

## SHORTSIGHTED LABOR LEADERS ARE RETARDING EMPLOYMENT SITUATION

**Giving Textile Industry as Case History Roger W. Babson Says It Is Easy to Find Situations Where Labor Leaders Have Overshot The Mark And Have Pushed Employers to the Wall, Thus "Killing The Goose That Laid Golden Egg."**

Babson Park, Mass. Oct. 10.—Labor leaders, many of whom are now assembled at Atlantic City for the annual convention of the A. F. of L., are in a more strategic position today than ever before in history. Congress gave them tremendous powers in the Wagner Labor Act, but unfortunately did not impose upon them equally grave responsibilities. I feel very strongly that this was a vital mistake and that it will lead to great trouble between employers and workers. In the long run it will react to the detriment of labor.

### Labor Leaders Shortsighted

I have always been in sympathy with the aims of labor unions—to improve working conditions, to shorten hours, and to distribute more evenly the profits of American industry. I feel, however, that the unions have often been misguided by selfish leaders just as businesses have been operated by inefficient and dishonest employers. It is difficult to say indefinitely which of these two evils has done the most harm to American business in the last fifty years. It is easy, however, to find situations where the labor leaders have overshot the mark and have pushed employers to the wall, thus "killing the goose that laid the golden egg."

Take the industrial history of New England over the last fifty years as an example. Around the turn of the century New England led the world in the manufacture of fine textiles and shoes. At that time the labor movement was just getting under way. The campaign had tremendous power for a "New Deal" in working conditions was certainly overdue. Great victories were won. Hours were shortened; social welfare legislation was pushed through; wage rates were boosted; and other rights were recognized. The movement, however, went too far, too fast.

**Textile Industry A Case History**  
All these concessions—higher wages, shorter hours, social legislation (through increased taxes)—inevitably boost the cost of production. In fact, production costs jumped so sharply between 1900 and 1935 that not even Yankee ingenuity could pre-

vent the loss of New England's business to non-union states. A drive through New England today will convince doubtful readers of the hollow victory won by labor. In town after town "For Rent" and "For Sale" signs are plastered all over once prosperous cotton mills. Just now there is a little spurt in textile activity, but within the last year alone several of the oldest mills in New England have shut their doors forever. Some have liquidated; others have moved part and parcel to sections where unions do not have a stranglehold on industry.

The NRA, through its minimum wage provisions, temporarily checked the drift of industry to non-union sections; but since the death of the Blue Eagle the migration has started anew. Of course, the supply of labor is also a factor in pulling industry into new territories. Although unfortunately from a social standpoint, nevertheless, labor is a commodity. Its price (wages) is ruled by the Law of Supply and Demand just as is the price of cotton and leather. Eventually, the increase in demand for workers, plus the growing strength of labor groups in non-union districts, will undermine industry in other sections just as it has in New England.

The migration of American industry to non-union districts is also due to two other factors: (1) the slow movement of the center of population and other "economic" centers westward, carrying with them a larger share of the consumer market; and (2) the growing importance of the automobile trade. The latter industry, of no importance twenty years ago, is now one of the leading industrial activities of the nation. It has become the principal customer of steel, glass, rubber and other industries. Eventually, Alabama—due to many reasons—may lead the United States from the standpoint of industrial output. But this is a long way off. Before it happens the question of labor efficiency will locate industries.

### History Repeats Itself

The above table does not tell a complete story. It does not include such activities as lumbering, petroleum extraction, and cotton handling, which are very important to certain sections. The table does, however, show that since 1914 the Pacific Coast has made rapid progress. Reasons for her industrial gains are great natural resources, wonderful climate, and extension of transportation facil-

ties. The Panama Canal affords cheap shipping facilities to the markets of the East, thus effectively erasing the mountain barrier. The Pacific States, whose population is the most rapidly growing in the country, have a wonderful industrial future. The farming sections of the country will probably remain primarily agricultural, as they should.

There is a real lesson in this shift of American industry to non-union sections. Every time that the people of those communities congratulate themselves on the steady growth of their industries, they should recall this lesson. Let them remember what happened when selfish labor leaders and shortsighted politicians got the upper hand in New England. Wise labor leaders, as they wield the tremendous powers granted them through the Wagner Act, will profit from New England's misfortunes. They can use their powers wisely for their own honor, for labor's benefit, and for the nation's good; or they can use their powers selfishly to the detriment of all.

Business, as estimated by the Babsonchart, thought 22 per cent below normal is 15 per cent above a year ago.

## Martin Features New Fall Frocks

Women seeking stylish Autumn clothing at reasonable prices are finding same at the Thrift Sale now being featured by E. D. Martin and Company on Front Street. He has dozens of styles for wise women to select from and many people are learning that in his establishment a person can get, during this Thrift Sale, two frocks of high grade material for the same or less than one costs in some of the other stores.

But frocks are not all that Mr. and Mrs. Martin feature in their firm. They have a complete new line of millinery, recently purchased in New York City, and more and more women are saying as they display their new hat that "It came from Martin's." In addition to hats and frocks Mr. and Mrs. Martin are showing the newest styles in footwear, Autumn suits, silken underthings, blankets, sheetings and many other interesting and low priced bargains of high quality. The wise women will take a look-in at Martin's Thrift sale now in progress at their store on Front Street.

## A HUGE BANKING SYSTEM

The latest official figures covering all banks in the United States show that there are 16,042 licensed banking institutions of every kind and that over 63,000,000 persons have entrusted them with their deposits to the amount of \$44,800,000,000.

Mecklenburg farmers say that except for the difficulty of keeping the walls of their trench silos smooth, the silos are functioning nicely with little spoilage of the ensilage.

## PUBLIC CONFIDENCE CONTINUES TO GAIN

**Bankers Report Nation-Wide Improvement in Attitude Toward Banks—Educational Campaigns Play a Part**

NEW YORK.—Ninety-six per cent of over 300 reporting clearinghouses throughout the United States find concrete evidence of favorable turns in public opinion regarding banks, it is shown in the results of a survey made by "Banking," the monthly publication of the American Bankers Association. City and country districts in every state are represented, it is pointed out.

"The outstanding conclusion is that there has been a genuine nation-wide improvement the last few months in the attitude of the public toward its banking institutions," the publication says. Statistical evidence on which the bankers base their conclusions which warrant this statement is as follows:

### The Evidence

"How do bankers know there has been an improvement in the public attitude? They have certain statistical evidence. They have seen their deposits increase substantially in nearly all the cases reported, and tremendously in some cases. Many letters tell of increases of 100 to 300 per cent from the low point of the panic.

"For another thing, they know that fewer people are using safe deposit boxes as a repository for their savings, and that, in many instances at least, postal savings are declining.

"However, many express the view that they could throw out the statistical evidence and still realize that the public is in a better mood where the banks are concerned than before. The best evidence offered on this point, numerous bankers say, is to be found in the acceptance by the public of the newly instituted service charges and the reduced deposit interest rates."

### A Summary of the Returns

The statement presents the following summary of the survey:

"We find on breaking up the general classifications of replies to the poll that the 65 per cent of those answering with an unqualified 'yes' represent only a partial measure of the optimistic feeling. Adding the favorable replies included in other groups, (i. e. 'yes' with qualifications, 'no change,' and 'mixed') we find that the vote shows a definitely healthy situation in 84 per cent of the localities reporting; at least some signs of improvement in another 12 per cent; a continuance of unfavorable conditions in 2 per cent, and a change for the worse in another 2 per cent. It is not too much to say that this is substantially 96 per cent favorable."

**Reasons for Changed Public Opinion**  
As to reasons for the changes in public opinion regarding banks reported by the clearinghouses "more than one organization has a word to say about the American Bankers Association advertising and educational material," the magazine says.

It mentions in addition the benefit of the Federal Deposit Insurance Corporation in the emergency, improvement

in the general business situation, the weeding out of weak banks and the banking moratorium.

## BANKERS SUPPORT ACTIVE AGRICULTURAL COMMISSION

The Agricultural Commission of the American Bankers Association is promoting widely among bankers the practice of aiding their farm customers in installing on their farms better financial, accounting and operating methods. It also cooperates in the endeavors of the state bankers' associations along similar lines.

The commission has published a book on "Making Farm Investments Safe," presenting a compendium of helpful material published over a period of years as a reference guide in the daily routine of banking and farming relationships. It has also published "Factors Affecting Farm Credit," discussing in an illustrative way how farm credit can be obtained on a sound basis.

Another publication is the monthly Bulletin of the commission which circulates to about 10,000 persons, among them the county agents throughout the United States, who make frequent use of the material and suggestions prepared by the commission. Likewise, the commission has appointed 2,300 key bankers covering every county in the United States, who act as focal points in their districts in fostering better understanding between bankers and farmers.

R. L. Stowe of Belmont is Gaston County has planted some 20,000 seedlings in a valuable forestry demonstration on his farm. He began planting nine years ago.

Over 70 per cent of Forsyth's tobacco farmers have signed and the new adjustment contracts, and others are signing as they call for their marketing cards.



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## Ford-Powered Boat Wins 225-Inch World's Championship



(Top)—Harold Wilson of Ingersoll and Lorna Reid of Toronto in Miss Canada IV, winner of 1935 225-inch Class races. Wilson also won 1934 races in Miss Canada III. Hulls were designed by John L. Hacker of Saginaw, Mich. (Center)—Ford racing engine showing two carburetors and Bohmaltite cylinder head used in the winner, Miss Canada IV. (Right)—David E. Anderson, Eohn engineer, who converted the Ford V-8 engine for racing purposes raising the horsepower to 140 which is exceptional

LITTLE Miss Canada IV, which won the world's 225-class powerboat championship at Toronto last week, driven by Harold Wilson of Ingersoll, partnered with Lorna Reid of Toronto, was equipped with a Ford V-8 engine adapted by Eohn engineers for marine racing purposes. This sensational boat accumulated enough points with clear wins in the first two heats of the race to practically clinch the championship.

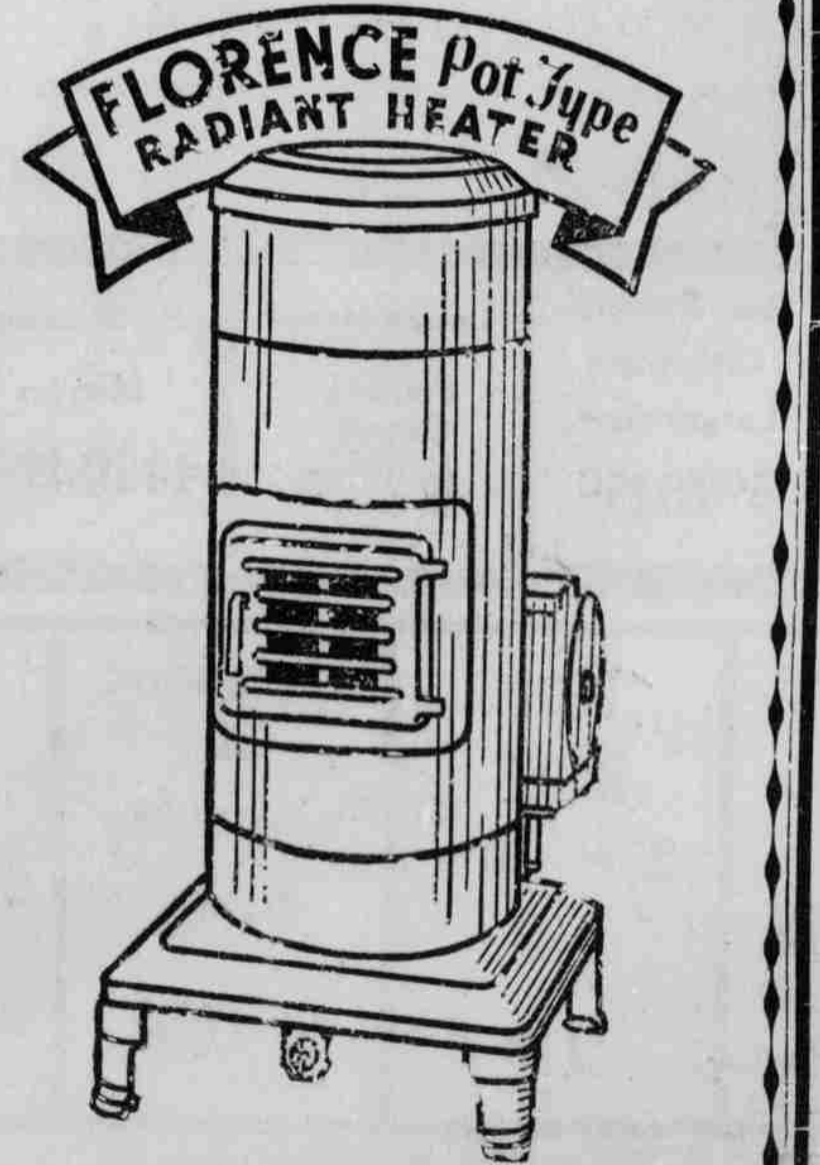
Driving conservatively in the final heat, Wilson clung to the stern of Dr. C. H. Bagley's Witmer III to place easily ahead of Hopalong Ruby in the fastest time ever recorded in any heat over the exhibition course. Little Miss Canada IV averaged nearly 45 miles an hour for the 10-mile course.

David E. Anderson, Chief Engineer of the Bohm Aluminum and Brass Corporation, under whose direction the Ford V-8 engine was prepared for the race, states, "this race is a real test of speed and stamina. The first two heats were

particularly were in exceptionally rough water. Infallibility of the engine was paramount in winning the race. It was a clear demonstration of the value of the V-8 principle for high-speed, heavy-duty work.

"In adapting this engine to the purpose we did not have to make many radical departures from standard Ford practice. The compression was raised and the timing altered. The special Bohmaltite cylinder head was identical with the standard type except for the form of the combustion chamber required with the higher compression. The Bohm auto-thermic aluminum pistons were employed. As a result of these changes the engine developed 140 horsepower, which is exceptional output for 221 cubic inches.

"This boat race was one of the most sensational ever held in connection with this event and motor boat experts are acclaiming the unflinching performance of the engine and skillful driving by Wilson as being responsible for winning this championship."



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