.

The act has a chapter headed "Rights of Employees" and under this heading there are two sections, 7 and 8, which enumerate things that employers may not do, things that are a violation of the law, that may hinder interstate commerce. The employer may not interfere with the formation of any labor organization, but has been construed to mean that he may not express an opinion to his employees with reference to any labor organization, while the employees may picket his place, beat up dissenting workmen, denounce the employer for anything that they see fit and there is nothing in the act to prevent it. This is not an unfair labor practice. This is a matter which those who drew the act said must be referred to the local laws of the state or city in which the violence occurs.

There is a provision that the employer may not discriminate in regard to the hire or tenure of employment. This means that he may not require an employee to join or not to join a union. This contract with the yellow dog contract was discussed for so many years. Probably this provision is unobjectionable, but there is in the same section a provision that the employer may make an agreement with a labor organization for a closed shop. The Wagner Act follows a well defined philosophy that has the approval of those who believe that the employer should be restrained with all kinds of laws but the employee left without limitation but his own conscience. This sounds strange, but it is true, that Secretary Perkins in an address before the American Academy of

ONE of the most important questions in Texas today is that of labor relations — industrial peace.

The terrible experiences of the Michigan and Ohio cities and along the Pacific Coast have warned us that it must not happen here. In these places business interests and the public have so stiffened the resistance to the lawless elements that many of the labor racketeers and agitators have been driven out and are headed for Texas intending to work in our industrial centers. We can avert the disasters that happened in these places if we begin now.

After conferences with many people here and people from other sections of Texas, it has been decided to make an effort to reach the public with the facts of the situation and what is requisite for industrial peace. With this point in view I have spent the last several months studying the federal statutes, the decisions of the courts and the Labor board, and have prepared this article. Its purposes are:

1. To advise the people of Texas of the cruel and sinister provisions of the Wagner Act and the unjust decisions of the Labor board in order to arouse a sentiment for the amendment of this statute and the creation of a non-partisan board. The American Federation of Labor tried to have this done at the last session of congress, but did not succeed.
2. To point out that the laws of Texas are probably sufficient to protect the employer and the public against violence, mass picketing and secondary boycott if the public officials charged with enforcement of these laws have the courage to do their duty.
3. To suggest that if these laws are inadequate appropriate legislation should be enacted, state and municipal, as has been done in Wisconsin, Oregon and elsewhere.
4. To prevent the C. I. O. from procuring legislation in Texas similar to the Wagner Act which it has gotten in 14 states. Some of these states have, however, repealed such laws after they were enacted.

Our leading newspapers in Texas have from time to time stressed this situation editorially, but it will require a painstaking recital of the facts to carry home conviction. I have designed this article as a series of simple examples showing the necessity for amending the Wagner Act and eliminating the present C. I. O. Labor board, without which we cannot have industrial peace anywhere.

—Clarence Wharton.

quires the discharge of all those who do not care to join the union.

If a tribunal had been created to enforce this law which was enacted by fairness and with a judicial temperament, it would have been difficult. Unfortunately the Labor Board which was made arbiter of these questions has not functioned with any semblance of fairness. It is said that the genesis of the Wagner Act was the decision of Judge Hutcheson in the *Clerks* case which was later affirmed by the Supreme Court of the United States.

The statutes, three under discussion prohibited the employer from interfering, influencing, coercing the employee in the selection of representatives for collective bargaining. The railway company took the position that constitutional guaranty of free speech gave it the right to confer with and seek to influence its employees just as it gave an employee the right to seek to influence the employer, and that the statute, if rigidly construed, would interdict the normal relations between employer and employee. Judge Hutcheson sustained this view and so did the Supreme Court of the United States, for they held that what was interdicted by that statute was force, coercion that overrode the will of the employee, undue influence.

If the Labor Board in construing the vague, general terms of the statute had adhered to this rule of decision which the Supreme Court announced in the *Clerks* case, the country would have been spared much grief and trouble. Instead of doing so, however, it has, where necessary, seized upon the slightest circumstance as conclusive proof of coercion and undue influence. Numerous decisions of this character affecting industry in all parts of the country have brought a bitterness against the act and the tribunal that has been set up to enforce it. This indeed is a great impediment to industrial peace.

The act should be amended. It should recognize, as well as realize, that an employer might be guilty of an unfair labor practice as well as an employer, such as abuses on picket line, beating up dissenting employees, forcing a labor union upon employees who do not want it, throwing a picket line in front of a business where there is no controversy between the employer and the employees inside. A law which does not denounce these things as unfair labor practices and at the same time penalizing the employer for the mere expression of an opinion is so absurd that it cannot have the respect of the citizenship and peace until the law is so amended as to operate on both sides.

The right of employees to organize by this statute should not be changed, but they should be made responsible for keeping the peace and the observance of their contracts. This is the way to industrial peace.

Philosophy of The Wagner Act

THE unilateral nature of the Wagner Act follows a well defined philosophy that has the approval of those who believe that the employer should be restrained with all kinds of laws but the employee left without limitation but his own conscience. This sounds strange, but it is true, that Secretary Perkins in an address before the American Academy of



CLARENCE R. WHARTON

Mr. Wharton is a native Texan born on the Northwestern Texas frontier on October 5, 1873. One branch of his father's family came to Texas in the Colonial days and played a conspicuous part in the early history of the state. His father, who was a soldier in the Confederate army, came at the close of the Civil War and his mother, family came from Mississippi settled on Indian Creek northwest of Fort Worth in 1856.

Mr. Wharton's boyhood was during the harsh Reconstruction period and was spent on the farm. He attended the country schools and had finished his school career at 15, and at 16 to 20 taught country schools. During this period he read law and at 20 had his disabilities removed by the District Court of Wise county and was granted license to practice law.

He began his career as a lawyer in Decatur, Texas, January 1, 1895, where he was for a time a law partner of C. V. Terrell, now a member of the Railroad Commission of Texas.

In 1897 he removed to Richmond in Fort Bend county, where he practiced for four years. This was in the heart of what had been Austin's Colonies, and there were then living along the Brazos many people whose families had come in with Austin and the old Three Hundred. He became interested in the traditions of the early days of Texas about which these people could tell so much.

In 1901 he removed to Houston and became associated with the great law firm of Baker, Botts, Baker & Lovett, afterwards Baker, Botts, Parker & Garwood, and now Baker, Botts, Andrews & Wharton. He continued his history studies and began accumulating literature on the early history of Texas, books, newspapers, pamphlets and manuscripts. He has accumulated what is said to be the greatest private library on Texas history in the world.

In 1922, he published *The Republic of Texas*, which was widely read and in 1925 the City of Houston published a second edition of this book for distribution at the time the World's Convention of Advertising Clubs met in Houston in that year. The year before the Convention had met in London and the merchants of London had given each delegate a copy of Green's History of the English People. The city and the merchants of Houston followed this idea and presented each delegate a copy of Mr. Wharton's History of the Republic. It is said that this book has been the most widely read work ever published on Texas history. More than 6,000 copies were distributed. All the while he has carried on a large law practice and has been engaged in much important litigation. The briefs in the cases he has tried fill 65 volumes. His law firm, now nearly 100 years old, founded in 1842, is with one exception the oldest and one of the largest west of the Mississippi river.

Political Science in March, 1936, said, "If labor's rights are defined by law and by government (as they are in the Wagner Act), then certain obligations will, of course, be expected of wage-earners and it is for the public interest that those obligations should be defined by labor itself. And such discipline as is necessary should be self-imposed and not imposed from without."

What she was saying is that it should be the policy of the government that no law of regulation, restraint, or responsibility should lie on labor, none but its own will, and this the theory of the Wagner Act, and the atmosphere in which it was born. The government will regulate the employer, labor will regulate itself. One of the best analyses of the Wagner Act showing its unilateral features is found in an article by Garret Garrett, the great columnist, written for the Saturday Evening Post June 26, 1937. With permission I quote from Mr. Garrett and the Saturday Evening Post.

"Before the Wagner Act," he said, "the situation was like this. On the one hand was the right of labor to organize, to strike, to picket and boycott, thus to beat the employer if it could. On the other hand was the legal right of the employer to beat the union if he could by lockout, by hiring strike-breakers, by calling on the police to keep order, by hiring men to assault his strike-breakers, or on the court to restrain them by injunction if they threatened damage to his property."

"While these forces were yet contending with each other congress steps in and by an enactment of this law renders the things that the employer was doing as illegal, forbids them, leaves the employee to carry on and do all the things that he was doing, without any restraint except his own conscience."

"The act gives the striker the definite status of employee still. Thus the original idea of the right to strike is altered. Formerly that was understood to be simply the right to quit one's job. Now it is the right to quit work without quitting the job."

"It forbids the employer to fire a man because he belongs to a union and it also forbids the employer to refuse to hire a man because he belongs to a union."

"It forbids an employer to discriminate in any way against a union man. But it is lawful for both the employer and the union man to discriminate against the non-union man. It is lawful for the employer to enter into a closed shop agreement with the union, so that only union men may work, and the non-union men, unless they are able to get into the union, lose their jobs."

"It makes collective bargaining compulsory on the employer at the request of any number of union employees. If the union represents a minority, it may bargain collectively for its own members; but if it represents a majority, even a majority of one, then it shall have the exclusive right to represent all of the employees and to bargain for all of them, whether the minority be willing or unwilling."

"The law very strictly defines the rights of union-employees. No union or employee obligation is mentioned."

"The law recognizes only one kind of unfair labor practice — namely, that of which the employer may be guilty. It is innocent of any idea that there might be such

a thing as unfair labor practice on the part of a union.

"For the non-union man, otherwise forgotten, one right is implied. That is the right to become a union man."

"It is a law for labor. Only labor can invoke it."

"The employer cannot discharge those who, for any reason, at all, go on strike. The law says they are his employees still as much when they are on strike as when they were at work. Nor can he refuse to negotiate with them while they are on strike, regardless of their attitude or what caused the strike, and the Labor Board has held regardless of the unlawful acts which they may commit while on strike."

"It is doubtful whether the employer has the right to address his own employees either against going on strike or in favor of returning to work. Almost certainly he would be breaking the law if he should talk with them separately or as individuals. The National Labor Relations Board (the old board) has said, 'The solicitation of strikers individually to return to work, when they are represented by a union, would amount to interference, restraint and coercion.' The request should be made to them through the union and not individually. To be strictly within the law the employer must address himself only to officials of the union and these may be men he never is before. He cannot go out to the picket line and say to a man he has known and worked with 20 years, 'Bill, you are crazy. Come on in and go to work.' If he does that he is breaking the law. Or if he gets up on his own fence and tells his employees what he thinks of them and their union he will be guilty of unfair labor practice, and a United States court, at the request of the National Labor Relations Board, will be obliged to issue an injunction commanding him to cease and desist."

All of these forecasts by Garret Garrett have been fully verified by decisions of the new labor board. It is hard to see how there can be any industrial peace under this unilateral statute when the employer is restrained by law and employees restrained only by his conscience.

Act Discourages Good Will

THE theory of the act is that there should be a great gulf between employer and employee. That Section 7 (a) of the N. L. R. A. Act of 1934 and which is brought forward in Section 8 of the Wagner Act, was a declaration of public policy and meant that employers and employees should deal strictly on a business length. Those who drew the act intended, and the labor board has vigorously asserted this contention, that there should be complete non-intercourse between them in so far as their business relations are concerned. That if the employer had anything to say to the employee he should say it to him through the officers of the union, the genuine union as Madison calls it, was of the National Federation, originally the A. F. of L., but later the C. I. O. The theory of the act, the rulings of the board, are to the effect that if a strike is in progress the employer cannot speak to his employees singly and ask them to return to work, argue with them, reason with them, he cannot even speak to groups of them, but must talk with their bargaining agent, the genuine union.

No nation of the world has ever undertaken to bring this situation about by legislation. In the older European countries, England and the nations of northern Europe, which have long been friendly to organized labor, these things have been left to the volition of employer and employee. There has never been any legislation designed to force unionization of all labor.

The utter fallacy of the policy may be seen by the fact that out of nearly 40,000,000 workers, wage earners, in the United States, only a few million belong to the unions, somewhere between 5,000,000 and 8,000,000.

This policy is based on the theory that the relations of employer and employee are 100 percent diverse, that they have no community interest. The simplest intellect can see the fallacy of this.

As long as we have our present system of employer and employee there must be capital investments, there must be management, there must be managerial control, and it must be efficient to meet the competitive demands of the business world. Only those business institutions and enterprises that are efficient succeed and continue to make an employer an employer, investment and afford employment for laborers. Certainly efficiency is materially lowered when the employer and employee are put, as it were, into two distinct arm-pits to contend with each other as though their interests were solely diverse, to deal with each other only through an outside agency.

In the highly competitive world of today and of yesterday, the highest efficiency is essential to business success and those enterprises which were not conducted with this high efficiency have failed and left the investor bankrupt and the employees jobless.

I have watched the rise, growth, and fall of such institutions during the nearly 40 years I have been

in Houston and often noted the fact that the great majority of the merchants who did business here 40 years ago and the business has been ended. I have seen during these years have ended in failure, failure due largely to inefficient management. If we are to add to these hazards of inefficiency the elimination of good will between employer and employee, an inhibition against permitting freest intercourse between them, if we are to hamper the employer with all kinds of legal restrictions and leave the employee unrestricted, we will necessarily increase the percentage of failures.

A few weeks ago the representative of a union called on an employer in Houston, demanded that he unionize his employees and increase their wages. The employer told him that due to the extreme competition to which he was subjected that he was barely able to keep going, showed him his bank account and that he was overdrawn at the bank, told him that an increase in wages to meet the demands of the organizer (which were not being urged by a majority of his men) would mean financial ruin to him. The organizer said, "I don't care about this, if you can't pay these wages we are demanding you don't deserve to be in business."

Ought this situation prevail? Should not this employer and his employees have been left to work out these problems? Might they not have preferred reduced wages to a destruction of the business in which they had jobs?

There is a diversity of interest between employer and employee as to hours, wages, and working conditions but there is a community interest between them that is great and still more important, that is, the success of the business, which alone can guarantee the perpetuity of jobs for the wage-earners.

The Wagner Act and its administration proceed on the theory that their interests are solely diverse and until it is so amended as to recognize the obvious fact that the community interest is as important as the diverse interest there can be no industrial peace.

Law Raises Great Barrier

THERE was an effort on the part of those who drew this act, and especially those who are called on to enforce it, to place a great barrier between employer and employee and to prevent, or at least discourage cooperation and friendly relations. This can be seen by reading Section 8 (2) which has the strange provision, "that subject to rules and regulations made and published by the board an employee shall not be prohibited from permitting employees to confer with him during working hours without loss of pay."

It was the intention of the statute, and the board has so construed it, to limit all relations between employer and employee to this narrow scope, to rules and regulations written by a board in Washington. Employers and employees in a remote part of the United States may have grown up and grown old together. Their relations may have been cordial for a lifetime but from now on it is an unfair labor practice for the employer to confer with them many things relating to their common interest. They may hereafter talk to each other in the presence of the Labor Board under rules and regulations fixed by it.

A stranger to both employer and employee, an itinerant organizer on a labor racketeer may come in and talk to the men as much as he will about their intimate affairs and their relations with the employer, may denounce the employer as unfair and as a tyrant, may throw a picket line around the plant in order to force both employer and employees to listen to him. All this is justified by the act and if in this dilemma the employees go in to the employer and seek to discuss with him their rights and his rights or his opinion of this organizer or the organizer's opinion of the employer, it becomes an unfair labor practice for which the employer may be hauled before a federal court.

The way to industrial peace does not lie along these rough lines. The success of a business can only be assured by the close cooperation between employer and employee, friendly relations between them are as important as the regulation of interstate commerce. An act which estranges them, which places them both at the mercy of an outside influence, which only permits their course in the presence and under the rules and regulations laid down by the labor board, can only engender strife and will never insure industrial peace.

There is a labor to protect the employer against undue influence with and coercion by employer. It is proper to outlaw company dominated unions. But it is all wrong to deny employer and employee the freest intercourse in discussing their common problems and it is all wrong to deny an employee all the right to handle their bargaining and other problems through independent unions, a right which has been denied them in a hun-

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dred cases that have been passed on by the board. A number of which will be discussed in subsequent articles of this series.

Realizing the unfairness of this phase of the act designed to cut off all normal intercourse between employer and employee, Senator Walsh, at the instance of the American Federation of Labor, offered a bill at the session of congress just adjourned, with amendments which would remove these restrictions and yet protect the employee against undue influence and coercion as those terms were defined in the highway clerks case. Madden of the labor board, appeared before the committee and strenuously opposed the Walsh amendments. Senator Taft of the committee asked Madden if he did not think it was sufficient to prohibit only undue influence and coercion and to leave the employer free to express his opinion. Madden said, "No." He thought that when the employer was asked for an opinion he could merely say, "I am not allowed to give any opinion in such matters." In other words the employer would have no right to do more than shrug his shoulders and walk away.

Senator Ellender, a member of the senate committee, asked Madden to give an example of an opinion that he thought the employer would express. Madden replied by saying that in all history of the administration of the act he had not found a single instance in which the employer had stated an opinion that he was not in his judgment an unfair labor practice or was accompanied by unfair labor practice.

When he made this unusual statement Senator Taft said, "Would you regard any expression of opinion against an employee joining a particular union as being coercion?" To which Madden replied, "Yes, I think you would have to have exceptional circumstances to make it not coercion."

This shows what the board thinks, and the law probably justifies it in so thinking, that all intercourse between employer and employee is prohibited except that permitted in Section 8 (2) that they can only meet, as it were, in the presence of the National Labor Board.

Fahy, attorney for the board, goes as far and possibly further than Madden. He was asked by Senator Burke what he thought about private settlements if the act should not throw the door open to private settlements between employer and employee, to have grievances settled promptly and prevent estrangement between the worker and the management. Mr. Fahy did not think so. He answered: "Of course, they should be settled. Unions are dealing with their employers through grievance committees constantly. I don't think it a sound principle to require as you would individual adjustment between employer and employee. It seems to me inconsistent with the nature of the rights of the public." (April hearing, senate labor committee, p. 441.)

This sentiment is so fundamentally wrong that it is hard to conceive industrial peace anywhere when the statute as administered by Madden and Fahy hold to these extreme sentiments.

Free Speech and The Wagner Act

DOES the guaranty of free speech protected by the constitution prevent an employer from seeking to influence his employees? Are all friendly relations between them cut off?

This question first came before Judge Hutcheson in the *Clerks* case in 1928 where he ordered *N. O. Railway*, which he held had violated his injunction, to restore the status that existed at the time that the injunction was granted. Neither Judge Hutcheson nor any of the parties or attorneys in that case dreamed that his decision was the beginning of a series of legislative acts and judicial decisions that would lead to the Wagner Act. In fact the Supreme Court of the United States in sustaining the Wagner Act based squarely on the decision it had made affirming Judge Hutcheson in the *Clerks* case.

But both the Supreme Court and Judge Hutcheson held that the influence that was interdicted in the *Clerks* case was undue influence, coercion, that corrupted

and overrode will. Now the labor board openly declares that it considers it a part of its functions to encourage men to unionize and to unionize in national organizations as distinguished from local unions. And it defines the words "interference" and "influence" as found in the Wagner Act as though they were synonymous with coercion.

The board looks with displeasure on any relations between employer and men other than those conducted by what it calls a genuine union.

The board has gone so far as to state if employees are on strike, and they may be on strike and still be employees, that it is an unfair labor practice for the employer to go to them separately and urge them to return to work. Any message he has to send them should be sent through the officers of the union.

The employees of the Cudahy Packing Co. in Chicago, more than 16 years ago, set up an independent union which operated what they called a plant conference board which handled the grievances of the workmen. The board was composed of equal employee and company membership. In 1937 two of the employees discussed the possibility of an independent union and were informed by the plant management that the conference board which had been operating for more than 15 years, would be done away with by the labor act. The management also told them that if an independent union were organized and represented 51 per cent of the employee, that the management would have to recognize it. These two employees retained an attorney and agreed to meet with the plant manager in a hotel room. At the meeting the plant manager explained that there was nothing he could do under the Wagner Act to restrain them from organizing and he would have to recognize them at any time they attained their membership of 51 per cent of the men. The employees who attended the meeting telephoned other employees and conducted a campaign for membership. An attorney for the employees committee rented the hotel rooms and paid for the typewriter, telephone, cigars, canteen, etc. It appeared this same attorney had represented the company in some previous cases, although he was not its regular attorney. Later 51 per cent of the employees were signed up and a meeting was held, by-laws adopted and officers elected. The articles of association were signed by some of the employees in a cafeteria at the plant during working hours and without pay reduction. The independent union thereafter handed a large number of grievances, collected membership dues, etc. The only evidence of any expense paid by the company was 75 cents per day for the rental of a typewriter.

A C. I. O. organizer made a public speech in which he denounced the independent union as company dominated. In answer to this, one of the Cudahy employees replied, "All you fellows have a dictator. John L. Lewis dictates to you." This statement of the Cudahy employee was declared by the board to be evidence of an unfair labor practice on the part of the company. On such evidence the board found that the union was company dominated.

The question then came before the Circuit Court of Appeals for the 8th Circuit. The court found that while the evidence by no means showed any flagrant interference, no coercion of employees in the formation or maintenance of the independent union, "yet we cannot say there is not some, though small, evidence of company influence in the course of the organization and in the continued activities of this union."

The court also found that the organization had from its beginning functioned adequately as a free representative of the employees, but the court seemed to think as the board did, that the Wagner Act intended to interdict all influence on the part of the employer no matter how slight.

Application for an appeal to the Supreme Court is pending in this case. If this is a proper construction of the law, then is it not evidence that it should be amended?

The American Federation of Labor seemed to think so and proposed such amendments in the

Walsh bill that was pending in the United States Senate when the 76th congress adjourned in August. But this amendment was opposed by Wagner and Madden of the labor board.

We can have no industrial peace so long as federal statutes prevent the normal intercourse between employer and employee and outlaw the employer from seeking in a proper non-coercive way to influence his employee or the employee from seeking in the same way to influence his employer.

What Green Thinks Of Labor Board

IN August, 1938, speaking before the Massachusetts State Federation, Mr. Green said: "The board is a travesty on justice. We will mobilize all our political and economic strength in an uncompromising right until it is driven from power."

In an article written for *Fortune*, February, 1939, Mr. Green said that the board had been an arbitrary instead of just, that it played the role of prosecutor with great zeal not only when the role was called for, but even when it was supposed to play the part of judge, that it has stretched the law beyond recognition by the promulgation of rules, regulations and orders, and has built up a monstrous super-structure of new laws on the basis of the original act passed by congress. It has committed itself to a one-sided set of principles and beliefs. It has acquired a narrow, self-righteous attitude toward these same policies. Because of these policies the board has deliberately sought to build up the C. I. O. at the expense of the A. F. of L. It has coerced workers into joining unions not of their own choosing. It has condoned the violation of the law. It has trampled on the very principles which the National Labor Recovery Act sought to feature. Those who drafted that act had a vision of peaceable, equitable, industrial relations with the government acting as referee.

The board has transformed that vision into a tragic farce. All this and more Mr. Green said. Mr. Green charges that the board has been largely responsible for the terrible condition that prevailed on the Pacific coast by virtually abolishing the National Labor Board. It has made in the Longshoremens' case where it set up a geographical unit for collective bargaining, constituting the entire coast as a single unit, and thus giving a hostile organization the power of life or death over the American Federation of Labor organizations within that territory.

(And he might have added that the board in backing this hostile organization knowingly backed one led by an alien communist.)

Mr. Green charges that in many instances all along the coast where the American Federation of Labor members were in the majority in their own localities, that they were wiped out by being merged into this vast unit that reached all the way from Oregon to San Diego and were thus deprived of their right to sell their own bargaining agency.

This is in entire keeping with what Madden said before the senate labor committee in April when he admitted that if 100 per cent of the employees of a plant voted for a union to represent it that he, Madden, did not think was properly representative, he would not allow the union to act as its bargaining agency. (Senate committee report, p. 260.)

And this is in keeping with what the board did in the *Falk* case where a labor union, which was the preference of the men was denied position on the ballot. The board would not even let the employees vote for a union for their choosing because it did not think it was the one they should choose. (See *Falk* case, 7 Circuit Court of Appeals, decided July 13, 1939.)

In discussing the Longshoremens' case in which local unions of A. F. of L. between Oregon and Lower California that had been functioning for many years were wiped out over the protest of majorities in these unions, Mr. Green said: "Remember the board has taken this position under a law which seeks to guarantee workers the right to choose their own representatives for collective bargaining." In this he says that the board has acted with a vicious disregard of the letter and spirit of the law.

In the article in *Fortune* referred to, Mr. Green summed up his criticism of the board with bold broad statements that there are two members who are totally unfit to serve in any judicial capacity,

that there are hundreds of regional directors, trial examiners, lawyers and agents who are consistently advancing the cause of the C. I. O. against the A. F. of L. that the board has instituted investigations and hearings at the request of small minorities of the C. I. O. for the purpose of disrupting existing relations between the A. F. of L. unions and employers, that in cases where the decision would have been favorable to the A. F. of L. the board has long delayed the elections in order to permit the C. I. O. to work on the men.

This last statement of Mr. Green's is borne out by the admission of Madden when he appeared before the senate labor committee that he did not believe that employers should have the right to petition for elections because he feared that the organizations would not have had ample time to work on the men if the employer petition were granted. (See record of April Senate hearing, p. 10.)

There can be no industrial peace anywhere that this board functions in the manner shown by Mr. Green in numerous public statements.

The Board As An Equity Court

SECTION 10 (c) of the statute authorizes the board to direct reinstatement of men when necessary to the public interest of the act. This power properly exercised would be all right, but the board, calling itself a court of equity, has rendered numerous decisions ordering reinstatement which would shock the conscience of a court of equity.

For instance, in the Republic Steel Corporation case it entered a blanket order for reinstatement of several thousand strikers with back pay. The company contended that hundreds of these strikers had been guilty of acts of violence against the company and its employees. The board held that the company had been guilty of an unfair labor practice and that this so aroused the men it caused them to do the acts of violence and equity required their reinstatement. The board ordered the company to reinstate the strikers and to pay them back pay. The company offered to show that many of the men committed felonies, dynamited company property, shot company employees.

The board said it did not have time to go into all these questions and refused to consider any excuse barring reinstatement unless the offender had pleaded guilty of a felony.

In the exercise of its imaginary equity powers the board adopted the following procedure: The employer guilty of some insignificant unfair labor practice such as circulating a pamphlet, giving its opinion in regard to a union, and used this as an excuse for justifying sabotage and the violence of men who had gone on strike for the purpose of operating under such conditions. We have rented cars in Rosenberg and are moving them to lock stock and barrel." He showed two large rocks on his desk that had been picked up by the building after last night's barrage and it is common knowledge that the Bewley Mills did move its plant to Rosenberg.

The morning paper of May 10 carried this item: "A carload of men, described as pickets, drove up behind Mr. Louis Shelton and the carload of his car several times near his home. They got out, dragged Shelton out and beat him. He was treated at Jefferson Davis hospital for cuts and bruises about the head."

Is there anything wrong with these real laws that would give an employer and employees protection against a situation like this? There is not. As Senator Wagner said, they are sufficient and the employer has the right to invoke them. But why do these things happen? And why is it necessary for the Bewley Mills to move its plant to Rosenberg? The answer is simple. The fault does not lie with the law but with its lax enforcement. Public sentiment should stand up behind our public officials, demand its enforcement and applaud them for its enforcement.

There was somewhat of a lull of this lawlessness while the grand jury was investigating the Bewley Mills and other similar instances, but within a few hours after it adjourned *The Chronicle* of August 4th, carried this headline: "Labor Violence Flares Again In County. Four men are beaten up on return home." The details are shown under this headline.

These things are causing every law abiding man and woman to think and wonder. Is this situation going on until we get to the extremity that faced the people of the Pacific coast? Am I wrong in my statement that our local laws are sufficient for protection? If they are not sufficient, then they can easily be amended. The legislature will amend them as it did in Wisconsin. The city of Houston can pass and enforce apt ordinances regulating picketing as has been done in Oregon.

We want industrial peace in Texas. We must have it.

The Sitdown Strike

THE sitdown strike was something new in this country and aroused the greatest furor shortly after the Wagner Act became effective, and reached its height in 1936. The labor board thought it was all right.

One of the first cases to reach the board involving this was the case of *Fansteel Co.*, an enterprise in Chicago for the manufacture of metals. The union presented the company with a contract which required the closed shop and check-off provisions. The company refused to bargain with the men on the ground that it would not recognize an outside union and did other things which were clearly unfair labor practice within

case, 3 N. L. R. B. 591, an employee who was discharged when it appeared that he was negligent in the operation of a crane, dropping heavy objects so as to endanger other workmen, was ordered reinstated.

In the *Lamb Glass Co.* case, 3 N. L. R. B. 890, a man was employed and shortly afterwards it was discovered that he had lost his last job because of theft from the employer and he was discharged as an undesirable employee. The board ordered him reinstated.

In Pacific Greyhound case, 2 N. L. R. B. 431, a bus driver belonging to a union was discharged after a serious accident for which it appeared he was responsible. The board ordered him reinstated.

All of these orders of reinstatement are justified by the board on the ground that it has great equity powers, and yet Madden, chairman of the board, tells the senate committee that neither the Wagner Act nor the judgment of the board interdict the normal relations between employer and employee.

This is not the way to industrial peace.

Local Laws Could Eliminate Violence

WHEN the Wagner Act was under discussion and it was proposed to outlaw unfair labor practices on the part of employers which would judiciously affect interstate commerce, the suggestion was made to the committee that employees should be restrained from doing things which injuriously affected interstate commerce, restrained from violence, coercion, intimidation, etc. Senator Wagner objected on the ground that the state laws were amply sufficient to afford protection to the employer who could get an injunction state courts, if necessary, to protect his property from destruction.

He admitted that the Wagner Act was one-sided, but he said, "It is one-sided in the same degree that the law of domestic relations imposed obligations on the parent toward the child which it does not impose on the child toward the parent." (Report of senate committee on labor, April hearing, p. 18.)

This benevolent statement of the old patriarch who compared the father to the employer and the child to the employee is a bit of fine rhetoric, but it does seem that some of the children have gotten out of bounds as would appear from current reports in the daily papers. For instance, the afternoon papers of May 10 carried an item describing a provision that happened at the Bewley Mills Houston plant. One employee was beaten. A warehouse building was bombed with rocks and the bewildered manager stated, "I didn't believe such things could happen in America. We simply cannot continue to operate here under such conditions. We have rented cars in Rosenberg and are moving them to lock stock and barrel."

He showed two large rocks on his desk that had been picked up by the building after last night's barrage and it is common knowledge that the Bewley Mills did move its plant to Rosenberg.

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the meaning of the Wagner Act.

In the afternoon of February 17 the union committee decided on a sitdown strike, took over and held two of the company's key buildings. The entire plant ceased operation. Employees who did not want to participate were permitted to leave. The company requested the men to vacate and when they refused to do so, told them they were discharged. The next day the company obtained a writ from the state court requiring the men to surrender the premises. They refused to obey and a writ of attachment for contempt of court was issued by the state court of Illinois.

When the sheriff attempted to enforce these writs a pitched battle ensued and the men successfully resisted the attempt of the sheriff to evict and arrest them. The United States Labor Department and the governor of Illinois undertook to mediate but could do nothing. Another battle between the sheriff's officers and the men occurred on the 26th at which time the men were ousted and placed under arrest. Most of them were fined and given jail sentences for violating the injunction. The company opened its plant in March and a large number of strikers, including many who had participated in the sitdown strike, were allowed to return to work with back pay but without recognition of the union.

Some accepted the offer and were reinstated. Others refused to return unless there was recognition of the union, and others known to have done acts of violence were refused reemployment. After work was resumed the employees by a vote of 185 to 15 voted for the formation of an independent organization and the company dealt with it.

The case came before the board upon charges that the company was guilty of unfair labor practices within the meaning of the Wagner Act.

The board held that the company was guilty and ordered it to reinstate all employees to their former positions with back pay, dismissing, if necessary, all persons hired since that date, to disestablish the independent union.

Great damage was done to the company property by the sitdown strikers but the board held that since the company had refused to bargain collectively with the men, that it was in effect an outlaw from thence forward and the men could do what they pleased to it and no amount of misconduct, violation of local laws, defiance of the orders of the court, destruction of property deprived them of the right of reinstatement and that the company had no right to discharge these men for doing these unlawful things.

The board held that under the terms of the Wagner Act employees who go on strike because of an unfair labor practice retain their status as employees and are to be considered as such and cannot be discharged by the employer for any illegal conduct that they may be guilty of during the time they are on strike.

That since they had a grievance they therefore had the right to strike and since they had the right to strike they continued employees beyond the pole of discharge with license to commit acts of violence and to seize and destroy their employer's property.

The Supreme Court of the United States refused to sustain the board in this holding but the fact that the board was willing to make these unusual holdings is a matter of grave concern.

There can be no industrial peace in this country as long as a federal tribunal is willing to make the holdings which the board made in the *Fansteel* case.

When Majority Does Not Rule

A CERTAIN amount of confusion and distraction will necessarily follow the early administration of any new law which changes existing conditions in the economic or social order. Our people and our legislators should be on the lookout for features of these laws that unnecessarily annoy and distract that should be corrected.

This makes us wonder why Senator Wagner, the author of the act, and Madden, the chairman of the board, should refuse to consider these evils and necessary corrections when pressed upon them from every source, when urged not only by employers and the public at large, but by Green, head of the American Federation of Labor.

Some of these situations of uncertainty and distraction will illustrate the necessity for amendments to the law.

There is a concern which operates in New York and elsewhere called the Adams Hat Co. and its employees have long had an association called the Adams Hat Employees Association. The association embraces all employees of the company everywhere. It might be called a chain association. The principal branch of the association in New York has 176 workers. There had never been any trouble between the association and its employers who were well and satisfactorily paid. After the Wagner Act became effective a number of C. I. O. organizers came down on the association and employer with the demand that the men be assembled to hear them present their case and have an election. The men were assembled and these organizers and union officials, none of whom were employees of the company, took charge of the meeting. They brought ballots with them upon which were printed: "Do you desire to join Local 721 of the C. I. O. or to join another C. I. O. Union." There was nothing on the ballot to give the men the right to vote for their own association. There was a secret ballot and 97 out of 102 wrote the name of the local association on it, only 5 voting for either of the C. I. O. unions. It afterwards developed that these five men had been promised official positions of emolument in the association if they were organized. The organizers did not accept this vote as final and began picketing

the place, the pickets carrying banners declaring that the concern was unfair to organized labor. None of these pickets were employees and the picket line remained for many months and was still parading when the facts I have recited were aired before the senate committee on labor in April of this year. The officials of the local association were told that this would be a violation of the Wagner Act and they refrained from doing so. They went to the New York State Labor Board and the board told them that there was nothing it could do because they were under contract with their employer and satisfied, that it could not relieve them against the annoyance of the picket lines which were injuring the company's business and demoralizing the employees.

Thinking that they might get some help from congress, the officers of this association related the facts of the case to the Bridges of New Hampshire and he had them come before the senate committee and make these statements. They told the committee: "There is nothing the C. I. O. union can do for us, nothing we want them to do. We want none of them. We have better working conditions, happier relationships, more wages than they can possibly get us. There are other reasons also why we do not desire to join such unions. We know from members of their unions how they are organized, how they are operated. We want none of that. We have paid our own expenses to Washington to tell this story."

After the foregoing testimony had been given by the officers of the Adams Hat Employees Association, the chairman of the labor board, who was present and heard them, said that his board had nothing to do with such situations, that this was a matter purely for the state of New York, and dismissed the whole discussion with simply that and nothing more.

If, however, the C. I. O. organizer had filed a complaint for unfair labor practices against the Adams Hat Co., charging that it had done any of the things that are prohibited by the Wagner Act, the board would have quickly sent an examiner to New York or wherever the complaint was lodged, would have taken evidence and promptly entered an order dissolving the local association as it broke that act. In 95 per cent of the cases where such associations are involved.

The uncertainty of the law in this behalf which permits the outside organizer to invoke the aid of the federal government, which denies the employee the right to work in another jurisdiction, contending that the Western Union system as a whole was a proper bargaining unit and seeking to outlaw the Employees' Association. The day before the election in Washington in which the board permitted the employees to pick between their own association and the A. F. of L., the board came out in a statement published in the papers warning the employees that their organization was under fire in the C. I. O. case and in effect telling them that they voted for their own ruin. The board was outlaid in the other case. As Senator Burke of the committee phrased it, it was similar to a situation in which the day before the election the supporters of one nominee would say, you vote for Jones but he is a crook and we will see that he does not get a chance to be sworn in.

When pressed for a reason why the board did not adhere to its ruling made in the *Postal* case, that the nationwide unit was improper, the board refused to give an answer and refused a separate election among employees of Western Union in the City of Washington, he said that he did not want to make the A. F. of L. wait until after the board had decided the Western Union case (although it had decided the *Postal* case) months before the *Postal* case.

Uncertainties in the administration of a law making one rule apply to Washington and another in California, one rule of evidence against employers and another against employees will inevitably bring such a law into disrepute and there can be no industrial peace as long as such uncertainty prevails.

Confusion and Uncertainty

CONFUSION and uncertainty either in the meaning or administration of any law and especially a new law should be sought out and eliminated as quickly as possible.

Previously I discussed the uncertainty that was created by the Adams Hat employees. Where this uncertainty, however, is brought about by deliberate and inconsistent rulings made by the labor board it shakes one's faith in that board.

There has been an ancient rule of evidence which has obtained in England and America for centuries that makes all members of an organization responsible for the acts of any member carrying out their common purpose. It is the familiar rule that acts of conspirators where the doings of one carrying out the conspiracy are invoked to all.

I invoked this rule in a case in which violence and sabotage were shown in aid of a strike. The board promptly said that the rule did not apply, that I must show that every member of the organization was guilty of the violence, that the violence of some would not be imputed to others even though they did not come to court and deny a participation in it.

About the same time the board had before it a Kentucky case in which it sought to impute to an employer who was under prosecution for an unfair labor practice the acts of other members of Harlan County Managers Association of which he was a member. The prosecution was unable to show that the particular employer had participated in the lawless acts of the association. The board without hesitancy held the em-

ployer was bound by the acts of the association whether he participated in them or not, thus applying the rule against the employer, correct perhaps, that it had refused to apply against the employee in my case.

It is hard to have the proper confidence in any judicial tribunal that will inject such uncertainties into the administration of the law.

A similar instance on a larger scale may be found in the Western Union and Postal Telegraph cases which were recently before the board. The C. I. O. was attacking the employees' organization of both these companies and with the aid of the board was seeking to break them up and compel employees to unionize.

At the behest of the C. I. O. the board held that the unit for collective bargaining on the Postal Telegraph system was nationwide. Later the A. F. of L. presented a demand for an election and recognition of employees of the Western Union in the city of Washington alone where fewer than 1,000 men are employed. The board there recognized that the city of Washington was an appropriate unit of the Western Union when requested by the A. F. of L., but that the Postal system as a whole was an appropriate unit for that institution when requested by the C. I. O.

An election was about to be held in Washington under orders of the board and "Independent Employees' Association" was placed on the ballot along with the A. F. of L.

At that very time C. I. O. was pressing a complaint before the board in another jurisdiction, contending that the Western Union system as a whole was a proper bargaining unit and seeking to outlaw the Employees' Association. The day before the election in Washington in which the board permitted the employees to pick between their own association and the A. F. of L., the board came out in a statement published in the papers warning the employees that their organization was under fire in the C. I. O. case and in effect telling them that they voted for their own ruin. The board was outlaid in the other case. As Senator Burke of the committee phrased it, it was similar to a situation in which the day before the election the supporters of one nominee would say, you vote for Jones but he is a crook and we will see that he does not get a chance to be sworn in.

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Contracts Before The Labor Board

THE labor board has no regard whatever for the sanctity of contracts made by employees. It rescinds such ways.

In July, 2nd section of the act says that an employee may be a person who has gone on a strike and who is not working at the time.

Section 13 of the act declares that the right of employees to strike remains unimpaired. The public generally thought that the right of employees to strike guaranteed by the act meant what it said; that they might strike with impunity when they were in the right, that they could not use the strike to enforce unjust demands, that they had no right to strike to enforce a wrong. This seems to be the common sense of the situation and this is what the Supreme Court has since in effect held. But the board stubbornly held otherwise as the following facts will show.

In July, 2nd section of the *Columbian Enamel Co.* of Indiana, entered into a written contract for a year with its employees who were unionized and it provided no employee should be discriminated against by reason of membership or non-membership in the union organization. It also provided for arbitration and that there should be no stoppage of work by either party pending a decision by the arbitration committee.

The next year the union committee demanded that the company discharge any employee

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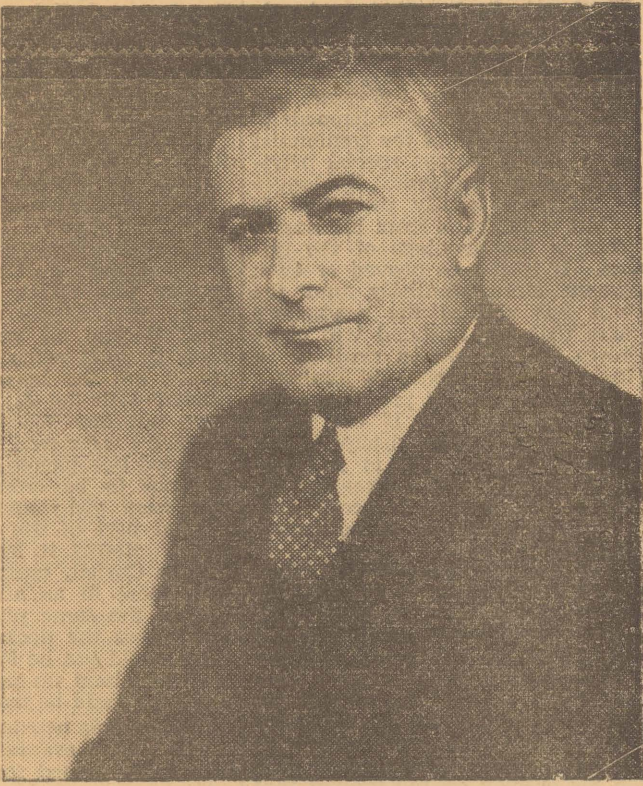
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FOR almost forty years Hearne has served the people of this great tri-state area faithfully and well, offering dependable merchandise only, buying for cash and giving their patrons the benefit of the savings made thereby. The residents of Lufkin and vicinity are cordially invited to visit Hearne's when in Shreveport. To them we offer our congratulations for this great new enterprise that will mean so much in the future growth and development of Lufkin and the whole Ark-La-Tex area.



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It has been a privilege to have known Ernest Kurth, his sterling qualities, his great ability and his love of East Texas, which he has known so well. He has grown with the lumber industry and has an abiding faith in the future evolution of the timber industry.

Friends everywhere take pride in the genius of this Great East Texan in bringing to our Pinewood section the first enterprise of this kind in the world—an industry that should expand and grow in years to come, a heritage for future generations. All Hail to Ernest Kurth, the real builder of East Texas.

BRONSON MORGAN
Jasper, Texas

Clarence Wharton—

CONTINUED FROM PAGE 2

whom it might suspend from the union. The company declined to do this.

In March after this the union demanded a closed shop and ordered a strike and 450 of the men left work and the plant was closed indefinitely.

The following August the company was ready to resume work and 9,000 applicants applied for employment, from which it selected sufficient employees to carry on.

The union came back with the statement that the men, who had gone on strike and caused the shutdown in violation of their contract, were still employees and demanded reinstatement in a body. This being refused, a complaint was filed before the board which, as soon as it could do so, found against the company and in favor of the men and ordered their reinstatement.

The courts refused to enforce this order and found there was no evidence whatever to support the board's findings; that these findings must be supported by substantial evidence and in this case there was not even a scintilla of evidence to justify the order made.

But all of this which seems so perfectly obvious, required two years of litigation, thousands of dollars expense, hundreds of men out of employment, litigation all the way to the Supreme Court of the United States.

In Consolidated Edison case there was a contest between the C. I. O. and the American Federation of Labor union that had a contract with the employer. The board, upon insufficient evidence, found that the contracts were invalid and sought to set them aside and did so, although the local brotherhood with whom the contracts were made was not a party to the proceeding. After a long time the case found its way to the Supreme Court of the United States which held that the board had no authority to cancel existing contracts, a fact which everybody except the board must have at all times known.

William Green, president of the American Federation of Labor, has made the specific charge against the board "by administrative fiat in direct conflict with the act, the board has set aside legally valid and binding contracts entered into in good faith between bona fide unions and employers." (See February, 1939, Fortune, p. 79.)

He refers to the Consolidated Edison case and to the fact that the A. F. of L. had to take it all the way to the Supreme Court of the United States to get proper relief. Mr. Green also refers to National Electric Products case in which the board still more flagrantly forced the breach of a contract. The facts as Mr. Green

states them are as follows: The employer in that case had a contract with a local union affiliated with the A. F. of L. A. C. I. O. union undertook to coerce the workers and the company into a breach of the existing contract and the recognition of the C. I. O. Although the contract had not expired the board ordered an election and sought to force the abrogation of the contract and was only prevented from doing so by an appeal to the court.

The board has done many ruthless things, but none of them are more reprehensible than its disregard for the contract obligations of employers.

There can be no industrial peace until both employer and employee come to regard and carry out their contracts.

Independent Union And the Board

THE case of an independent union before the board is fairly illustrated by Mr. Dooley's description of the Dreyfus trial.

"We will proceed," said the fair and impartial judge, "to the trial of that heinous monster, Captain Dreyfus. Captain, you are guilty, and we know it, but we are going to hear the evidence anyway."

The board has never sustained an independent union as a proper bargaining agency.

In six instances out of 127 it has failed to disestablish or strike down an independent union, but it has done so with the greatest misgivings.

In its annual report of 1939 the board refers to the national federated unions and to all local or independent organizations as company dominated and objectionable unions.

The Wagner Act was intended to outlaw the company dominated unions. The cornerstone of that act is supposed to be the rule of the majority of the employees. It is for them and their right to select their own representatives for bargaining purposes that the act was passed. Of course there can be no genuine bargaining if the company sets up and dominates the union that is to act as bargaining agent for the men, and it is the company dominated union that the act was intended to outlaw. But the board cannot fancy any independent union that is not company dominated. It does not believe there is such a creature.

In the Newport News case decided last year, it appeared that in 1927 the company, which built ships and operated dry docks, had, in cooperation with its employees, set up a plan of employee representation. Its purpose was to give the union a voice in regard to labor conditions and provide an orderly procedure in the adjustment of differences. Provision was made for the election of representatives who were paid by the company. The plan further

provided for a management representative whose function was to keep the management in touch with representatives of the employees. It contained an arbitration provision. It was revised from time to time between 1927 and 1937 and worked well.

After the Wagner Act became effective the company and the men together decided to eliminate certain phases of the plan that might be objectionable under the provisions of the Wagner Act aimed at company dominated unions.

As reorganized the plan was entirely independent, was not dominated by the company. The revised plan was printed in pamphlet form at the company's expense and distributed by the supervisors in each department.

A C. I. O. organizer appeared on the scene, procured some of the employees to be dissatisfied, filed charges and had the company reinstated before the board, and the board, as it always does, had the independent union brought in so it could order it disestablished.

The board heard the evidence. The facts were recited, were all that were shown. The men were satisfied with the independent union. The company was satisfied with it. But the board was not and ordered all relations between the company and this independent union severed.

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provided for a management representative whose function was to keep the management in touch with representatives of the employees. It contained an arbitration provision. It was revised from time to time between 1927 and 1937 and worked well.

After the Wagner Act became effective the company and the men together decided to eliminate certain phases of the plan that might be objectionable under the provisions of the Wagner Act aimed at company dominated unions.

As reorganized the plan was entirely independent, was not dominated by the company. The revised plan was printed in pamphlet form at the company's expense and distributed by the supervisors in each department.

A C. I. O. organizer appeared on the scene, procured some of the employees to be dissatisfied, filed charges and had the company reinstated before the board, and the board, as it always does, had the independent union brought in so it could order it disestablished.

The board heard the evidence. The facts were recited, were all that were shown. The men were satisfied with the independent union. The company was satisfied with it. But the board was not and ordered all relations between the company and this independent union severed.

The board has never sustained an independent union as a proper bargaining agency.

In six instances out of 127 it has failed to disestablish or strike down an independent union, but it has done so with the greatest misgivings.

In its annual report of 1939 the board refers to the national federated unions and to all local or independent organizations as company dominated and objectionable unions.

The Wagner Act was intended to outlaw the company dominated unions. The cornerstone of that act is supposed to be the rule of the majority of the employees. It is for them and their right to select their own representatives for bargaining purposes that the act was passed. Of course there can be no genuine bargaining if the company sets up and dominates the union that is to act as bargaining agent for the men, and it is the company dominated union that the act was intended to outlaw. But the board cannot fancy any independent union that is not company dominated. It does not believe there is such a creature.

the crews and the company resumed business.

The facts just recited are taken from the opinion of Chief Justice Foster of the Fifth Circuit Court of Appeals and he says they are undisputed.

The C. I. O. members of the crews with their organizer made a bee line to the Labor board and filed a complaint against the company and after a hearing the board ordered the C. I. O. employees reinstated which would have amounted to a discharge of the American Federation of Labor crews that had finally manned the ships and permitted the company to resume service.

The board concluded that it was immaterial that the I. S. U. had a contract with the company, that it was immaterial that the C. I. O. employees cannot have two sitdown strikes and twice disrupted the service, that the trouble, expense, inconvenience, loss of time, damages to the company, loss of time to men thrown out of employment were of no consequence and that it is broad equity prevails it had the right to compel this transportation company to man its ships with C. I. O. crews, and re-employ these sitdown strikers.

It is needless to say that the Circuit Court of Appeals refused to enforce this order.

After the industrial peace was decided upon by the National Labor Relations Board.

Employers Before The Labor Board

IT was not conceived by those who drew the Wagner Act that employers had any rights that needed to be safeguarded by federal legislation or that employees could do anything that would interfere with interstate commerce. Nowhere in the act were employers given the right to complain to the board or appeal to the board for anything. In this respect the act is unique. There are 51 nations who have labor codes. A great many of them, if not most of them, have codes regulating the rights of employers and employees and executive bodies to administer them. In only one nation in all the world outside the United States has a code been drawn for employers only and refusing employers the right to appeal to it for relief and that was the Russian code of 1928 which has since been amended.

As late as April, 1939, Madden, speaking for the board, appeared before the senate committee and insisted that it would be a mistake to give employers the privilege to file petitions before the board. He said that Senator "agony" was of the opinion that it would be a mistake because it would give rise to serious abuses, making it possible for employers to hinder early organized efforts of a single union by calling premature elections. In other words, he did not want to give the employer the right to call for an election until the organizer for the proposed rival union, had had ample time to organize, the men and in some instances the board has delayed an election for as long as a year in order to permit this to be done.

His attitude toward giving the employers the right to be heard before the board is the same as that which he gives for opposing any amendment to the act which would outlaw unfair labor practices of the part of the employer. He feared that the employers would clutter up the records of the board with complaints that the board would not have time to hear and determine.

For instance, in the Fansteel case where the attorneys for the company demanded that records of the union be brought into court, the records of the company, of course, being available, the examiner refused subpoena to bring in these records. He did not want to bother with them.

And in the Republic Steel case where several thousand employees were ordered reinstated the company offered to show that hundreds of them had been guilty of disorderly conduct, violation of the law, sabotage, of beating up workmen, shooting at officials of the company and things of that kind. The board said they did not have time to go into those things and ordered all these employees reinstated except those who had pleaded guilty of felony and were in the penitentiary and could not return to work if they were reinstated.

And so it was for nearly four years that the board would not permit an employer to file a petition of any kind. It treated him just as it treated the independent union which had no status before the board as a petitioner. It could be brought in for the purpose of having the union dissolved but it could not appeal to the board and get an election on its own behalf or protection. At least there is no case of record in which the

board ever granted such a concession to an independent union.

Numerous cases arise in which there would be a contest between a federated union and an independent union and the employer would want to know which was the choice of the men. The board would not order an election at the instance of the independent union. It had no standing. It would not order an election at the instance of the independent union because that union was not yet ready for an election and wanted to postpone it until it could work on the men. It would not order an election at the instance of the employer because the employer had no standing before the board except in the prisoner's election at the instance of a dock. Nor would the board order an employer when there was a contest between rival federated unions, C. I. O. and A. F. of L. It would let them fight it out on the merits of the case and the result of these rival unions wanted the election.

The absurdity of this, the injustice of it, was apparent to everybody in the United States except the members of the board who have consistently refused to yield an inch.

This situation was discussed at the hearing in April before the senate committee and Chairman Madden, who opposed to giving the employer the right to appeal to the board, said the employer had not only the right to appeal to him and opportunity to have the matter disposed of, that he might introduce evidence when he was brought before the board, that he might even appear and argue his case before the board. This, he seemed to think, was all that he wanted. He told the senate committee, "That at the time the board established these rules granting employers the privileges just named there was protest from representatives of organized labor to the effect that they were being too liberal to employers in recognizing them as formal parties to these proceedings."

Driven by a storm of protest that was nationwide, the board amended the rule by an order very recently in permitting employers in very limited instances where there were contests between rival federated unions, and then only, to petition the board for an election to see which of these two federated unions were representatives. Further than this the permission to petition did not go.

William Green, president of A. F. of L., speaking of the board's attitude towards employers, says that the law does not deny employers the right to come before the board, that the denial was the arbitrary act of the board.

Rulings Shake Faith In Board

AS late as the April, 1939, hearing before the senate labor committee, Madden strenuously insisted the employer had no right to come before the board or petition the board. He said that the board had graciously allowed employers to become parties to litigation when complaints were filed against them, had allowed them to plead in answer to such complaints, had even let them come before the board and file briefs and make arguments, and he said the board had been much criticized for this liberality. He might have added, however, that they never paid any attention to any of these arguments.

The whole theory of the act is as stated by Madam Perkins in her Philadelphia address in March, where she said employers must be made to observe the law which fixed their obligations and fixed the rights of labor, but that labor should be left free to regulate itself.

This statement of the purpose of the law should arouse protest everywhere to bring about its amendment.

One class is bound by all of the burdens and regulations and inhibitions of the statute, its obligations are fixed and onerous. The other party whose obligations are just as great is left perfectly free from any statutory restraint, any statutory obligations, to do just as it pleases. This, she seems to say, is the theory of the act. And this condemns it as monstrous.

These facts have aroused a great storm of protest in the newspapers in the United States. At the time that the board graciously granted employers the limited right to appeal to it in July the Houston Press said of it editorially, "The board proclaims modification of certain rules it arrogated to itself as long as it could get away from them; and to which it stubbornly clung until pushed by public sentiment and congressional investigation. The whole board's performance has been a striking example of bureaucracy failing to understand that ours is a government of laws, not of men. It has performed like the constable who thinks a search warrant is a lot of silly circumlocution. That it should at this late date deign to

yield in an effort to prevent amendment of the law under which it operates, amounts to nothing less than an insult to a congress that set it up."

Speaking in the same vein, Westbrook Pegler, the great columnist, said in an article published August 16, "No longer is the boss permitted to regulate his politics and religious activities, unless, of course, the boss happens to be an enterprise of the communist party, which enjoys special privileges as an employer. No longer is the boss legally permitted to extort a kickback from his wages. That is the privilege of the union. If it can be proved or even shown circumstantially that the boss has phoned the workman's wife that her husband will come down with a broken skull or a leg as a consequence of joining a union, the boss is pretty sure to be punished. But if the union threatens similar discipline for refusal to join, that is just one of those regrettable irregularities which are bound to occur and, after all, a matter of no consequence."

On July 14, Pegler wrote: "Employers still lack the right to speak freely—a right specifically granted by the constitution—but suspended by the board with the casual half-mindedness of a Soviet court. . . . The effrontery of the board in abolishing by dictatorial decree the employer's right to discuss union matters with men who are not his employees, but who might be trying to coerce them, has never been sufficiently appreciated. Here was an outright abrogation by a sub-department of the government of a right which the government itself protects when the complaint comes from the saboteur and the abolition of this right of American citizens in these circumstances has been followed by rulings that it was an unfair labor practice on the part of an employer even to send an employee a document through the mails."

This is an example of thousands of editorials and columns that are being written against the Labor board all over the United States. It is the most thoroughly discredited institution in very limited instances where there were contests between rival federated unions, and then only, to petition the board for an election to see which of these two federated unions were representatives. Further than this the permission to petition did not go.

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federal statute. And there is no relief against this picketing in the federal court because of the language of these federal statutes.

One of the largest shipping interests that comes into harbors of Houston and Galveston, and its ships manned by C. I. O. employees with whom it had a contract. The longshoremen, who load and unload its freight, belong to the C. I. O. and it had a contract with them. Two individuals, who had succeeded in getting cards from both unions, left the ship between Houston and Galveston, hurried to the waterfront at Galveston and threw out a picket line, declaring that the shipper was unfair to organized labor. The shipper did not know what it was all about, did not know in what respect it had been unfair, but the longshoremen affiliated with the A. F. of L. who were not any too friendly with the ship's crew who were C. I. O., regarded this picket line as sacred and not to be crossed, and the ship went away and left a substantial part of the cargo on the docks. Before it had gotten to Corpus Christi, these fellows had gone there in an automobile and thrown the same phantom picket line across the docks so that the cargo could not be loaded and the boat was held up until some adjustment could be made.

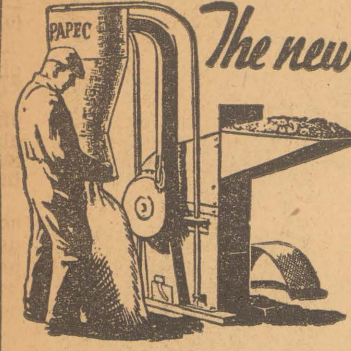
Though this was interstate commerce and these federal statutes have been passed for the express purpose, they declare, of protecting interstate commerce, the shipowner could not get injunctive relief in any federal court in Texas because under both the Wagner Act and the Norris-LaGuardia Act these two itinerant picketers had started an ex parte labor dispute, though there was none between the employer and any of his employees.

Before the Norris-LaGuardia Act was passed in 1934 federal courts were granting injunctions to prevent a situation like this. It was not regarded a labor dispute when there was no dispute between employer and employees.

Those statutes passed under the pressure of the labor federations were intended to limit the power of federal courts to grant injunctions, and did so. But it was stated at the time the statutes were passed that the power of the state courts was still left open and was ample. And in most of the states this year. It is true in Texas.

A good many years ago this question came before the Court of Civil Appeals at Fort Worth in the Webb case, 205 S. W. 466, when Justice Conner of blessed memory was still on that court. A walking delegate of a union started a picket line in front of Webb's place of business because it was not unionized. Neither Webb nor his employees wanted a union. He procured an injunction and in discussing the case Justice Conner said, "It seems idle to say that the acts complained of do not amount to intimidation and

See WHARTON Page 5



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CONTINUED FROM PAGE 4

coercion. We at least cannot hide nor obscure the truth with the specious contention urged herein that no open threats of violence were proven. Restraint of the mind is just as potent as a threat of physical violence. The boycotting of one who refuses to accede to the demands of the union is unlawful, where the means used to prevent persons from dealing with the person boycotted are threatening in their nature and tend naturally to overcome, by fear of loss of property, the will of others, and compel them to do what they would not otherwise do, although such means are unaccompanied by actual violence or threats of violence."

This decision of the Court of Appeals stands unrevoked and there is no utterance from the Supreme Court of Texas that modifies the rule that it here announces. This was the rule of the federal courts before they were handicapped by the Norris-LaGuardia Act.

The laws of Texas are amply sufficient to protect employers against intrusion, picket lines and boycotting where there is no dispute between the employer and his employees. A little more courage on the bench is all that is needed to protect against such invasions.

A Fair Man Can Decide

WHEN Frankenstein, the C. I. O. organizer, shouted at the gates of Ford's plant that Ford would unionize his men or would not be allowed to manufacture automobiles and when this was published in the paper, it was tolerated as free speech because he was guaranteed the right to do this by the constitution.

When Ford issued a circular to his men advising them that they need not join the union to hold their jobs, this was an unfair labor practice for which he was condemned by the Labor board, and the constitution which guaranteed Frankenstein free speech did not protect Ford in the exercise of this right.

A mere statement of these facts is enough to convince any fair man anywhere that the Wagner Act is wrong and should be amended, that the decision of the board is wrong.

In the DeJonge case the Supreme Court of the United States held that DeJonge, a communist, had the right to preach communism in the public squares of Seattle, that the rights of free speech and peaceable assembly were fundamental safeguards against state interference by the Constitution of the United States. (See 299 U. S. 354.)

When DeJonge went down into California and undertook to organize the employees of the National Motor Bearing Co., and a foreman of that company got a copy of the record showing that he was a communist and had it photostated and circulated among the men, the board held this was unfair labor practice and the company and its foreman were not protected by the constitutional guaranty of free speech which the Supreme Court cited as sufficient to protect DeJonge in the right to preach the doctrine of communism.

In other words, it is free speech for a communist to preach the doctrine of communism, which means the destruction of our system, but it is not free speech for an employer to tell his men that this man is a communist.

Congressman Hoffman of Michigan made a speech in the House in which he charged that the C. I. O. was affiliated with communism and cited many authorities to support his statements. This was probably free speech, or at least the Labor board could not stop Congressman Hoffman from making it, but when this speech had been printed an employer was found guilty by the board because he had not prevented the circulation of Hoffman's speech among his employees.

Picketing has long been justified under the constitutional guaranty of free speech. Forty years ago the legislature of Texas passed a statute which has long been construed as justifying peaceable picketing, a means by which the employee may state his grievance to the public.

But picketing has been so involved that it becomes a means of murder under the guise of free speech. Three years ago when there was confusion and men beaten up by pickets on the waterfront here in Houston it developed that the men who did the beating were pickets of a ship who were picked up for that purpose and put in a car with a Dallas license and after they committed their outrages they were hurried to Galveston, where they got on the same ship as it went out.

But we are told picketing is free speech and anything that would regulate it must take notice of the constitutional guaranty and not interfere with free speech.

The court which guaranteed

free speech to DeJonge, the Oregon communist, would not extend it to these goons and pineapple throwers on a picket line. However, I think the Labor board would.

Calling attention to these situations before the senate committee on labor in April, Senator Burke said, "It is perfectly proper, according to the rules of the Labor Board, for a labor organizer to give untrue information to workers. This is free speech. But not a word in reply may be spoken by the employer. Violent assertions may be heaped on counter-ploymen. This is free speech. But he may not in the hearing of the employee say anything uncomplimentary about the union organizer or the tactics being used."

Peaceful Picketing

FOR a long time the American and English courts have recognized the right of employees to express their grievances by picketing, peaceful picketing it is always called. In the course of free speech that cannot be taken away by legislative acts.

Under the guise of peaceful picketing hundreds of men have been slain in the United States during the last 25 years and abuses have become known to all men. Picketing has become a profession just like strike breaking was a few years ago. Carloads of thugs are imported from place to place to do picketing and beating.

There should be an apt regulation of picketing so as to prevent the recurrence of violence.

On the Pacific coast where violence flared all the way from Oregon to Southern California and where lives and property were destroyed by goons and pineapple throwers under the guise of peaceful picketing, the states and cities realizing the necessity of the situation availed themselves of the right to regulate picketing. It was done by both state statute and city ordinance.

The Oregon statute, passed in 1938, begun by defining a labor dispute as a bona fide controversy between the employer and the majority of his employees concerning wages, hours or working conditions and it declared that a labor dispute did not include:

a. Jurisdictional dispute between organizations.

b. Refusal of employer to deal with either party to said jurisdictional dispute.

The evils of mass picketing are half-way corrected when a statute of this kind is passed and enforced which prevents the molestation of innocent employers and employees by meddlesome third persons who have no interest except to force themselves into a situation where they are not wanted.

Under the decision of the appellate courts of Texas a trial court should grant protection in instances of this kind without legislation. Picketing of this character is illegal in Texas.

The Oregon Act, after this definition of a labor dispute, regulates picketing in such detail as to prevent its abuses, leaving the right to picket where one has a bona fide grievance against his employer. There are picketing ordinances in several of the California cities.

During the present year the legislatures of Wisconsin, harassed by the Wagner Act, with the Norris-LaGuardia Act, asserted itself in no uncertain way with the passage of a comprehensive labor code discussed in Article 25 of this series. Like the Oregon Act it began by proper definition of a labor dispute so as to make it impossible for interlopers to throw a picket line around a place of business and harass employees and employers who resented their intrusion.

The Wisconsin statute outlawed the secondary boycott and concerning picketing it provides: "It shall be unlawful to hinder or obstruct by mass picketing, threats, intimidation, force or coercion of any kind the pursuit of any lawful work or employment, or to obstruct or to egress from any place of employment, or to obstruct or to interfere with free and uninterrupted use of public roads, etc."

Wisconsin, as well known, was the home of the La Follette, who have long been the high priests of labor and have sponsored almost every radical labor movement that has come out of the east or the west. But the people of Wisconsin were driven by the Wagner Act to rise in their might and pass their own labor laws which they have done in this comprehensive way in which other sovereign states will do if these federal laws are not quickly amended.

An effort was made at the last session of the legislature of Texas to procure the passage of an anti-injunction act similar to the Norris-LaGuardia Act. It was defeated and will be defeated again when offered, and if the courts and the police officers do not come to the relief of harassed em-

ployers and employees in Texas and enforce existing laws, I predict a comprehensive labor code which will declare the public policy of the state in favor of law and order.

The Racketeer In Labor

WE have invited the public, the employer, and honest laborer to join in a war on the racketeer whose activities have been manifest in our midst.

Racketeering is as old as what terms it is called. In plain language it is the modern racketeer of the kind that is coming into Texas these days is the product of abuses brought about by employees and labor unions.

Some state laws are amply sufficient to deal with the racketeer just as any other form of banditry, and it will not exist long in any community where the laws are enforced. To thrive it must have the aid of crooked politicians and the weakness of the local police.

Some enterprising district attorney in Texas who will take hold of our criminal laws, even as they are written, and go after these racketeers who are in New York, will make himself governor of Texas, possibly senator from Texas.

When these racketeers had protested law in Oregon, a businessman by the name of Rufus J. Holman told them in the face of crooked politicians, servile police and weak judges and demanded the enforcement of law in Oregon. He appeared before the senate committee on labor at its hearing in Washington April 11, 1938, and told them in the face of the whole world, "I am telling you of a condition of racketeering that was typical out in the lumber country of Oregon, the lawlessness and the destruction of property and the burning of mills."

The reason I am in the United States senate today is because I was the first public man in Oregon to make a law and order speech when these racketeers had the state by the throat. A great number of these racketeers are now in Oregon penitentiaries.

Such a man in Houston, Galveston, Dallas, San Antonio or any other industrial center of Texas as would take the leadership against these forces of evil that are destroying industry and peace, would have the acclamations of the townspeople and count people as well, of the entire people as well, of the entire and the great bulk of labor is honest.

I said at the beginning of these articles that the racketeer was the product of weak and crooked employers as well as crooked labor organizers. And this is true. The first racketeer made his appearance in our industrial life at the instance of a class of employers who wanted to terrorize employees. Business men, as well as labor unions, often stoop to the use of these strong arm methods. Employers want to fix prices and violate the anti-trust laws. They find some competitor who will not agree to the program or will not stick to it if he agreed. A racketeer is employed to spoil his goods, beat up his workers, scare away his customers. Sometimes this is done by the employer and winked at by his employees who through it see a chance to get higher prices and get better wages.

With us in Texas at this time, however, the racketeer who is coming into our cities is for the most part a communist agitator with a criminal record behind him, ready to beat a workman to death.

The people of Texas are law abiding and some day, tired of such things, they will clean house, and woe to the public official who has been recreant to his duty in these trying days.

Out of 40 million wage-earners in the United States, fewer than 8 million are in unions; fewer than 20 per cent of the people of Houston are in unions. Ninety-nine per cent of these union men are at heart against the racketeer, and he must and will go.

The Racketeer And the Farmer

NOT so long ago Texas was overwhelmingly an agricultural state and more than three-fourths of its people were farmers and engaged in agricultural pursuits. It is true that now nearly half of them are in industry. But the farmer wherever he lives is interested in these labor-industrial problems and industrial peace is just as essential for him as it is for the city folks whose windows may be shattered or houses dynamited any night by imported goons.

This may be aptly shown by what is going on on the Pacific coast. With permission I refer to an article published in the Saturday Evening Post, written by Gareth Garrett and published March 25, 1939. He says: "Since agriculture began to be called our basic industry, the two competitive labor orders are trying to put the closed shop upon the California farmer and at the same time the communists, seeking a soft spot to bore from, have their auger in him."

"Firstly, agents of the International Brotherhood of Teamsters are sent out from the city to tell him that everything on wheels shall be unionized. It is already so in the cities, or mainly so, and now it shall be so on the highways. Free trucks on highways are a nuisance, especially the farmer's truck, which, besides hauling produce to market, loads itself back with freight that belongs to union teamsters. Neither he nor his boy, nor his hired man can drive on the road without a union card."

These advances along the Pacific coast all the way from San Diego to Oregon have been met by the slogan, "The freedom of the highways is as sacred as the freedom of the press."

But the Pacific coast farmer is

not alone worried about the threatened abridgment of his right to use the highways.

An organizer from the city goes out to the farm and proposes to organize the milkers in his dairy barn. They will succeed in getting one out of ten to signify a desire to become affiliated with a union organization. The farmer pays no attention to this.

"One day two men walk in to the barn and say, 'Are those milkers union men?'"

"The farmer says, 'I don't know. That's none of my business. I only hire them.'"

"The visitors say, 'You'd better begin to make it your business. If you don't make them join the union, or fire them and hire union men in place of them, your milk will be hot and you won't be able to sell it in the city, because no city teamster will touch it.'"

"The farmer says that he will take that to court, and they say, 'Go on, take it to court,' and he does. But before it is settled in New York, he is around while and say, 'Nice hay you got there. Who hauled it?'"

"He says, 'What difference does that make?'"

"They say, 'You are going to find out. Unless they will be hauled by the city teamster, the hay is hot. If you feed it to your cows, the milk will be hot. If your milk is hot, no distributor in the city will dare buy it, because no union teamster will touch it, and in the city only union teamsters will haul it.'"

And while this is going on, C. I. O. organizers who started with the longshoremen along the coast are swarming inland to unionize farm labor and have started with the woolgrowers. They are sheared by union shears and the wool put into union bags, it will be hot and no C. I. O. longshoreman will touch it to put it aboard a ship. The woolgrowers have retorted that they will sell the wool to the city teamster. An organizer has been heard to say "Maybe there won't be any wool. Maybe the ranges will burn up. Maybe the sheep will find poison to eat."

Then too some organizers came to the farmer and told him that his labor is going to be organized by somebody and he cannot help it and he had as well sign up with them and they will protect him.

"Protect me from what?" he asks.

"This year the pea crop in California was not as large as the workers who flocked in to pick it. An effort was made to spread the pea picking out so that all would have some share in it. The wages of the workers thus extended afforded inadequate wages to all of them and then the farmer is pounced on and accused of paying these poor employees inadequate wages."

There is a large element in this situation that is not A. F. of L. agitators and those who are seeking to breed communism in this country.

It does not do the Pacific coast farmer any good in this situation to show that he is not making any money off his crop. He points out that the pickers make \$8 an acre picking cotton while he makes less than \$2. Nobody disputes these figures but the organizer says that he has got the right to run his farm unless he can pay these wages and he should shut it up.

By the way, this very argument was made in Houston when an organizer walked into a bottling plant where 20 men were employed and demanded the right to organize the employees and demanded for them an increase in wages, something that they had not asked. The employer, whose business was small, said to the itinerant gentleman, "Here is my monthly statement. I am overdrawn \$400 at the bank today."

The itinerant gentleman merely replied by saying, "I don't give a damn about your finances. If you can't run this business and pay decent wages we will close it up."

What is happening to the bottlers and other employers in our cities and what is happening to the farmer in California may well happen to Texas unless the people of Texas rise and demand the strict enforcement of our criminal laws, the establishment of a labor code like that in Wisconsin. The elimination of racketeering. The regulation of picketing. This is the price of industrial peace.

What the People Of Texas Can Do

THE reason which Senator Wagner gave for drawing a federal statute which operated on employers and left employees free to do as they pleased, was that "so far as violence in industrial disputes is concerned, the laws in states and municipalities affording protection against violence, only to the worker." (See Wagner's statement before senate committee on labor, 1939, p. 19.)

Madden, of the Labor Board, objected before this same committee to any amendment that would enlarge the scope of the federal act and make it apply to unfair acts of employees or unlawful things done by them.

He gave several reasons for this, among them that it would be extending federal authority into a sphere heretofore regulated solely by county, state or municipal law that would expand the board into a gigantic federal police court.

Just why an act of congress supposedly designed to protect interstate commerce should apply only to unfair acts done by an employer that might affect this commerce, leaving the employees free to do unlawful acts which would destroy it, is hard to see. But if we accept the statements of these proponents of the Wagner Act as made in good faith, then it is the duty of the state to pass adequate laws defining unfair labor practices on the part of employees and preventing and punishing unlawful acts committed by them within the state whether they affect intrastate or interstate traffic. A number of states have

realized this and statutes are being passed in many of them that have this effect.

Wisconsin, generally regarded as the most progressive of all states, passed such a statute in 1939. The following are some of its salient points. (a) It declares that there are three parties involved in all labor controversies, employer, employee and the public. (b) That regardless of the rights between employer and employee shall not be permitted in the conduct of their controversies to intrude directly into the primary rights of third parties to earn a livelihood, transact business or engage in the ordinary affairs of life. (c) It is declared to be the policy of Wisconsin that hereafter it will substitute the process of justice for the primitive methods of trial by combat. (d) It defines a labor dispute to be a controversy between an employer and the majority of his employees in a particular unit. (This would prevent one or two goons from declaring a labor dispute between employers and employees and throw out a picket line when no such dispute existed). (e) It adds some specifications that are not found in the Wagner Act, eliminating some of those that have evoked strong protest against the Wagner Act. (g) It does what the Wagner Act does not do and which Senator Wagner and Chairman Madden said had been left for the states to do, namely, recognize that an employee may be guilty of an unfair labor practice and specifies the following acts which an employee may not do: (1) Coerce or intimidate other employees or their families, picket their domiciles, injure their persons or property. (2) Coerce or intimidate an employer or engage in any practice which, if done by the employer, would be an unfair labor practice. (3) Violate the terms of a collective bargaining contract, refuse to accept the final judgment of the Employment Relations Board. (4) Joining in a strike or boycott against employer unless a majority of a collective bargaining unit of his employees have voted by secret ballot to call a strike. (5) Prevents mass picketing for the purpose of intimidation, force or coercion which obstructs the highways leading to any place of employment. (6) Outlaws the secondary boycott and conspiracy by threats and coercion. Permits sympathetic strikes in support of those in similar occupations. (7) Outlaws the sitdown strike. (8) Requires notice to be given of an intention to strike.

There are many other features of this interesting act which space forbids me to mention here. Properly administered it will insure justice and industrial peace in Wisconsin.

If the federal congress does not amend the Wagner Act at its next session and include these timely provisions, the state of Texas must do so.

I think the laws of Texas as now written, including the decisions of our appellate courts, are sufficient if enforced to protect the public and the employer. But if there is any doubt about it our legislature can do what was done in Wisconsin and our Texas cities can pass apt ordinances regulating picketing as was done in Oregon and elsewhere.

CATFISH A LA CHORIZO

By DAVE CHEAVENS

You will not find catfish a la chorizo on any of the menus in Texas' numerous Mexican and pseudo-Mexican restaurants, but it is as native to Mexico as mesquite, and almost as potent.

Texasans who live along the Rio Grande and as far inland as San Antonio need no introduction to the chorizo. It is a sturdy, red-fleshed, chunky little sausage of variable but pungent ingredient. When you have eaten chorizo, you know you have eaten something. If you are allergic to garlic, leave it alone. The chorizo packs a skin full of punch; if you are a sedentary person and not accustomed to such robust fare, you are likely to be reminded of your folly for hours after partaking of one.

The catfish needs even less introduction. The lowly chughead or blue cat or channel cat with his drooping whiskers, pale eyes and murderous fins is a major item of diet anywhere in this broad state. Scorned in effete eating circles, the catfish nevertheless is evaluated by many as the equal to mountain trout in delicacy of texture and flavor, and his ubiquity is another point in his favor. This, of course, is dependent upon skill in cookery; the lack of such skill has been known to spoil more esteemed fish or fowl.

Down at Don Martin Lake in Mexico, not far from Eagle Pass or Laredo, and famed as an angler's paradise, the Mexican guides not only will show you how to catch catfish, but how to cook them. They have learned to combine over a bed of glowing mesquite coals the fine flavor of this fish with the charm of the chorizo. This country cookery becomes with them a rite to be performed, of necessity, with great deliberation and a charming "why hurry?" attitude that bears rich fruit.

My mentor was one Santiago, who laid his fire of mesquite roots with care in an altar of stones along a rocky ledge on the banks of Don Martin. When he had the

See CATFISH Page 6

TEXAS CAPITAL HOLDS TITLE OF 'FRIENDLY CITY'

"Good bye, glad to have had you. Come back to see us." That is the invariable manner in which a visitor to Texas is sent on his way. As one visitor from another state remarked with something akin to amazement in his voice: "Everybody said that to me in Texas. All along the way. Hotel men and filling station operators and the people I met. And they meant it, too!" Of course, they meant it. Friendliness is a part of the Texas tradition. Indeed, Texans must live up to this tradition because the very name of the state, Texas, means "friend" in the language of the Indians.

It is only fitting then, that Texas' capital city, Austin, should be known as the "Friendly City." Seat of Texas' history it is also the seat of its tradition and is the official representative of the entire state. Its people are friendly and this atmosphere is all-pervading.

And while mingling with these friendly folk of Texas the visitor is bound to glean bits of knowledge concerning the history, industry and society of its people. For instance, they discover that Texas is the only state that was once a nation, and that over its soil has marched men from many nations and against the flags of France, Spain, Mexico, the Republic of Texas, the Confederacy and the United States.

It was between March 2, 1836, and April 21, 1836, that Texas declared and won her freedom from Mexico and raised the Lone Star of the republic.

Visitors are lead inevitably to the tombs of Texas' heroes, to the missions, to the forts and battlefields. They discover that every foot of Texas is rich in history, that it is a land of magnificent scenery from the raw, startling hills of El Paso to the tropical beauty of the Gulf coast.

Yes, visitors expect to encounter the evidence of Texas' history and they expect to see a sizeable state, but they are always astonished by its vastness. Old timers were wont to describe anything of gigantic proportions as being "Big as hell and half of Texas." Now it is said that "Texas" is a land of magnificent distances.

Both descriptions are true. Texas has 172,000,000 acres of land which lay in a vast amphitheatre that extends from the Gulf coast to the high plains of the Panhandle and upward to the peaks and plateaus of the trans-Pecos region.

In Texas may be seen mountains, inland lakes and brooks, long rivers both deep and wide, natural springs that abound in the wooded regions of East Texas, a thousand miles of coast line, the famous Rio Grande Valley, and

forests. Climate ranges are from the bitter cold of the high regions to the semi-tropical warmth of the coastal section.

Texas has a wider variety of wildlife than any other state in the union; more than 700 species of birds may be seen within its boundaries. There are 270 kinds of fish and many varieties of game; 65 counties have game preserves.

Texas has a pine timber belt covering an area larger than Indiana; a coastal area the size of South Carolina; an area in a middle temperature climate, 3,000 to 4,000 feet above sea level, 75 per cent of which may be cultivated, as large as Pennsylvania; a uniformly good farming country from 200 to 2,500 feet above sea level, equal to the combined areas of Ohio and Kentucky; an area rapidly rising forward and suitable for stock raising, as large as Tennessee; and a mountainous area west of the Pecos the size of West Virginia.

More than 60 different "natural regions" are found in the state.

Texas surpasses all other states in railroad mileage, and is also first in paved highways. She is served by 180,000 miles of state and federal pavement. Miles upon miles of these roads give exceptional scenic beauty and the state's beautification of highways is rapidly extending forward and will eventually make all highways well worn seeing as well as pleasant to travel.

These are the present day things. And still among them move some of the old—some of the people and things that have an integral part in the life of Texas. The cowboy and the ranch. The Texas cowboy has had his place in legend, song and story and he still is riding the range today, although he has stepped forward with the advance of progress and time. Ranch houses are now as beautiful and as convenient as city homes and they still stand amid the long sweeps of range land.

Gone are the marauding bands of Indians, the herds of buffalo, the bandit, the rustler, the outlaw and the vigilantes.

Farms, cities, towns, communities now take the place of cross-road stores, Indian villages and stage coach stops.

Withall a great state the visitor discovers that has grown up in the 100 years since Austin was made the capital of the Republic of Texas.

BORDER JUMPER

BROWNSVILLE, Tex. (P)—Immigration officials are weary of supplying clothing to naked men and boys who swim the Rio Grande from Mexico and try to dodge immigration officers.

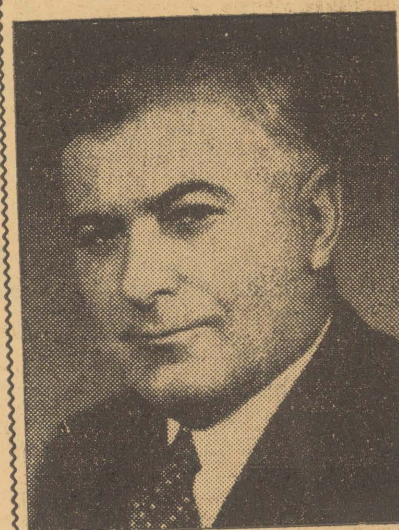
When a 12-year-old boy swam the river recently and was captured the officers took a burlap bag, cut head and arm holes in it and sent him back to his Mexican home attired in the costume.

We Congratulate Ernest Kurth

We congratulate Ernest Kurth and his associates on the opening of the Southland Paper Mills. The beginning of this industry represents another achievement for a man whom the lumber industry long ago learned to respect and appreciate.

The Six Million Dollar Paper Plant at Lufkin stands as a monument to the courage and ability of Ernest L. Kurth. Pioneering an enterprise—the first of its kind in the world—requires supreme confidence in the man at the top.

This represents real building for the future of Texas. The men who are founding this industry are setting up payrolls for future generations. We take pride in this achievement and commend it to the people of Texas.



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HOUSTON, TEXAS

Spirit of Progress and Cooperation Characterizes Southern Pine Industry

By MARY M. ERVIN
News Staff Writer

A SPIRIT of progressiveness and cooperation has characterized the Southern Pine industry. This spirit has been concentrated in the Southern Pine Association since its inception and to it has fallen the task of leadership. This task it has assumed and carried on with unflinching efficiency, courage and success. This institution has been of inestimable value to the lumber industry throughout the South and working together they have converted theories into actualities.

The Southern Pine Association today represents mills having a production of approximately 33 1-3 per cent of the total amount of Southern pine cut. While the character and policies of this organization were at first moulded around the necessities of the larger mills, the increasing importance of the small mills as production factors in recent years has brought about the inclusion of the smaller mills' services. It may be said to represent the entire Southern pine manufacturing industry for it serves not only the large and small mills in its original territory, but also mills in Florida and Georgia, formerly belonging to the present Florida Saw Mill Association, and as a result of the amalgamation recently effected, the mills formerly comprising the North Carolina Pine Association in the Carolinas and Virginia.

Has Early Origin
This group cooperation in the Southern pine region dates back to the latter part of the nineteenth century, when the Southern Lumber Manufacturers Association was organized. This organization, which included cypress and hardwood interests as well as pine, was the largest lumber manufacturers' association then in existence. It continued under this name until January, 1906, when it was succeeded by the Yellow Pine Manufacturers Association. In December, 1914, the present Southern Pine Association was formed in New Orleans, and today represents manufacturers accounting for nearly 75 per cent of the annual production of Southern pine lumber, and therefore, speaks for the entire Southern pine industry.

In no respect is the organization of Southern pine producers more evident than in their standardization of grades and manufacture, and their establishment of an inspection service which is available to all branches of the trade. The standard specifications for the grades of Southern pine lumber and timber promulgated by the Southern Pine Association are in universal use. All branches of the lumber industry, as well as industrial users and the various departments of our state and federal governments, recognize these specifications as standard and look to the inspection department of the Southern Pine Association as a final arbiter in all grade disputes.

Specifications Standard
To assure consumers of the receipt of correctly graded and properly dried and manufactured Southern pine lumber, the association has developed two methods under which lumber may be safely specified. One involves the requirement that the lumber shall be SPA graded; the other, that it shall be accompanied by an association inspection certificate. Association subscribers are not licensed to grade-mark under the supervision of the association until they have measured up to the high standards in grading and manufacture that have been established by the association. Association inspection certificates are executed by the association inspectors following his detailed examination of each piece of lumber before it is loaded in the car. The make certain that it meets the requirements of the grades specified in the order. These services are available to all producers of Southern pine lumber, regardless of association affiliation.

To maintain the highest possible standards in grading and seasoning and grading of lumber by the mills subscribing for its service, the Southern Pine Association checks monthly the efficiency of the graders. For this purpose a corps of mill inspectors, all of which have had many years of experience in the manufacture and grading of lumber, are employed. Monthly visits are made by these men to each mill. This supervision has had a very salutary effect upon the products of the subscribers to the association. Because of the claims which frequently arise at destination, the inspectors are stationed in various sections of the Southern pine consuming territory so that investigations of complaints may be made with the least possible expense and loss of time. The inspection service is actually a safeguard against false claims and serves, too, as a protective service both for the producer and the consumer.

Checks on Production
It is necessary to picture the chaotic condition which would exist if there were not available intelligent, prompt and reliable statistical facts, including trends and tendencies in the industry. The Southern Pine Association fills this breach through its statistical department.

Weekly figures on production, orders and shipments are gathered from as many mills as possible and summarized for the benefit of not only subscribers, but of other manufacturers, distributors and the buying public as well. This summary also serves as a basis of statistical cooperation by the Southern Pine Association with the National Lumber Manufacturers Association, the Federal Reserve Board at Washington, the Census Bureau and various federal reserve banks in the South.

Monthly information on costs of operation is likewise compiled by the Southern Pine Association and from time to time economic surveys concerning various phases of the industry are conducted.

Included in the trade promotion work of the Southern Pine Association are national and local advertising, literature and dealer helps, publicity, exhibits, direct mail campaigns, and personal

contact through field representatives. This association is so broad that it will be impossible to completely describe it here.

However, of particular significance is the establishment by the association of a close personal contact with the consumers and distributors of Southern pine. The results of the intimate studies conducted are given to subscribers in the form of reports, showing in as much detail as possible the probable or actual consumption of Southern pine together with recommendations as to special cutting and methods of manufacture that will enable the mills to more economically supply the demands of the different trades. This field work affords an opportunity to more closely bind the ties existing between manufacturer and dealer, and to serve wood users by recommending grades and species most suitable for their particular purposes.

Other Activities
Because of the number of construction and engineering problems arising in connection with trade extension, it has always been necessary for the trade extension program of the association to include this very important work. Among the activities undertaken are the verification of strength tests of Southern pine in comparison with other species; investigation of possible uses for short lengths, ready for use as posts, and as preservative treatment upon Southern pine; investigation of wood fire proofing preparations; opposition to proposed ordinances or building codes affecting the use of lumber, and the dissemination of general information on the proper and improper use of Southern pine.

An important theme in the promotion work of the industry during recent years has been good construction. The building public, after its experience with the speculative and the post-war period, had to be impressed with the fact that quality material adds to the life and serviceability of a structure, and that life and long satisfaction will be further assured through the use of proper construction methods.

Campaigns were therefore conducted, based upon dependable building materials and sound construction with grade marked lumber as the keynote. These efforts have always met with the hearty approval of the building public throughout the country. During 1927 and 1928, 12 better built homes were constructed by the Southern Pine Association in the leading cities of widely separated sections east of the Rocky Mountains as a part of its campaign to educate the building public as to the proper use of materials.

The manufacturers of Southern pine, through the association, are at all times kept posted as to legislative and tax measures affecting the industry. Recent years have seen these become of increasing importance to lumbermen. The interest of Southern pine manufacturers have always been fully represented by the association in all matters relating to state and federal taxation, lumber tariffs and forestry and other legislation.

Traffic Department
Because the freight rates determine the extent to which markets can be reached, the Southern Pine Association has an active and well equipped traffic department. The underlying policies of the department are formulated by the transportation committee and are subject to the approval of the directors. No activity is undertaken without the sanction of the committee. The policies of the department, as formulated by the committee, are constructive with respect to the carriers. It does not function merely to reduce lumber freight rates for the sake of making a showing, but all possible cooperation is given to carriers in improving transportation services, and promoting a favorable public opinion toward them and constructive legislation. Rate reductions are sought only when necessary to foster and further the mutual interests of the carrier and the lumberman.

Special freight rate books on lumber are compiled by the traffic department of the Southern Pine Association in four editions annually, applying to the following territory: Eastern, Western, Southern and Texas. These are furnished without charge to the mills that subscribe to the association, but are available also to other manufacturers and distributors of this product.

The successful utilization of Southern pine cut over lands presents a formidable problem to manufacturers and property owners. In the development of these vast acres which have given up their first growth of timber, the Southern Pine Association has for years been actively seeking possible methods by which these acres may be put back to work.

Stress Conservation
Association effort along this line has been largely educational. Beginning with conferences held in the South during and immediately following the World war, regarding the utilization of the cut-over lands, the Southern Pine Association has endeavored to awaken the public to the fact that the responsibility for sufficient timber restoration and growth to meet the country's needs for the future rests not alone upon the lumber manufacturers, but upon the public as well. Publicity literature, speeches before interested groups, and cooperation with state and federal agencies have all played their part in the cut over land and forestry program of the association.

Since July, 1930, the association has undertaken a program of organization of the smaller Southern pine operators in the South. This action resulted from the feeling that the association should do everything in its power to as-

sist the smaller units of production in standardizing their grades and improving their manufacturing processes as well as studying the markets that are most suitable for their product and assisting them in their merchandising.

While the full services of the Southern Pine Association have always been available to every manufacturer of this species of lumber, the smaller operators, because of their inability to keep up with the rapid changes in the different trades, have not in the past subscribed in a very great number. Some of the services of the association have always been known and wanted by these smaller operators, such as the grading supervision and inspection facilities, but few have fully realized the value of all of the other association activities, and there was accordingly a feeling on the part of the smaller operators that they could not afford the full subscription fee.

Under the basis of subscription upon which the smaller operators are now receiving association services is approximately one-third of the assessment levied upon the larger mills. Many small mills and concentration plants have recently joined the association and are receiving under their contracts all of the regular inspection service including the supervision of grading at the mill. Special assistance is also rendered to help improve the general manufacturing practices. The association also operates with these smaller mills in maintaining proper mill records and through meetings and personal contacts endeavors to place them in a proper position not only to understand prevailing economic conditions, but to compare their status with general conditions in the industry at all times.

Public Relations
The relations of any industry with the public are becoming increasingly important each year. It is obvious that the maintenance of satisfactory relations with the public depends entirely upon the creation of public confidence, and the latter can only be obtained through activities that are as important to the public welfare as to the industry.

Every major activity of the Southern Pine Association has been of benefit to the public. Its establishment of grading standards and its introduction of grade marking by its mills serves as a protection to the public in purchasing lumber; its inclusion of moisture content limitation in its standard specifications assures the lumber buyer of greater satisfaction through the use of properly seasoned lumber; its advertising and trade promotion work is designed primarily to educate the public in correct usage, and only secondarily to stimulate the sale of this product; its statistics are available to everyone and serve to keep the buyers as well as the sellers informed regarding economic conditions; its extension of its facilities to the smaller operators has served to eliminate from the market a character of production that could bring only dissatisfaction and trouble to the lumber consumer. The success of this group of manufacturers in every association venture may therefore be attributed to the fact that these have always been as much in the public's interest as in the interest of the producers.

NEW INDUSTRIES OPEN IN SOUTH

National interest in the economic conditions of the South has in the past largely centered upon the South as a producer of raw materials—cotton, fiber, timber, fruits and vegetables, livestock, petroleum and natural gas, sulphur, salt, gypsum and so on, but within the past several years this attention has also been focussed upon the ever increasing establishment of new industrial undertakings.

These are largely plants for the manufacture of natural products and in Texas new plants reflect a greater variety of enterprises than in any other state in the South. They range from a large number of canning plants especially concentrated in the Lower Rio Grande Valley, meat packing plants, cottonseed oil products, Kraft paper, bleached sulphate pulp, sodium sulphate, carbon black, motor fuels, chlorine, cement, to newspaper, and other by-products of lumber.

New plants in Louisiana number more than 20. While most of these are not large, involving investments estimated from \$150,000 to \$400,000, four of them represent investments estimated at \$1,000,000 or more each. Largest of these is that of the Southern Kraft Corporation at Springhill, Louisiana, whose \$6,000,000 plant is to manufacture sulphate pulp. Second in size as reported is the \$5,000,000 plant du Pont is establishing at Baton Rouge. It is reported that Standard Oil of Louisiana has enlarged the facilities of its refining plants at Baton Rouge to the extent of a cost of \$3,300,000, while the Solvay Process Company (subsidiary of Allied Chemical and Dye) at the same place has added to its \$7,500,000 heavy alkalis plant a million dollar chlorine plant. Still other new plants in Louisiana are engaged in the manufacture of motor fuel, asphalt, sugar, and insulating board.

In Alabama new plants center in two areas. Mobile and Birmingham. New plants reported at Mobile include a \$5,000,000 sulphate pulp plant, a \$4,000,000 aluminum plant, and a \$2,000,000 plant of National Gypsum Company for the manufacture of insulating board.

In Georgia new plants as reported include \$6,500,000 for pulp and paper products, \$2,800,000 for

rayon, and a \$2,000,000 glass plant.

Florida has had an outstanding development in providing facilities for the manufacture of sulphate pulp—\$26,660,000 estimated investment in four plants.

Even South Carolina has had a large expansion in sulphate pulp plants—Southern Kraft Corporation with an \$8,000,000 plant at Georgetown and the West Virginia Pulp and Paper Company with a \$5,000,000 investment at Charleston.

In North Carolina the same pattern in new industries continues—sulphate pulp, paper containers (with a \$4,500,000 plant at Plymouth), rayon, and in addition a million dollar extension of the Ethyl-Dow Company's bromine plant at Wilmington.

In Virginia the pattern is similar to the other states previously mentioned—sulphate pulp, cellophane, rayon plant with an estimated investment of \$10,000,000 and with carbon bisulphide and acetylene plants thrown in.

In Maryland, however, the pattern changes; new plants there center about the fertilizer industry, with du Pont building a \$2,000,000 sulphuric acid plant at Baltimore.

In Tennessee the pattern is again somewhat different—rayon, phosphates, and the \$8,000,000 plant of the Tennessee Eastman Corporation at Kingsport for the manufacture of acetate cellulose.

The Cabot carbon black plant recently established at Mayhans is a new plant in a new district for carbon black production. An outstanding new item in pulp production is the Houston plant of the Champion Paper and Fiber Company, together with its associated industries. The million dollar addition of the Corbin-Alkali Corporation at Corpus Christi for making chlorine is outstanding in adding another product to the growing list of manufactured commodities made in Texas.

It is reported that Carbide & Carbon Corporation, a unit of Union Carbide & Carbon Corporation, is building a \$2,500,000 chemical plant at Texas City; this plant will synthesize commercial products from cracked refinery gases. Later, plans call for the enlargement of this unit to a \$4,000,000 investment.

Catfish—

CONTINUED FROM PAGE 5

fire blazing blue-bright, he let it alone a moment, then the half-hour enticing a fine channel cut from a nearby hole. Decisively and deliberately he rejected in order a three-pound bass and several blue cats; he wanted a channel cat, and of course no one had told him the channel cat was the best. He also wanted a channel cat of a certain size, and it turned out the fish he finally selected weighed about two and a half pounds. Later it developed the grill in which he cooked it would not hold one larger than a catfish. The necessities of the occasion proved smaller. After all, it had to feed two people, including Santiago.

The fish in hand, the fire burned down to a bank of coals, he got down to business. First he removed the head and the other inedible parts, slitting the fish in the center of the belly and leaving the two flaps of meat dangling for future reference.

Then, with a sharp knife, he cut slits under the fish's tough hide, and he was satisfied and rammed a chorizo in each of the slits. Then he stuffed the fish with all the chorizo he had left—a dozen or more, and made it all fast with long, green mesquite thorns, a homely but highly utilitarian touch. A searing of shavings would have burned away in the hot fire.

The fish, bulging and bumpy with sausages, was next clamped into a double wire griddle, hinged at one end and equipped with a handle with a long handle for turning. Santiago set this across the stones, and the meat was bathed in wisps of pale green smoke from the coals, to which he added leaves that threw off a pungent aroma.

It mingled with the smell of the sausage in a manner to set even the most controlled and civilized mouth to dripping. From time to time, Santiago aroused himself sufficiently to turn the griddle or throw a few more green mesquite leaves on the fire. But he added no wood.

"Have patience," he advised. "When the fire burns down, the fish will be done."

Santiago knew. The constant application of heat scorched and blackened the skin and shrivelled the sausages, but when Santiago served it up on a pine board, the fish emerged white and smooth like a banana. The flavor of the sausage, carrying only a hint of garlic, had penetrated through the white meat of the barbecued fish—catfish a la chorizo, with Don Martin sauce.

We heartily congratulate Lufkin and all of East Texas on the progressive spirit which is so rapidly making dreams come true.

All Texas is proud of you and we in Dallas are happy to join you in celebrating such a noteworthy accomplishment as the completion of the new paper mill.

MATTHEWS ENGINEERING COMPANY
2026 Ross Avenue
Dallas, Texas
Ice-Making and Refrigerating Machinery For Locker Plants Ice Plants Cold Storage Plants

They Blasted Old Capitol to Build the New

Frank Brown, an early Austin citizen, tells proudly in his "Annals of Travis County" that dynamite had to be used to blast the walls of the old capitol to bring them down, so strongly were they built. The occasion was the destruction of the old building to make way for the present structure which was built of granite.

This new structure was raised for the occasion on the part of the Austin citizenry for it assured them that their city was at last permanently established as Texas' capital city. Situated at the head of the avenue, it commanded the entire city and in 1852 when it was begun it had before and around it the setting of picturesque small hills and thick woods. The little frame structure on West Eighth street where the legislature of the republic and state had been holding their sessions was quickly relegated to the past and to insignificance until time and history had restored it to importance.

Austin residents had not forgotten the "break-up" of the early 1840's when the capital was moved to Washington by General Sam Houston. Those were dark days and were always remembered with alarm. Little wonder, then, that the re-establishment of the capitol at Austin and the building at the end of Congress avenue brought them a sense of permanency and satisfaction.

On February 13 the legislature in joint session named James Doyle, Captain James G. Swisher and Dr. Samuel G. Haynie to supervise the erection of the new capitol. Excavation for the foundation was begun immediately.

The laying of the foundation was made on March 8 in the presence of the governor, the secretary of state and the commissioner of the general land office. The Masons had charge of the cornerstone ceremonies on July 4.

"Nearly every man in town and country attended," Frank Brown writes. "There was a procession and barbecued dinner at the grounds under the direction of Captain Grumbles."

The old state house, which stood a little to the south of the present structure, was three stories high. The floor of the lower story was of white marble inlaid with cement. There were two passageways 20 feet wide crossing at right angles and going through the building from north to south and east to west. Two rooms in the basement were occupied by the executive department.

A broad stone stairway to the second story was placed at the front and another was placed on the inside in the rear of the building. The second story was the senate chamber and the house of representatives and the inevitable committee rooms. A geological cabinet, state library and the committee rooms were located on the third floor.

The walls were of limestone, taken from the quarries north of town on the farm belonging to George W. Davis. The foundation extended 10 feet into the ground and the building was 111 feet high. Originally the legislature appropriated \$150,000 for the cost of the building, but later added \$25,000 to that sum. An additional sum of \$25,000 was set aside for the furnishings and Eli Kirk of Austin was commissioned to go to Philadelphia and buy the furniture.

One of the desks that stood in the old statehouse is today considered a collector's item. It is possible that there are several more in and around Austin.

Completed in the early winter of 1853 the new capitol was occupied by the legislature and departments. It was destroyed by fire in November, 1881.

MICHIGAN ARCHERS ACTIVE
LANSING, Mich. — Michigan's army of bow and arrow hunters is on the increase. The state legislature has opened all regular hunting territory in the state to the modern Robin Hoods from Nov. 15 to 30. This year 500 licenses were sold compared to 227 last year when they bagged eight bucks in the only two counties open to that kind of hunting.

MANNA FROM NEIGHBORS
RONAN, Mont. (AP) — The home of Dave Anderson and his family was completely destroyed by fire. Pablo residents got together and gave them a "miscellaneous" shower of household equipment. Then they announced they would take a public subscription to build the family a new home. People who couldn't give cash offered their services.

TRADERS-GENERAL GROWS WITH AREA

The Traders & General Insurance Co. of Dallas is an institution that has grown with East Texas during the past 10 years. The first substantial business of this company was written in East Texas. Since that time this firm has become one of the most important insurance carriers serving industries in this region.

The company was organized in 1923. Affiliated with it on the board of directors are many leading Texans. These include Ernest L. Kurth of Lufkin, chairman of the board; Gus A. Brandt of Houston, president; James Bute Cline, Chas. Cobb, Jr., of Marshall, president of Marshall Car Wheel & Foundry Co.; L. G. Hawkins of Vernon, president of Waggoner National Bank; Wyatt C. Dedrick of Ft. Worth, president of Wyatt National Bank; Wyatt C. Hedrick of Dallas, executive vice-president and secretary; Jewel P. Lightfoot of Ft. Worth, Lightfoot, Robertson, Gano & Johnston; Temple H. Morrow of Dallas, president; Oscar T. Nicholson of Shamrock, president of F. & M. State Bank; Robert L. Warren of Dallas, investment.

The business of the company has been written on a sound business basis; claims have been paid in accordance with contract. The two guiding factors in the growth of the company have been safety and service. The business has increased steadily and conservatively each year during the company's existence.

Ten years ago the Traders & General Insurance Co. was organized. It began business with \$100,000 of paid-in capital and \$60,000 of contributed surplus. The remarkable growth of this Dallas company, during its first decade of existence is reflected in convention examination report just released and stands as a sturdy monument marking the capable management and high integrity of purpose of its founders and officials.

The capital structure has been increased from its original \$100,000 to a present total of \$250,000; the surplus from the original \$60,000 to the imposing figure of \$337,512, as of June 30, last. The company's assets stand at \$1,224,452.

The Traders & General operates in the states of Texas, Arkansas, Kansas, Louisiana, New Mexico and Oklahoma and writes the following lines: automobile, fire, theft, tornado, liability, collision, property damage, miscellaneous; workmen's compensation; liability other than automobile; property damage and collision other than automobile; burglary and theft; and plate glass insurance. Workmen's compensation, public liability and auto lines constitute 97 per cent of the company's business.

The company is headed by Temple H. Morrow, president, and Edwin C. Hilman, executive vice-president and secretary. Ernest L. Kurth is chairman of the board.

Other officers associated with Mr. Morrow and Mr. Hilman in active management of the company are: J. H. Albright, vice-president in charge of underwriting; Tom C. Stanford, vice-president in charge of production; B. F. Maintz, assistant secretary in charge of claims; Walter F. Williams, treasurer; and Henry D. Yeargan, assistant treasurer. The law firm of Lightfoot & Robertson is general counsel for the company.

Under the heading "Treatment of Policyholders," the examiners said:

"For the primary purpose of determining the attitude of the company toward its policyholders in connection with the adjustment and settlement of claims, a number of the claims paid during the period under review and all unpaid claims were examined. The company has adhered very closely to the terms of the policy contract. No cases were found in which there seemed to be any mistreatment of the policyholders. In each case resisted, the position taken by the company appeared to be justified by the evidence and circumstances surrounding the particular case."

Detailed financial statement as set up by the examiners showed total income during the six months period covered of \$1,078,958.93 and total disbursements of \$1,083,626.25, leaving a balance of ledger assessments totaling \$1,581,179.02. In addition to the above ledger assets, the company has admitted non-ledger assets which bring the total to \$1,935,863.27, from which are deducted non-admitted assets of \$111,410.87, leaving net admitted assets of \$1,824,452.40.

Net reserves for unpaid claims and expenses total \$560,181.81 and were determined by the examiners sufficient to discharge all obligations that may arise. Comment that "the files were in excellent condition, which greatly facilitated the listing of the claims and the checking of the records" is noted. Reserve for unearned premiums totaling \$173,763.95 were checked and verified as correct. Reserve for deposit premiums and advances totaling \$445,720.26 the examiners found to be satisfactory and representing 100 per cent of the deposits and advances for which the company was liable.

These two items represent a grand total of unearned premiums of \$619,484.31. Other liabilities set up were all verified and approved by the examiner, after which the examiners verified the capital items of \$250,000 and \$337,512.52 of free surplus, showing a net surplus to policyholders totaling \$587,512.52.

Summing up, the examiners said: "The assets are conservatively valued at the amounts stated in the financial statement, and the amounts shown under liabilities are sufficient to discharge all outstanding obligations at June 30, 1938."

We Congratulate

W. C. Trout

Ernest Kurth

Arthur Temple

And Their Associates

In Pioneering the First Mill in the World to Make Newsprint from the Pine Forests.

We hail the coming of another basic industry to Texas. Payrolls are the foundation of our prosperity. The courage and vision of these men in founding this enterprise merit the commendation of all Texas.

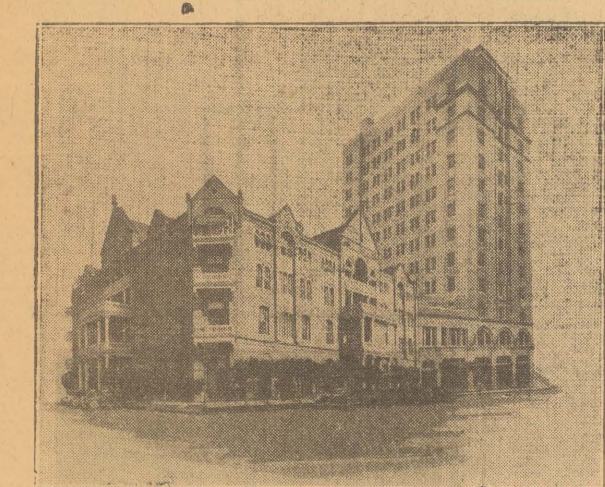
F. M. BURKHEAD

President

BURKHEAD

MANUFACTURING COMPANY

HOUSTON

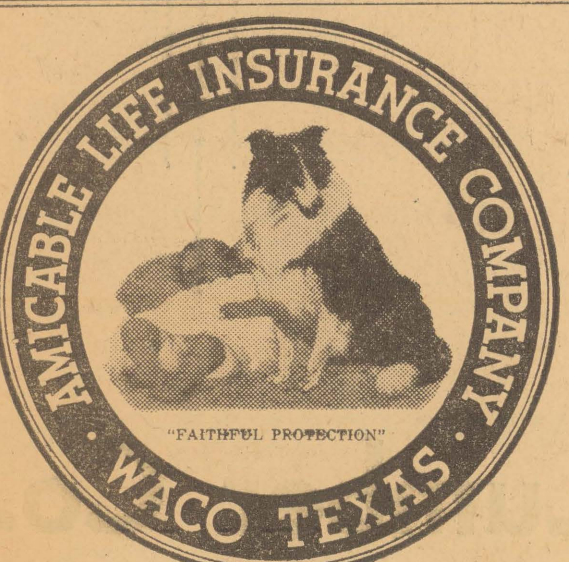


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Has served the people of Texas 53 years. We wish to congratulate the people of Lufkin and East Texas on the opening of the Southland Paper Mills.

W. H. Stark, Manager



Liberal Agency Contracts Available to Texas Men Who Can Qualify to Represent the Amicable in Texas

LUFKIN, TEXAS

LUFKIN DAILY NEWS

PART E—CONTINUED. PAGE 7

LABOR AND NATIONAL UNITY

By William Hard

If ever we need national unity, it is now. We need it if we are able to remain neutral. We need it if we are forced into the world's wars.

The national unities illustrated by Germany and Russia are formidable. They are at present a military menace. More important, they are always our intellectual and economic rivals. They aspire—with confidence and with determination—to domination of the world's philosophy, thought and economic behavior in both hemispheres. They can be countered only by a superior national unity of our own—and of our own sort.

We cannot find this unity in simply hating them. We must have more than merely something to hate. We must have something to love.

In a previous article I have spoken of the disruption of our national unity caused by our economic civil war between rival occupational elements in our population. Here I wish to speak of a certain sector in that war: the struggle between labor and capital.

I have been reporting outbreaks of this struggle for over 30 years. Often we pick on some individual as being responsible for it. He creates it about as much as the clock creates the time by striking three. It is a struggle of impersonal origins, and it does not abate.

The other day one of the wisest of labor men came to Washington. He has been a union official. He has been a government official. He is now a corporation official. He was very despondent about America's future place in the world. Why? Because he felt that we would fall apart internally in disputes between employer and employee.

His pessimism may be extreme. Yet it is based on long experience. Effort after effort has been made to find an identity of motive and a unity of action between employer and employee, but none has found sufficient acceptance to become a national characteristic, a national habit, a national aim.

I shall review some of these efforts and, in the end, make a tentative suggestion.

Capital under social pressure—has tried repeatedly to conciliate labor by benevolence. For years it went in heavily for "welfare work." Labor remained labor but got gardens and gymnasiums. There were two troubles. One was that labor often resented mere benevolence. The other, contrarily, was that labor in many instances simply cried for more. It did not understand how any of it came, and it thought that the supply of "more" was limitless. Some of our worst strikes happened in the midst of our most generous "welfare work." The whole philosophy of "welfare work" then passed into eclipse. Because it depended upon initiative by the employer alone.

It has now been replaced—with in the field of the employer's social initiative—by profit sharing. This principle has been used with fine purpose and fine result by many firms. The flaw is that it cannot be developed into having universal value. Most firms make small profits—or none. Statistics of the federal government prove this conclusively. If all corporation dividends were withdrawn from stockholders and conferred on employees, they would not add 10 per cent to employee wages. Profit sharing remains a humane and a wise policy for firms that can afford it. It is obviously not a general solution.

Hence, many corporation executives have cogently argued: "The trouble with all of these schemes is that labor remains labor. What labor needs is a sense of property, a sense of ownership. We will therefore sell our stock to our employees."

The argument for sharing ownership rather than profits is basically sound. Labor does indeed need a sense of property, a sense of ownership. The existence of millions of citizens without an adequate property sense is a cancer in our system. Accordingly, stock-selling to employees was—and is a remedy with right reasoning behind it.

The difficulty is that it can seldom outbalance the employee's interest in himself as an employee. Suppose he is earning \$1,000 a year in wages. Suppose that he buys 10 shares—which is a lot for him—of his company's stock. Sup-

pose—happily—that the stock pays five dollars a share. The employee is now getting \$1,500 a year as a wage-earner and \$50 a year as a stockholder. Which sum will determine his psychology?

The answer is too easy. Stock-selling to employees can have great value; but, like profit sharing, it is not the ultimate solution. The contribution made by its advocates is that they have clearly seen and clearly taught that wage-consciousness must somehow be supplemented by property-consciousness, by ownership-consciousness, by management-consciousness.

Again, the principle of collective bargaining comes aggressively to the fore as the final solution. Actually, it was the demand for collective bargaining by labor that often inspired management to adopt policies of welfare work and of profit sharing and of selling stock to employees. Today, collective bargaining, when desired by employees, is the law of the land; and nobody proposes to abolish that law. The utmost that is proposed responsibly is that the law be amended in certain details.

But is collective bargaining, in and of itself, the solution? Clearly it is not.

Let us seek an illustration in the building trades, particularly in small residential housing. The Federal Home Loan Bank Board every month publishes the costs of building a standardized six-room house in selected American cities. A masterly study of these figures has recently been made by Walter Lekrone of the Cleveland Press, which is not at all an anti-labor paper.

The figures show an amazingly close relationship between low costs and building activity and, on the other hand, between high costs and building inactivity. When the costs are low, building tends to revive. Where the costs are high, building tends to remain stagnant. The most astonishing comparison is between Cleveland and Los Angeles.

The Cleveland building trades artisans have done much more collective bargaining than the building trades artisans of Los Angeles. That is their right, and they have exercised it. Throughout the city they enjoy a completely closed shop. Their wages per hour are much higher than the wages of the building trades artisans of Los Angeles. The Cleveland bricklayer, for instance, customarily gets \$1.65 an hour. In Los Angeles he customarily gets only \$1 an hour.

The difference in building costs between the two cities is accordingly considerable. For the Federal Home Loan Bank Board's standardized six-room house, it is as follows:

Materials for that house in Los Angeles cost \$3,185; in Cleveland, \$3,328; a difference of \$143, or four per cent. Labor for that house in Los Angeles costs \$1,608; in Cleveland, \$2,360; a difference of \$752 or 32 per cent. Materials and labor together cost in Los Angeles \$4,793 per hour and in Cleveland \$5,688—a total difference of \$895.

But there is another difference of at least equal consequence. The unions of building trades in many localities have collectively bargained themselves into great influence in the general management of the building industry. On the surface, that is the accomplishment of a high ideal. If labor and capital can cooperate in the management of industry, are we not on the verge of the millennium? In principle, yes. In the building trades, in practice, let us inquire.

The Department of Justice has collected the answers from all corners of the country. From these we can put together a perfected peak specimen of the port of contract currently signed by many associations of building trades employers and many unions of building trades employees.

The employers, in order to please the union, agree to such things as the following: They will not require the use of spray paint-guns and will cause all painting to be done by the slower and more expensive method of hand paint-brush. They will not accept finished floor boards; or, if floor boards arrive with a finish on them, they will hire workmen to take the finish off and put it on again. They will not hire common laborers to unload trucks of plumbing materials, but will cause that common-labor to be done by high-priced skilled plumbing artisans. They will not

allow any lather to nail lath to the top of his capacity, but will keep him down to a specified number of laths a day. They will not listen to any architect who might say that one coat of plaster would do, but will hire plasterers to put on three coats. Etc., etc., etc.

Meanwhile, and in return, in order to please the employers, the union agrees to such things as the following:

Its members will refuse to work for any employer who for any reason is not accepted as a member of the association of employers. They will refuse to work on any materials which have not received the approval of the association of employers. They will refuse to work on any job where the contract has been secured through a bid which the association of employers regards as too low. They will refuse to work directly for any householder and will work only through a contractor, with the contractor getting his profit and paying dues to the association of contractors. Etc., etc., etc.

Now this sort of cooperative management of the building trades industry is at high tide in Cleveland. It produces high wages and it produces rules and regulations and restrictions which further heighten the actual labor cost. The reader has noticed the big difference between the cost of labor in Cleveland and the cost of labor in Los Angeles; and this difference is continuously accentuated by the rules and regulations and restrictions which flows from Cleveland's collective bargaining contracts, written or oral.

Cleveland has plenty of bad residential housing. It needs new housing probably more than Los Angeles. But observe:

Since 1935, Cleveland has built only 143 residential housing units for 100,000 of population. Los Angeles has built 2,058. It has outbuilt Cleveland approximately 14 times.

Do I therefore advocate their governmental economic methods? No, precisely the contrary. This is America, and it can vindicate Woodrow Wilson's prophecy: "The highest and best form of efficiency is to establish shop conditions of a free people."

There can be—and there is—such a thing as pro-consumer collective bargaining. It comes in two stages. First, an intelligent realization of the desirability of cooperation between employer and employee not only for a better wage but for better—and more—work.

The first time I ever heard this forcefully stated was by Sidney Hillman, head of the Amalgamated Clothing Workers. At a convention of that extraordinary union many years ago, some earnest left-wing socialists seemed to aspire to establish shop conditions that would ruin the employers. Hillman explained to them:

"You hope that some day the working people will own this industry. Look! Do you want to wreck the house before you move into it? Don't deceive yourselves. It is best for everybody—socialist or anti-socialist—that this house should be a good house now."

Mr. Hillman has followed that ideal continuously. His union was the first in the whole world to accomplish a workable harmony between "scientific management" and the increase of production and human management for security of employment. Year after year, month after month, the Amalgamated Clothing Workers Union helps employers to get out more product under arrangements which safeguard the union's special aim of more work for its members.

The same policy, for the same purpose, is strikingly illustrated by the International Ladies Garment Workers Union. A recent issue of its magazine, *Justice*, prints a dispatch from Meyer Perlstein, director of its Southwest Region. Mr. Perlstein exultingly tells David Dubinsky, head of the union, that in his Region's union shops "industrial engineers and time-studies are the order of the day." He further remarks:

"Manufacturers have laid their problem frankly before us. The union—in small towns as well as large centers—has responded. Shop committees in all plants are cooperating fully with the management in the application of time-studies and the installation of modern production systems. The workers through their union are proving that they are willing to help develop systems which will develop payrolls."

Long ago I gave up worrying whether a union is "radical" or "conservative." The Amalgamated Clothing Workers and the International Ladies Garment Workers are called "radical." The building trades unions are called "conservative." Now I worry whether a union will not assist in creating larger production and larger prosperity. I divide unions now into "destructive" and "creative."

The first stage in the growth of pro-consumer collective bargaining is a "creative" interest in work—honest, full-bodied, full-brained work.

The second stage is then inevitable, but it has distinctive marks of its own. The other day I stood in the plant of the Nunn-Bush Shoe Company in Milwaukee. The fame of this company for its 52 pay checks a year to production employees had obscured its title to a higher fame. This higher fame should be accorded for its success in inducing employees to think of the consumer, the market, the country.

All production employees of Nunn-Bush are members of the Industrial Union of Master Craftsmen. This union is "independent"; and it has convinced both A. F. of L. and C. I. O. that it does not wish to join either of

them. It is a sort of "guild." It has a contract with the company to produce shoes in return for a certain percentage of the company's gross income. The bigger the company's income, the bigger the income of the union. The more sales the company makes, the more dollars the union gets. With what result? The union gets interested in sales. The employee ceases to be manacled mentally to his machine. He projects his mind into the market. He takes a free man's interest in the service his product gives the buyer.

Mr. Nunn said to me: "Our employees see that they are working not for the company but for the consumer. They see that every cent they get depends upon the willingness of some consumer somewhere to buy a shoe. They are interested in the price of a shoe. When I suggest a price change that will increase sales, they are eager to have me make it. They want the price that will sell the most shoes."

Here is a strong union, undominated by the company; and here is collective bargaining not against but for the consumer.

A few days later I stood in another plant in Belleville, Illinois—once the stove-making center of the United States. It is wholly unionized. It formerly had 2,500 foundry workers. Now it has half-time jobs for only 750. Two reasons. First, the depression. Second, more decisively, high costs.

The firm I visited, the Enterprise Foundry Company, makes stoves mainly for big mail-order firms. Every man in its plant belongs to an A. F. of L. union. Quite orthodox. All the men devoted a few months ago to the old principle: "We get the wage. Let the boss take the worry."

The head of the company is Arthur O. Spooneman. He inherited the plant. The workmen have known him as "Arthur" ever since he was born. This last summer he got tired of worrying, tired of losing customers, tired of taking losses. Southern towns offered him land for nothing, even a new factory gratis, and, of course, no taxes for years. He decided to move to the South. A committee of all the unions in the plant came to plead with him.

"Boys, I'm sorry, but I have no choice. You mean well, but you've fixed it so I can't stay here. Wages per hour are not too high, but costs are. The wages aren't producing the goods—in quality or in quantity. I'm going."

"Arthur, we'll make you a proposition. You agree to stay in Belleville for 10 years. We agree to sign a contract putting \$175,000 into the business during the next five years. You make the sales. We make the stoves. Moreover, we'll make more of them and better. We've got the skill, more skill than those people in the South. We'll use it. We'll put our backs and our heads into it. We ought to have a little about stoves. And we'll bring the costs down. What do you say?"

"Okay," said Mr. Spooneman. "I'll stay. And no wage-cuts. But you'll produce! And I mean produce. We'll have a Policy Committee to report to, eight men from the unions and three from the management. But there's still something more. Just to show you how tough this game is, I'm going put some of you on the road."

He started with two men from the unions and one from the management. He bought them cars and waded them down the concrete to try to get customers. When they returned, their orations to the Policy Committee and to the men in the shop were electrical. Customers are hard. They are exacting. They see defects. They always want to save a nickel. They always want something better. We can't sell our stuff unless we keep on improving it—and keep on holding down the price.

"Now," said Mr. Spooneman to me, "I don't have to go around turning off the lights. The men are more interested in economy than I am. They are more against shop slackers than I am. They are more for better quality and production than I ever was. Any time they bring in new ideas all the time for making better stoves. What's the answer? It's not the \$175,000 that made the big splash in the papers. It's that these boys are getting sales-conscious."

Here is unionization and collective bargaining; here, too, is labor's awakened consciousness—of that is the vital difference. What point—labor's participation in the problem of sales and in the headaches of management.

Mere title to a few stock certificates produces no sense of responsibility for the properties concerned. We observe this in the behavior of hordes of investors. When, therefore, we say that labor should understand and share its economic responsibility and its patriotic duty, there is only one road toward that end. It is that labor should have some degree of conscious interest in the problems of management and should see that interest proceeding—through right products and right prices—toward the welfare of the consumer and the country. This is the increasing sense perceived. It lies at the root of many contemporary economic manifestations which would otherwise seem disconnected or even contradictory.

It explains why many groups of employees do not want unions at all. They already have a sufficient and satisfactory feeling of cooperation with their managements. It explains why some, like the Johns-Manville go to great pains to expound their financial situations and operations to their employees. It explains why firms like American Rolling Mills issue "news notes" to their employees, detailing conditions in the industry and announcing improvements and sales.

It explains why public opinion is hardening against unions and associations of employers which use their power, separately or in

First Texas Inaugural Was Austere Affair

CONTRASTING sharply with the present day elaborate inaugural ball for Texas governors is the almost austere celebration of the first inaugural.

It was on December 29, 1845, that President Polk signed a joint resolution for the admission of Texas into the union. The Texas legislature met in Austin on February 16, 1846. The old capital, which had been used jointly as a school house and as a church since 1842 with the exception of one short session of annexation, once more became a legislative hall. A gala day, yet those early Texans were sparing in their celebration and display. Colonel John S. Ford recorded in his paper, *The Austin Democrat*, merely that the capitol was decorated with flags for the occasion.

When the time for the inaugural ball for President Polk arrived, Governor-elect Henderson appeared, attended by a joint committee of both houses. Judge R. E. B. Baylor offered a prayer. In President Jones' valedictory he said:

"The Lone Star state of Texas, which 10 years ago rose amid the smoke of carnage, and, scarcely seen for a while, has culminated, and following an inscrutable destiny, has passed on and become fixed forever in that glorious constellation which all free men and lovers of freedom in the world must reverence—American Union. Blending its rays with its sister states, long may it continue to shine, and may generous heaven smile upon the consummation of two republics now joined in one. May the union be perpetual and may it be the means of conferring benefits and blessings upon the people of all states, is my ardent prayer. The Republic of Texas is no more."

Former Governor Francis Richardson Lubbock, in his book, *Six Decades in Texas*, says: "During this address intense emotion thrilled every bosom, and tears trickled from the eyes of many weather-beaten Texans who felt that they were being stricken from the roll of nations."

Papers Hail Union

The *Austin Democrat* commented: "Texas is the secure enjoyment of all that the patriot could wish—her destiny is united to that of the mightiest people on earth. Her watchword must be 'union,' and her progress will be 'onward.'"

The *Washington Union* said: "We agree with the incorporation of Texas into our union as one of the most remarkable events of the age. It was accomplished by no violence of the sword; no effusion of blood; no corruption of the people, and by no constraint upon their intentions; but in the best spirit of the age, according to the present principles of free government, by the free consent of the two republics."

In Gov. Henderson's inaugural address he congratulated the people upon the consummation of annexation, expressed a desire for a spirit of harmony and forbearance, regretted the power and patronage lodged by law with the chief executive of the state, but promised to act cautiously and impartially in his duties and only for the public good, pledged himself to place the judiciary on the best possible footing and said that he expected to use the veto power sparingly. In closing he said:

Pleads for Harmony

"We have this day fully entered the Union of the North American States. Let us give our friends, who so boldly and nobly advocated our cause, and the friends of American liberty, no reason to regret their efforts in our behalf. The future prosperity of our sister states will be our prosperity—their happiness—their quarrels will be our quarrels and in their wars we will fully participate."

For his secretary of state, Gov. Henderson selected Gov. D. D. Davis. James B. Shaw was comptroller. Thomas William Ward was land commissioner and William G. Cooke was adjutant general.

"It was gratifying," said Lubbock, "to note the prominence of these old Texans in the new state of government."

The governor, in his message to the legislature, called attention to the public debt and the necessity of paying it, to the disposition of the public domain, to the unorganized condition of the militia and to the necessity of economy in administration.

Fundamentally that inauguration and all succeeding ones were the same. Yet, how remarkably different in display and trappings the inauguration of Texas' last governor.

Preceded by a fanfare and countless flags flying and amid a motor cavalcade Governor O'Daniel arrived in Austin to discover the entire city decorated in honor of the occasion and impressive plans ready for his inaugural at the University of Texas Memorial Stadium.

Governor O'Daniel faced 60,000 people who were jammed into the huge bowl and told them that his first effort as governor would be dedicated to the payment of old age pensions "to relieve distress and misery of the people." When he reached that goal, he declared, he would then turn his attention to a program for the industrial development of the state.

Brought into office by his repeated and impassioned plea against professional politics, O'Daniel told his great audience that he came to the state's service "untarnished politically, and I hope by the grace of God free from the taint of corruption." In the now famous and immortal words of Governor James Stephen Hogg he invited the cooperation of lawmakers and pledged his

Texas is World's Mohair Capital

By CHARLES E. SIMONS

Texas is the "mohair capital of the world." The mohair production in Texas is confined to the rugged ranges of the Edwards Plateau. Here in this rough country range some 3,000,000 Angora goats with an average production of between 12,000,000 and 13,000,000 pounds annually. In the hills along the San Saba, Guadalupe, the Conchos, the Colorado and other river valleys is concentrated four-fifths of the mohair production of the United States. It also is carried on the breeding of purebred Angoras, the type of animal that produces the highest grade of mohair.

This portion of the United States is one of the few areas ideally suited in climate and vegetation for the production of mohair on a profitable basis. There is a certain quality in the vegetation that imparts a distinctive fineness to the mohair, and, in turn, makes it valuable. A premium is paid for kid mohair because it finds many valuable uses in fabricating women's apparel.

In years when prices are good, ranchers realize substantial profits on their investment in Angora goats. The goats require little attention on the part of the ranchman. For the most part they are turned loose to graze at will on enclosed pastures that contain thousands of acres each. The goat thrives where other animals scarcely could exist. It is only after clipping that the Angora requires close herding. If it rains or snows on the range, the goats are herded into immense sheds at the first sign of bad weather.

One of the unusual eating habits of the Angora goat is that it devours the dry foliage of the heights they often reach in seeking some choice tidbit of greenery. It is little short of amazing and the lower portions of the trees in the goat belt have the appearance of being trimmed with a hatchet, so completely have they been denuded.

The number of Angora goats in Texas has increased about 100 per cent in the past 15 years. The fall clip approximates 7,000,000 pounds. The spring clip, usually about February and March, permits, totals about 5,500,000 pounds. Mohair has found a variety of uses, although it is utilized chiefly in automobile and furniture upholstery and clothing. Clothing with a high percentage of mohair has a hard finish and is usually "wears like iron." Its efficiency in holding a press is far in excess of any other cloth.

Bob Bennett, Kerville feature writer and photographer, prepared a concise history of the Texas Angora goat for the Texas World's Fair Commission.

"Angoras are not the common, jack-yard or tin-can variety of goats," states Mr. Bennett.

"Indeed not! They are the aristocrats of the goat family with a lineage extending back to the 'ashmere' of Biblical record. Before services 'in a common work for the good of a proud and condescending people in the advancement of a great state.'"

Where the first governor's voice had been heard only by those actually present, Texas' last governor's voice was heard over the nation and even in foreign countries by means of a national radio hookup. The day was a holiday for school children all over Texas and nearly 10,000 of them took part in the day's activities. Forty college and high school bands paraded in Austin. Two hundred university and high school students took part in the pageant, "The American Way of Life."

The night was filled with dancing and music. Dancing in the Austin ballrooms and the Austin streets. Gaudy fireworks filled the sky with brilliant spurts and splashes of color. There were hundreds upon thousands of lights blazing all over the city. The governor looked in on all dances being held in his honor.

In his first address to the legislature, O'Daniel proposed the highest tax levy in Texas' history—a 1.6 per cent transaction tax.

The revenues from this tax, he said, would be used to bring the income of each aged person to \$30 a month. The ad valorem tax would be abolished, since the transactions impost would bring sufficient income for all the state's needs.

Other Estimates Larger

The transactions tax and the abolition of the ad valorem tax, he recommended, should be considered in a single constitutional amendment.

O'Daniel estimated the transactions tax would bring \$45,000,000 a year to the state, but other estimates were that it would bring several hundred millions.

Yet did O'Daniel plead for economy and insist that he would not approve the expense account of any state employee who paid more than 35 cents for a meal. A storm of controversy arose over O'Daniel's appointees to high state offices—particularly that of Elster M. Haile as tax commissioner, and Joe Kunschick as labor commissioner. Meanwhile the tempest caused by his tax plan continued raging.

The first governor of Texas saw a shining destiny for the state in its joining with the Northern Union.

The latest governor of Texas seeks to "relieve the distress and misery of the people" by paying old age pensions; to further the progress of Texas through industrialization.

TEXAS NEEDS TO IMPROVE STAPLE

Due to the demand for uniformity of length, strength and fiber of cotton by world markets, Texas has a program for cotton improvement which will take these factors into consideration which are considered as important as staple length. A number of factors enter into the determination of these qualities,

fore shearing, the soft lustrous fleece envelopes the body and legs in close, matted ringlets. Often these wool-like fibres are seven or eight inches in length. An extraordinary fleece may weigh 12 pounds, but the Texas goats average about four and one-half pounds of mohair a year.

"There is a vagueness in tracing the ancestry of Angora goats. Some authorities claim that Chaldean archaeology is evidence that images of goats were made 7,000 years ago, but probably not those of Angoras. Biblical references indicate that the Hebrews 3,000 and 4,000 years ago had only goats of coarse hair. Homer also mentioned goats, but specified no particular type. Certain it is, however, that the forerunners of the Texas Angora goats came from Asia Minor. It was the generosity of the Sultan of Turkey in presenting, in 1849, seven choice Angora goats to Dr. James B. Davis, United States ambassador to Turkey, that paved the way for the present-day industry. The history of these seven goats is indelibly woven into the history of the Angora goat industry in Texas and also in California. William Landrum introduced the industry in both states. He began near Uvalde, Texas, in 1853.

"In 1849, when Dr. Davis was presented with the seven goats by the Sultan, the animals were sent to the United States, the first to be imported into this country. Two kids were born on route. The goats were bred by Dr. Davis until 1857 when they were bought by Richard Peters of Atlanta, Ga. In the meantime, William M. Landrum, a native Georgian and a friend of Peters, caught the gold rush fever and emigrated to California. Sensing the opportunity of a new industry on the Pacific coast, he returned to Georgia in 1860, and purchased two Angora bucks from Peters, paying \$1,000 each for the animals. After experimenting with Angoras in California for about two decades, when he met with success, Landrum in 1883, moved to Texas, bringing his entire flock of purebred Angoras. He located on the Nueces river, 12 miles northwest of Uvalde, and there the present-day goat and mohair industry in Texas had its beginning.

"Some 50 years ago, the Sultan of Turkey became angered when American and South American breeders began to figure in the world mohair market, and he issued a decree preventing further exportation of Angora goats from Turkey. South Africa in later years decided it would be better for that nation to keep its Angoras, and an embargo on exportation was ordered in 1903. It was not raised until 20 years later. Two years after South Africa again permitted exportation, United States breeders obtained a shipment of 117 Angoras. They were assembled from the flocks of leading Cape Colony breeders and finally reached their destination at Camp Wood, Texas, where they were sold at auction for an average of \$292.60. At intervals since that time, breeding stock has been exchanged between Texans and South Africans."

The Texas mohair industry is one of the few agricultural industries in the South protected by a high tariff, 34 cents per pound. The chief competition in unprotected markets comes from Turkey and South Africa.

The average Angora will yield 4.5 pounds of mohair. One of the peculiarities of the goat business is that a goat consumes approximately that same amount of salt.

Shearing is done by nomadic shearers, mostly Mexicans. The shearers are experts in their line and handle the large, power-operated clipping shears with as much dexterity as the barber uses his clippers. The shearers average between 130 and 140 animals a day, for which they are paid from three to five cents each. Work is on the piece basis, and the shearer collects a "token" after each operation. He is paid at the end of the week in accordance with the number of tokens he earns. Some shearers, however, wind up the week with few or no tokens, having lost them in the favorite Mexican game of "palo." The shearers lead a rough and picturesque life. They usually sleep in the open or in their trucks and carry their own special cook with them. Their fare is plain, but the quantities are copious.

Shearing a goat is an unusual operation to witness. The shearer grabs the animal by the long hair and throws him roughly on the floor. One hind leg is hooked firmly under the shearer's knee while the belly of the goat is clipped. Then the insides of the legs are clipped, after which the animal's four feet are bound in a quick twist with a leather thong or rope. The animal is pinned forcibly to the floor by having the shearer's knee thrust hard in its stomach or by a foot planted with no attempt at gentleness on its neck. The older goats appear not to mind the operation, but the younger goats are inclined to be skittish. Even the old goats, however, squirm when the shearer starts down their noses and the clippers remove the chin whiskers.

One of Texas' most substantial fortunes has been erected on mohair. It was one of the chief sources of income for one of the Lone Star state's most noted pioneers, Captain Charles Schreiner. This French immigrant boy trudged into the hills around Kerrville with a pack on his back and started on his way to fame and fortune with \$5 in capital. First he was a merchant, then a banker. With the rise of the cattle industry he entered ranching on a large scale. When mohair development was started he was in on the ground floor. At one time he owned about 500,000 acres of land in Kerr and adjoining counties. When he died a few years ago, he was one of the state's wealthiest and most honored citizens. He left for his beneficent philanthropies.

DALLAS EXPECTS BUSINESS UPLIFT

Dallas industrialists expect a general business improvement for this section as a result of repeal of the federal embargo on foreign war materials last fall, but they doubt that much goods will be sent directly from this city to countries in the war zone, a cross-section check indicated.

"Anything that stimulates business in other sections of the country will help us here," A. H. Bailey, president of the Higginbotham-Bailey-Logan company, said.

"But much of that depends on how much the warring countries will wish to buy. It also depends on the kind of war they intend to wage. If there is a long and big battle, they would need more materials than they would if it is to be a blockade and wearing down process."

Textiles Doing Better

Belief that there may be calls from Europe for Dallas-manufactured cotton sacks for sandbags, and orders for food supplies expressed by E. S. Cunningham, manager of the Dallas Cotton Mills.

"Textiles should feel the stimulation first," he said. "In fact, they are feeling it a little now, but we'll have to wait a while before we can tell much about it."

The benefit that general business improvement will bring to the trade is the only gain that Dallas foundrymen and machinery makers need expect, Frank E. Austin, chairman of the board of Austin Brothers Bridge company, and vice-president of the Wyatt Metal and Boiler Works, said.

"Steel and other metals are bound to reflect benefits here."

See DALLAS EXPECTS Page 8

Underwriters Life Insurance Co.

Operating Under the Supervision of the Department of Insurance

INCORPORATED UNDER

Trends in Texas Industrial Progress

At the beginning of the century, according to the United States Census, Texas had a population of 3,043,710. Of the total employed in that year, 1900, 62 per cent were engaged in agriculture including forestry, eight per cent in manufacturing and mechanical industries, and the remainder in the broad group of service occupations. Texas was primarily an agricultural state then and the only important commercial groups of agriculture enterprises were cotton and livestock.

Since 1900 the population of Texas has doubled; the proportion of the population classed as urban has risen rapidly, and as reflected in the census data pertaining to occupations the structure of economic life of the state has changed markedly since historic Spindletop in 1901 began to focus attention of both the state and the nation upon a great new resource in a state already famous for its cotton and range livestock.

The growth of the oil industry in Texas in 1901 has been marked by a steady acceleration except for a five-year period of recession from 1906 to 1910. During the World War there occurred an expansion of the Texas oil industry to a considerable magnitude; the period of attainment to vast proportions of the oil industry in the state, however, has come mainly during the past 12 years, and much of this expansion has come since 1929, and much during a period of intense depression for the nation as a whole.

Changing Trend Apparent
By 1930, however, the marked changes in the structure of Texas economic life were readily apparent from the proportional distribution of occupations in the state.

The total employed in 1930 were double the number in 1900. But of these agriculture accounted for only 38.1 per cent—and that in spite of the almost continuous farm expansion in western Texas, in the coastal prairies, the Rio Grande Valley, and the winter garden section, which had been taking place during these three

decades since the turn of the century. The proportion engaged in manufacturing and mechanical pursuits in 1930 was nearly four times the number thus engaged in 1900. In 1930 some 43 per cent of the gainfully employed in Texas were in the various types of service occupations, including domestic and personal, clerical, trade, professional, transportation, and communication.

These changes in the structure of the economic life of Texas are comparable to changes that previously had been occurring in the nation as a whole. For a variety of good reasons New England and the Middle Atlantic states early turned to manufacturing, and thus secured the outstanding advantages associated with the momentum of an early start. The great changes, however, in the national picture have been wrought since 1870, for at that time the nation was dominantly agricultural. As late as 1880 nearly half of the gainfully employed in the United States were engaged in agriculture, forestry and fisheries; but by 1930 this proportion had fallen to 22 per cent. Nearly a third of the nation's gainfully employed in 1930 were in manufacturing and mechanical pursuits, and 46 per cent were accounted for by the entire group of service occupations.

An Industrial Nation
The United States is predominantly an industrial nation; not only has its agriculture been pretty well mechanized, but agriculture has come to be farming or ranching in an industrialized economy.

The reasons for our national predominance are associated with the diversity and extensiveness of our natural resources and their geographic distribution within the various natural regions of the nation. The applications of an advancing technology to the production of an almost endless variety of commodities from the rich and varied resources provide the key for an understanding of the dominant movements in the historical development of the nation.

An understanding of the swiftly

moving scenes in the economic life of Texas or of the Gulf Southwest is the fact of availability of the great variety of rich natural resources of these regions in relation to the larger aspects of national integration; this integration in turn is based essentially upon the inter-dependence of various regions and their industries of the nation as a whole. Briefly, the regional economy of any large portion of the country is an integral and essential part of the regional economics of the nation.

Since 1900 the Texas scene has witnessed an extensive expansion of farming westward and southward within the state. But agriculturally, Texas is mainly a raw materials producing region, comprising a number of very important raw materials producing regions. To a considerable degree agricultural processing industries are expanding in the state, and indications exist which point to a further expansion of the more recently established enterprises, such as canning, dairy products, poultry, produce, cottonseed oil, refining and processing, and even the older processing industries such as meat packing and flour milling. The necessary readjustments in the alignment of agricultural policies already taking place point unmistakably to a widening of the base of Texas agriculture; these adjustments in line with developments of a broader economic nature that are taking place in the national picture will include a further expansion of agricultural processing industries in the state.

Texas has too often been considered from the viewpoint of just what raw materials it has to sell elsewhere—which is the basic feature of a colonial economy, with all the inherent disadvantages of such a system.

The vastness of the potentialities—agricultural, industrial, and otherwise—which a kind nature has bestowed upon Texas will necessarily bring about a change of point of view—that Texas from the broader level of economic development be not considered merely as a gigantic boarding house for

other regions of the nation, but that it be given the quality of recognition it must have if these other regions are themselves to prosper to their best advantage.

Industrial developments must be considered not only as production agencies, but also as creators of active markets. The growth of manufacturing industries using Texas mineral resources in Texas is the central problem in the future industrialization of Texas. As these industries grow, there will necessarily be a growing demand for the products of other industries such as those of agricultural processing and of a wide group of service and population-following industries.

Labor—

CONTINUED FROM PAGE 7

concert, to thwart the interests of the consumer and of the country. It explains why every experiment in enlarged service, whether by a union or by a corporation or by the two together, is received with applause.

All these developments, and

countless others mean that we are slowly—all too slowly—groping our way toward two things. Let us face them:

One. Labor has to become more than labor. The early American artisan both made and sold his product. He saw the whole economic process from beginning to end. Today, the American artisan must be enabled—in every degree possible—to have that same vision. Only then can he have a consciousness of the part he is playing in our national destiny; only then can he play that part with the full force of an informed free man.

Two. Management has to become more than management. It has to follow William F. Batt, head of the great SKF Industries, into realizing that "management has other obligations than to earn dividends for stockholders." Management has an obligation to employees and an obligation to customers. In sum, it has an obligation to "the common welfare of the whole people."

American management is mentally and morally capable of that ideal. It is capable of striving toward the right products and the right prices for the benefit of the consumer and of the country. Then, when it admits labor

to the problems of management, it will not be for the purpose of conspiring with labor to defraud the consumer and the country but for the purpose of making more work, by making more and better products at lower prices. Then will our country become stronger and stronger.

Economic vision for labor, and economic national purpose for management and labor together; those are the terms of a voluntary spontaneous national unity against which the waves of totalitarianism will beat in vain.

For voluntary spontaneous national unity will outmatch any coerced national unity ever devised. It will do so because it comes from the bottom and not from the top, because it will marshal a myriad of minds to its strategy, not just a few. This multitudinous unity can overshadow any one-man unity.

We can have it if we will it. It should be easy for us to will it. It is a unity of unfolding freedom, and we are Americans.

Dallas Expects—

CONTINUED FROM PAGE 7

from increased activity in the big manufacturing states," he said. "But we'll just have to wait and

see to what extent."

Shipping Traffic Jam Seen

Jack B. Dale, president of the Briggs-Weaver Machinery company, said he expects a general business improvement but doubts that it will be felt greatly in Dallas. He is a little fearful, he said, that the rush of war shipments from other sections may make it difficult for Dallas machinery men to obtain deliveries on time in their regular business procedure.

"I expect a general business improvement, but consider Latin-America our best opportunity for foreign trade," Leon S. Leachman, vice-president of the Leachman Garment company, said.

"War stimulation should help the cotton market and thereby help the cotton gin machinery business," R. E. McLenore, manager of the Lummus Cotton Gin company, said.

80-YEAR-OLD LAW RULES OAK CLIFF

The law west of the Trinity for more than 80 years has been a justice of the peace, a constable and his deputies. In modern times Oak Cliff has had two justices of the peace and one constable, who usually has only two deputies. But

in the hard yesteryears when Hord's Ridge was taking a grim hold on the western bank of the Trinity and Oak Cliff was in the making, two-gun constables ruled the section. Working under a rather loose fee system, the constables were allowed small armies of deputies.

Looking back through the fading records of Hord's Ridge, research workers find early entries showing persons charged with playing cards. This was soon after the coming of statehood. The cases were filed in the district court over which the famous jurist, Judge W. B. Ochiltree, presided.

The two justice courts in Oak Cliff are now presided over by Tom King and Joe B. Brown. Dave Bradshaw is constable.

THE LINGUISTIC

LUBBOCK, Tex. (AP)—To learn a foreign language students should live with the foreign language speaking people, says B. F. Dryden, assistant in the foreign language department at Texas Tech. He learned French in the French section of Louisiana; German from the Germans of Cincinnati. He often visits the Mexican section of Lubbock to improve his Spanish.

Flax Proves Excellent Winter Crop, Great Possibilities Seen

By BOOTH MOONEY
From Texas Weekly

An important agricultural experiment in the Gulf coast region of Texas is now in its final stages. If this concluding phase of the experiment is successful, as it seems wholly probable, farmers in a score of South Texas counties will have taken at least one step toward adjusting themselves to the sweeping changes made inevitable in the state's farm economy by the loss of foreign markets for cotton and the continuing policy of restriction of cotton acreage. This does not mean, of course, that something has been found "to take the place of cotton" in Texas, for that is much more easily said than done. It does mean, however, that Texas is not neglecting to take advantage of its potentialities for the production of crops which are new to the state.

What is happening in the Gulf coast region is that farmers are trying their hand at raising flax. If this year's crop is a success, flax culture no longer will be on an experimental basis in Texas but will be established firmly as a new agricultural enterprise. And the possibilities of this new enterprise are tremendous.

First Experiments
It was in the fall of 1934 that the Texas Agricultural Experiment Station made its first experimental plantings of flax as a winter-seeded crop. The station previously had tested flax as a spring-sown crop without notable success. Station agronomists were particularly interested in the possibilities of flax as a winter crop, because they had reached the conclusion some years before 1934 that the Gulf coast region, in order to achieve its maximum potentialities, must develop more and more into a winter farming region, taking advantage of the abundant rainfall and the relative freedom from insects and weed which accompany the section's mild winters. Those first experimental plantings were made at Belleville, Angleton and Beaumont substations. Most of the plantings were killed by sudden and severe freezes, but such portions as were uninjured made phenomenal yields. Flax was planted again at the three stations the following year and additional plantings were made on farms throughout the area. Experimental plantings under irrigation were made in the Winter Garden region around Crystal City. Considerable interest in flax began to be manifested throughout South Texas, both because flax in bloom is a very conspicuous and beautiful crop, immediately attracting the attention of those who see it, and because South Texas farmers were seeking some cash crop to supplement their reduced incomes from cotton.

Commercial Enterprise
In September, 1937, three years after the Experiment Station had begun its work with flax, a meeting of county agents, farmers and representatives of various interested industries was held at College Station to discuss the possibilities of a commercial flax enterprise in Texas. It was agreed at this meeting that the prospects were promising, but that under no circumstances should a campaign for flax planting be inaugurated. That is, no one should be urged to plant flax, although farmers who were interested, who had land available and who could afford to take the risks involved, would be given all the information at hand. Seed was distributed to a limited number of such farmers for trial.

The 1938 crop of flax, harvested last spring, was quite satisfactory. Representatives of the Experiment

Station who made a trip last April over "a region reaching roughly from Houston west to Del Rio and the Gulf of Mexico," reported: "Throughout this entire region, regardless of soil types and methods of planting, we found the fall-seeded flax in excellent condition with all the seed crop practically made. Apparently this vast region all lies within a potential winter flax belt. Farmers who are growing the crop this year are very enthusiastic over its possibilities. . . . Most of this crop was saved for seed, although one load of seed was shipped from Crystal City to Freedonia, Kansas, at present the nearest milling point."

Interest High
In view of the success of last winter's crop, it is not surprising that the interest this fall in flax planting was at a new high. It was estimated last April that 25,000 acres in the Gulf coast region would be sown to flax in the fall, and that estimate proved to have been extremely conservative. Several cottonseed oil mills in South Texas have made arrangements to adjust their machinery to process flax. If this year's crop is a success, flax unquestionably will be accepted as a permanent agricultural enterprise by Gulf coast farmers.

Possibilities of the crop are virtually unlimited. If all the land suitable for winter flax culture in South Texas were planted to the crop, there would still be a gap between domestic production and domestic consumption. The annual production of flax in the United States has declined rapidly in recent years. The crop consistently has been produced on "pioneer" land in this country, and the progressive reduction in the amount of suitable new land in the progressive reduction in the amount of suitable new land in the United States produces only about half as much flax as it consumes.

South Texas has certain definite advantages for the production of flax. For one thing, acre yields in the producing areas of the North, where flax is sown in the spring, have consistently declined until six bushels per acre is considered a fair yield. Not only is the average per-acre yield in the Gulf coast area considerably higher than this, but also it has been found that flax does well on old ground in that area. Moreover, since flax is a winter crop in Texas, being harvested early in May, another crop can be produced on the same ground. Summer feed or green manure crops can often be produced after the flax crop is removed. And the quality of South Texas flaxseed, based on both the oil content and drying properties of the oil, is fully up to standard if not actually above standard, according to findings of the United States Department of Agriculture.

Uses Numerous
Uses of flax are many. Flaxseed is the source of linseed oil, which is used in the manufacture of paints and varnishes, linoleum, oilcloth, printer's ink, patent leather, and various other products. Incidentally, the Texas Experiment Station's investigation of the possibilities of flax production in the Gulf coast region was undertaken at the request of H. J. Kuhn of Houston, who heads a paint and varnish concern. Mr. Kuhn was interested in attempting to establish in Texas sources of raw materials used in the paint and varnish industries.

A valuable by-product of the linseed oil industry is the residue left after oil is extracted from the seed. This is known as linseed

cake or, when ground, linseed meal, and it is a nutritious feed for livestock, especially for growing animals and dairy cattle. This linseed cake is highly concentrated and is noted for its "conditioning" effect, even when it is fed in small quantities.

The flax plant is also the source of a valuable fiber product, which is used principally, though not exclusively, in the manufacture of linen. At the meeting in College Station in September of last year, referred to above, a representative of a New York paper company stated that his firm, manufacturers of cigarette paper, was attempting to locate two more mills in the center of flax producing areas in order to utilize the fiber. He said that a minimum of 6,000 tons production would be needed to justify location of a plant, with the flax straw bringing about \$8 per ton. That is something for Gulf coast farmers to keep in mind as they give their attention to this winter's flax crop.

Markets
As for markets for flaxseed, it has been mentioned that a carload of the 1938 Texas crop was shipped to Kansas for milling. But there are about 60 cottonseed oil mills in South Texas, and with a few alterations in present machinery they could crush the seed and extract the oil. Indications are that they will do exactly this. Cottonseed oil mills, like other divisions of the cotton industry, have been hard hit by the curtailment program of the last several years, and it is to be expected that their operators will welcome any chance to make up even partially for the business they have lost.

This winter's flax crop is of utmost importance to South Texas. If it fulfills the promise of earlier plantings, intense future development of the flax growing industry is assured. There is a certain market for all the flax the Gulf coast region can produce, and the Texas crop matures at a time when domestic flax prices are usually near their peak. Flax production is likely to turn out to be a valuable addition to Texas agriculture.

COTTON INCOME IS ON DECLINE

Gross income from cotton production is measured by the volume times price per pound. Cotton is a world commodity in the sense that world supplies and world demand determine price levels for all those countries on an export basis. The United States is on an export basis for all but a small per cent of its best staples. The income from cotton production in this country then depends primarily on its percentage of total world production and the quality of the crop.

The income from cotton production in the United States has declined drastically since 1929 because of an actual loss in production and a still greater loss in percentage of world production, a drastic decline in prices, and a decline in the quality of production, particularly in relation to competing foreign crops.

During the five years ending July, 1929, the United States produced an average of 15,028,000 bales of 478 pounds net, and this averaged 58.8 per cent of world production. During the five years ending July, 1933, the United States produced an average of 12,780,000 bales which was only 44.3 per cent of world production. The average dollar price of New Orleans spot cotton during the five years ending July, 1933, will have averaged about .4 per cent less than the price for the five years ending July, 1929, and the gold price shows an average price decline of over 60 per cent from the former to the latter period.

We Welcome A New Forest Industry

We congratulate Ernest Kurth, Arthur Temple and their associates on pioneering a new forest industry in East Texas. The opening of the Southland Paper Mills in Lufkin marks a definite milestone in the industrial progress of Texas. This new industry provides a new and definite reason for conserving our forest resources.

Knowing the men behind this enterprise, we know they are building for the future. We know this industry will replace and reforest as it goes along. With selective cutting and with timber grown as a crop in East Texas, our forests will grow and produce for years to come.

We look forward to a great future for the paper industry. It promises to stand as one of the industrial foundations of a greater East Texas. We are vitally concerned in the conservation of our East Texas forest resources. We commend to all Texas citizens the value of this new industry and the value of our forest resources.



Ernest Lynn Kurth

Southwestern Settlement and Development Corporation

H. M. RICHTER, President

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