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LABOR
—AND—
THE HIGH COST OF LIVING



AN ADDRESS

by

GOVERNOR JNO. J. CORNWELL

to the Teachers of
WETZEL COUNTY

at

NEW MARTINSVILLE, W. VA.

AUGUST 28th, 1919



TRIBUNE PRINTING CO., CHARLESTON, W. VA.

LADIES AND GENTLEMEN:

While the Great War was raging we were prone to think that once it came to an end, either through an Armistice or a formal peace treaty, all would be well; that we would be prosperous and content; that everything would go along again in the same old groove as before.

We realize now that those who thought that were mistaken. Everybody, even the most obtuse-minded, begin to realize that we are not going back to "the days before the War" in a great many things and that we ought not go back to all the methods and practices that were in vogue then.

But we are all beginning to understand, if we did not so understand before, that our problems were not all solved and that our troubles were not all at an end when the War ended. It is perfectly apparent now to everybody and was apparent to those who could see into the future, all the while, that the end of the War brought a new set of problems, domestic and international, and it is going to take patience, sanity and patriotism to solve those problems, almost in equal amounts that it took to win the War.

While the War was going on there was a unity of Spirit and of effort in the country that we had not seen before. Every man or woman who had a spark of patriotism, was earnest in his or her effort to do something to help the men who were over seas. Every person who was not a downright traitor was busy saving or helping to finance the war, through the purchase of bonds or of thrift stamps or was working, in home, in factory, in mine or on the farm, that production might be increased. They were likewise economizing that there might be plenty of the necessaries of life for our soldiers, for our allies, and for the people of friendly nations over seas, who were helping to win our fight.

Unfortunately the situation is very different to-day. The Armistice had hardly been signed when there was a letting down all over the country. There was a tendency everywhere for people to feel, well, "I did my best during the War. I worked very hard and now I am entitled to take things a little easy." Or, they felt, well, "I saved during the War and did my part, now I don't have to save any longer. I am going to spend my money and have a good time."

What were the consequences? Thousands of people sold their Liberty Bonds to buy automobiles, to buy fine clothes, to buy

jewelry. I have personal knowledge of at least one lady teacher in West Virginia who sold \$500 worth of Liberty bonds purchased during the War and put the money into a diamond ring. And she is just about to marry a young farmer, too, of very moderate means. That is an illustration of what went on all over the country and is still going on. There never was such an orgy of buying and spending in the world. That is not only true in this country but also in England and perhaps in other countries in Europe where wages paid workers during the War were two, three, or four times higher than they had ever gotten before.

When one gets in the habit of buying liberally and largely it is hard to give it up. Handling large amounts of money, actually, or comparatively, is calculated to cause one to lose consideration for its value.

What are we up against today?

Extremely high prices, social unrest, discontent, strikes, threats and in many cities and communities a virtual condition of anarchy or lawlessness.

During the War every factory that could be utilized for war work, to make munitions or anything else needed in the prosecution of War, was so used. The result was that the stock of all kinds of manufactured goods was greatly depleted. The Government shipped hundreds of millions of dollars worth of supplies abroad to our men which was consumed in the maw of the War or has been sold, since, to European countries which are in desperate need of those things. Hundreds of millions of dollars worth of food has gone the same way and to the same place, making a food shortage in this country, while production, notwithstanding the Herculean efforts of the farmers, did not keep pace, in its increase, with the increased demand, even at home.

Coupled with this shortage of food and other necessities of human life has been the effort of most dealers to increase their profits. The Government controlled prices during the War and as soon as that ban was lifted there was a rush on the part of those who had something to sell to make as much as possible out of it to make up for lost time. That there has been "profiteering", much of it, there can be no doubt. That there is much of it yet, I have reason to believe, but that the general increase in prices is not all due to profiteering is also true. If a merchant lives in a rented house he has had his rent raised on him, for the owner finds his taxes higher, he finds labor and material for repairs two or three hundred per cent higher than before the War and to get even he puts up the rent.

Caught in the vortex of the times he is perhaps not satisfied with getting even but wants to make a profit on the rise of things. So, the merchant finds his rent higher. He is paying his employees perhaps double what he paid them before the War. If he has a delivery truck he is paying much more for tires, gasoline, and repairs and so to break even he must increase his per cent of profit on his goods, which have cost him more by a great deal.

So, this cycle has shoved up the cost to the consumer of every commodity, even shoved it up legitimately where extra profits have been or are being added. But the dealer is looking out for the profit, don't ever forget that.

Now, where there is hoarding and profiteering it can be reached. If the Federal Government can't we have got to do it in the States no matter what additional Legislation may be necessary. I am getting the wholesale and the retail prices of every food commodity from every wholesale and retail store in every city and incorporated town in the State, getting it through the assistance of the Mayors of the municipalities and their police force just as I got a list of the professional loafers, at the beginning of the War. More than half of these reports are in. It is a big job. It is even a bigger job to examine and compare them, to check up and to figure where there are excessive profits and unwarranted high prices. I have been told all kind of stories as to the difference in prices in towns only a few miles apart. These will be either verified or refuted. The public will have the facts in a very short time. I have agreed to place my data in the hands of the Federal authorities, wherever there is evidence of wrongdoing. Anything that can be done by the State to correct existing evils will be done, no matter where it strikes.

But, there are some fundamental things that we must not lose sight of in our War on high prices, in our assault on the High Cost of Living. We are in danger of losing sight of them. Statesmen and Newspapers are strangely silent on the subject. These fundamentals should be recalled and discussed. They should be brought before the people in order that we may all understand that in times like these, laws, investigations, and prosecutions are not cure alls. There are certain natural laws that have to be considered and met and all the Statutes in the World will not change or set aside one of Nature's Laws.

This is an era of High Prices and for the present we absolutely can not get away from them. It is a serious question whether the people want to get away from them.

The Important question to consider at all times is: Are wages and prices on a parity? Are all commodities, all necessaries of life on a parity? Or, is somebody or some company keeping wages below par or forming combinations or conspiracies to put prices of certain commodities above par?

If any such thing exists it can be corrected through Governmental agencies and is a legitimate subject of investigation and of laws and prosecutions for the violation of them.

How many of you recall the low-priced period of the early nineties? How many of you want to go back to that period and the prices that were in existence for a number of years prior thereto?

As a boy and a young man on the farm, a small and rough and a steep farm, at that, I toiled in the bark woods in the spring of the year or in a saw mill or followed a threshing machine in summer at from seventy-five cents to one dollar a day, top wages at that time, to get a little cash money to buy "store clothes", for there was but little cash to be seen in the rural districts. We sold fine corn-fed pork, dressed hogs, for six cents per pound. We sold spring lambs at four and five cents. We sold fat cattle at the same price. We sold wool at from 15 to 18 cents per pound and on foot I carried eggs, barefoot, at that, to a country store, selling them at 10 and 12 cents per dozen, as well as butter which I churned with my own hands at the same price. Every other farmer boy in the country was doing the same thing. My father was unable, with these prices to pay off the debt which hung over that little farm for a score of years.

All over this country the farmers were sweating and striving and toiling under that burden of low prices. They could not produce and sell enough to pay the interest on their debts and pay the taxes on their farms. I recall, with a very painful recollection, how the Sheriff made more than one annual visit to our humble home to get the taxes. What cash was in the home was given him and then the balance was to be paid as soon as some live-stock were sold. Those were humiliating, those were terrible days. No wonder farmer boys left the farms as fast as they could get away.

In the far West the corn the farmer produced was burned for fuel. It was cheaper than coal or even wood.

But the farmers did not go on a strike. They did not threaten the Government or demand that other people pay for their farms and allow them to work the lands and take the profits.

In their desperation they did diagnose their trouble. They had bought their lands, out there in the West and in the East, too, many

of them, in the days when prices were higher, following the Civil War in its money-inflated period. The prices had shrunk when the Greenbacks of the War days were retired and they, in their suffering, felt they had been swindled by the Government and the financiers. They looked around and discovered that property values were cheap because money was very scarce and very high; they learned that there was but \$15. per capita of money in circulation in the country; that is that if all the money in the country had been equally divided there would be but \$15 for each man, woman and child. They had bought at a time when there was plenty of paper money, legal tender for debts, public and private, and now this paper money had disappeared. The country had gone onto a hard money basis, so values had shrivelled up. So they looked about for a remedy for their distressed condition.

They very properly said it was to have a larger circulating medium, more money. They—and when I say they let me explain that I inculde myself—mistakenly prescribed the remedy as the free and unlimited coinage of silver at the ratio of 16 to 1 and we went to it on that issue. We talked it, we believed it, and we were half right, half wrong.

The sound money people said there was plenty of money in the country. There was, for the fellow who had it, but there was not enough for the one who did not have cash but had property which he was forced to sell at a scandalously low price.

Well, just as we think everything is going to pot and that Nature's plan has gone awry, things always begin to straighten out. The farmers, as I said, kept on working and producing. They did not strike, even if we did stand around and debate the Silver question. You know all the argument and all the sentiment was on the Silver side, though the cold logic and the cash was on the other side.

But what happened, shortly after that election of 1896? First, Congress helped the situation by reducing the minimum capital of National Banks from \$50,000 to \$25,000. There were a great many new National Banks established immediately, which increased the volume of bank notes in circulation many millions of dollars and increased and expanded credit, very materially. And, mind you, that was done by the fellows who said there was plenty of money in the country already.

But Nature had gotten busy. Providence pointed the way of the explorer to the Yukon and the Nome Gold field of Alaska and millions of dollars of the yellow metal bagan coming out of the frozen

fields of that far-off territory, which this country had purchased from Russia for a song.

And some scientist, I am sorry I can not tell you just now who it was, discovered the Cyanide process of extracting gold from the dirt and away off down yonder in South Africa was a great Mountain and a great plateau that were full of gold ore of one grade or another. And through the new process hundreds of millions of dollars of gold began coming from the Rand. The world's production of Gold suddenly jumped up to about half a billion of dollars annually. In a little more than a decade there was produced more new gold than the whole round World had discovered, produced and accumulated in its entire history.

What was the result? Credit expanded; the circulating medium of this country presently increased to about \$35 per capita and prices of property and wages increased accordingly. Nobody undertakes to deny that prices are governed and have been governed always by the volume of credit and of currency, of money and what represents money.

Now, where are we to-day?

There is, in circulation in this country, about \$55 per capita, according to the lowest estimate.

There are several causes for that.

FIRST. Before we got into the War the European Nations were buying here heavily. They first shipped us hundreds of millions of dollars, even billions of their store of gold. Then they later borrowed here and gave this government their bonds, they paying in checks on those loans which were placed to their credit. The seller placed those checks in bank and his bank account got credit. So bank deposits were swollen.

SECOND. They sold the American securities and bonds which they held against us at the outbreak of the War. Then took our goods and commodities for those Five Billion Dollars of bonds of American corporations. The holders of these bonds collected the interest-money and put it to their credit instead of sending it abroad, which meant to further increase America's share of gold and money.

THIRD. The new Federal Banking system had been established and when a customer needed more money than his bank could loan him his bank took that customer's note to the District Reserve Bank, deposited it or rediscounted it and the Reserve Bank issued its notes, money, in exchange for the customer's note. The local

bank passed out that Federal Reserve money and thereby the circulating medium, the money of the country was further greatly increased.

So, the supply of money and what represents money has been tremendously increased. It has gotten cheaper and therefore it takes a lot more money to buy food and clothes and to get a day's work done than it did.

Isn't that plain?

But it has been a mighty fine time for a man who was in debt, who got in debt in the low-price period, to pay off his debt. And it is equally as good time for people of thrift and economy to put aside every dollar they can, to invest it in some safe Government, country, municipal or corporation bond and put it aside, for that bond and the income on it will be worth more than it is to-day when these war-values have shrivelled up, somewhat. But how many are doing that?

A goodly number are even selling what they saved during the War to buy luxuries, diamonds, Victrolas. Why, a furniture man told me the other day that the scarcity and high prices of furniture are due to the fact that three of the biggest furniture factories in the country have been taken over to make Victrolas. People want automatic music worse than they want chairs and tables and furniture.

Now, just one more illustration of how this money or currency business works and I am through with that subject.

If there is an Ex-Confederate soldier present, he can tell you how, when the Southern Confederacy first began to issue money that it went pretty well, but before the war was over it was so plentiful that it took \$2500.00 to buy a pair of boots.

You may not know it, but it is a fact, that the Bolshevists did not win over the soldiers and peasants of Russia by propaganda, that is by argument or promises, although they were long on both, but they started the printing presses and produced what they termed paper money. It was put out in Rubles, exactly like the money that had been in use under the old Government, which was scarce among the poor people, because Russia had only a few Rubles per capita, in currency, but under the old Regime it was real money for it was backed by a gold reserve. The Bolshevik leaders took bales of the crisp new bills, Rubles, handed them out in handfuls to the ignorant peasants and soldiers who thus thought they had been suddenly made rich by these new found friends. Is it any wonder that they all turned Bolshevik? But what are those new Rubles,

made of paper, worth to-day? Suddenly the peasants found everybody had plenty of money but nobody had food or other necessities and what few had would not sell them for all these new Bolshevik Rubles that could be carried. So prices suddenly bounded up and with the Bolshevik Government printing press still going, turning out more Rubles, the currency system, if there ever was one, has simply gone into the junk-pile along with other evidence of civilization and it is now a game of grab and plunder and force and murder.

That is Russia which some gentlemen are holding up to us in this country to-day as a beautiful example of the "New Freedom." What I think of the men who are talking Russianism here in this country and who are urging us to imitate the system I think the most of you already understand. If you don't know you can guess, for it would take too long to tell you. I think about what every other red-blooded American is thinking, what you are thinking. I further think that the time is right here at hand when some of these Russian advocates must either be shut up or sent out of the country. Let them go to Russia.

Then, there are others, who, while they are not openly advocating the Russian system of private plunder they are doing it covertly. Some are even going so far as to advise and advocate it in print. Let me read you a paragraph from a paper published in the Capitol of your State, which has a large circulation and is edited by a man who is not an I. W. W. and not a Bolshevik, but who is an officer of the American Federation of Labor. I do not believe he correctly interprets the sentiment of the intelligent workers and members of the various labor organizations, but he is propagating and advocating a doctrine that is just as dangerous and just as foreign to American ideals, American spirit and American honesty as day is from dark. He thinks he is a good American, but his doctrine is the Russian doctrine or even worse.

Let me quote:

In discussing the high cost of living that paper says:

"The remedy? Just as simple as falling off a log. The workers do not need the man who owns the jobs. He's in the way. Get rid of him. Kick him out—politely, if possible, but kick him out. That's what the railroad brotherhoods have in mind. They think they don't need railroad owners any more. And they don't. We don't need steel mill owners any more. We don't need sugar refiners any more. We don't need meat packers any more. There is a whole raft of plunderers we don't need any more. They are worse than useless—they are a curse, and that's putting it mildly. If they

simply robbed us, that would be bad enough. But that isn't half of it. They turn the railroads into junk—while they make millions. They embalm the meats—while they make millions. They adulterate our food—for profit. They pack and buy legislatures and public officials—for profit. And they do a million other diabolical things—for profit.

ORGANIZE! ORGANIZE! That's the magic word. Get ready. For what? For running the affairs of society. The other fellows have failed—failed miserably. It will soon be up to you fellows—the workers. If you don't save the world it never will be saved. Don't let them scare or deceive you. They may call you everything they can think of. If they don't, you are on the wrong track. If they call you a Bolshevik, anarchist, nihilist and a few other choice names you can bet your boots you are getting under the skin of the skinners. That's where you ought to be—under the thick hides of the robbers. Get that hide off and put him to work and you may make a decent citizen."

Now, do you know what that means? It means that the largest labor paper in Central West Virginia, the second largest in the State, is urging laboring men to organize, and for what purpose?

Not to secure better working conditions. Not to secure fair or better wages or shorter working hours, but that they may get strong enough and powerful enough to "kick out" the owners of railroads and factories and farms and mines and take over the property by force for themselves. Do it "politely" he says, if you can, but "kick them out."

Now, aren't we coming to a pretty pass when that advice is published weekly, broadcast, in a newspaper in this country and State and the ignorant and illiterate foreigners who are among us be fed up by a man born in America and protected by our laws, on such advice as that? Is it not time for the people in these peaceful communities to wake up to what is going on in the centers of population here in our own State?

How long are we going to permit such un-American, revolutionary and dishonest doctrines to be disseminated here among people who are liable to become inflamed and crazed by such dope and start out on a campaign of pillage and murder in their effort to "politely kick out" the owners of mills and factories and farms?

The tendency today of some labor organizers and officers is to preach hatred and bitterness and to inoculate their followers with the idea that they are being robbed, no matter how high their wages. They are being openly told that they are entitled to the factories

they work in. That the mines belong to them, for they have created the wealth that bought them.

These agitators miss essential facts or conceal them. They do not tell the people they seek to mislead, many of whom they do deceive, that many a factory and mine owner was a worker but yeaterday. That the capital invested in the coal mine and the factory and the farm is but the accumulated savings of men who toiled and saved and economized and put by something instead of squandering it on drink or other useless things. They do not understand that even the railroads, which they are asking us to buy and give to the men who work on them, out of which they propose to "kick" the present owners, after you and I and all the other people have mortgaged ourselves some Twenty Billions of Dollars to buy them, are in fact owned by millions of people, many of whom are women. The bonds and notes of these concerns are in banks, trust companies, and life insurance companies, purchased by those concerns in which half the people of the United States have a financial interest.

I am not arguing that things are perfect in this country. I have been a kicker all my life, on established conditions. I have always been for progress and improvement. I do not want to see the country stand still. Stagnation is death and decay. Only moving water is pure.

But, I want orderly progress. I want progress according to our from of Government, under which this great country has been developed in but a few years, comparatively speaking. I do know that history shows us that all this Socialistic talk of Nationalizing property and communizing it is but threshing over old straw. It has been tried out time after time in the last four thousand years in a hundred different places. It has always been a failure and always will be until all men are equally strong, physically; equally honest, morally and equally sane intellectually. It is prompted now by the lazy and the shiftless, who want the benefits of some one else's labor; by honest men who have been befuddled in their views by the seductive arguments of sophists and demagogues; and last but not least by ambitious lawyers, like Plumb, and a lot of labor leaders who, infatuated with the holding of offices within their organizations are determined to convert the labor organizations into a big labor party that will elect them to office and place them in charge of the affairs of the State and Nation.

Labor organizations have succeeded and have done tremendous good for their membership because they have steered clear of attempting to merge into a political party for the control of the

country. If they depart from their traditional policy they will soon discover that, to be successful, they have got to drop the doctrines of Karl Marx, the German founder of Socialism and of Lenine and Trotsky whose propoganda was financed in Germany and whose devilish doctrines were hatched there. The majority of the people and a very large majority of them are still Amercians. Many of those who have come here from other countries are just as intense in their Americanism, indeed a great deal more so than some whose ancestors lived here.

Now, why have I gone over this with you, ladies and gentlemen, teachers of Wetzel county? Because each of you constitute a great force for good or for evil in your community. You are educators and your educational work should not end when you step out of the school room. Upon you will depend very largely the course of thought of the coming generation here in Wetzel county. You are dealing with the young and plastic minds. For the sake of all you love, see that the American ideas and ideals are implanted there.

Then again, you have suffered from the high cost of living. Those of us who hold public positions, whose salaries are fixed by law, (and school teachers are a part of those millions), cannot go on strike and have our wages increased over night. The Legislature did double the Governor's salary, but unfortunately it does not become effective until my successor comes into office, while mine is worth less than half of my predecessor's for the reason that prices are more than twice as high as they were before the War. But I am not going on a strike. Sometimes I very much wish I could decently and consistently surrender the position to some one else, for the War brought me five years work in one and I think I have served about two terms already. You are some of the underpaid, but you are sticking to your work. All honor to you.

Do you know that the average coal miner and factory worker is to-day getting more pay for an eight hour day than the highest paid teachers in your State University and Normal Schools who burn the midnight oil? The Conductor who sits in a Pullman car and runs the fast passenger trains on eight hour shifts is better paid than those professors who have given and are giving their very lives to their work?

I have been shown pay rolls where coal loaders, in the mines, earned and were paid more money, during the War in a single day than the State of West Virginia pays to me as its Chief Executive.

The men who worked in the mines and munition factories got anywhere from five to fifteen dollars a day while our soldiers who

lay in the mud and blood and fought and died for their country got one dollar and such food as could be brought up to them under fire. They obeyed orders while some of the workers go out on strike on an hour's notice.

Now, I am not attacking the laboring men, organized or unorganized. This country rests upon the work we all do and it was not so long ago that I was carrying a dinner pail, none too full, for a dollar a day. I AM trying to arouse them to the thought that present conditions are bearing not upon them alone. That they fall even heavier upon you and millions like you. I am appealing to them for a little patience. I am appealing to them not to be misled by ambitious agitators who want to imitate Trotsky and Lenine—become autocrats of an empire over night. I am asking them to remember the struggle of the farmers of this country during the years I mentioned a few moments ago.

I want also, to impress upon them that prices cannot be lowered by stopping work and lessening production. As any commodity grows scarcer it immediately becomes more valuable, higher in price. Every strike that stops a mine or mill and lessens the production of any necessity means to increase the price of all necessities to some extent, however small.

An illustration. The Chesapeake & Ohio Railway shopmen went out on a strike, an unlawful strike, I mean one that was not approved by their officers and organization and was therefore unlawful according to their own laws. The Railroad had to stop running freight trains. That threw out of employment, temporarily, thirty thousand coal miners in West Virginia and cut off production of nearly two hundred thousand tons of coal per day.

At the very moment that occurred the Government was warning the people of an impending coal shortage this coming winter. The loss of several millions of tons of coal by that strike will make the shortage more acute and necessarily make coal higher, in some places at least. Failure of factories to get coal curtailed production of hats or shoes or clothes or something. Curtailing of the production of all those things tend toward making the prices higher. That need not be argued.

The quickest and surest way to bring about a general decline in prices, the only natural way, the only way that will last without economic ruin, is to have more of any commodity than there is a demand for. One hour per day overwork by every man and woman in the country for thirty days and a little of the economy we practiced during the War and that some of us who cannot get an

increase in wages, are still practicing, would do more toward adjusting prices than all the investigations we can all hold.

Of course I am not taking into consideration the highwayman, who attempts to hold up buyers because he can. As fast as these are located they must be dealt with and given the limit.

One other thing, teachers. It is time that we began to again understand, appreciate and teach the dignity of Labor. The agitator and the I. W. W. propagandist are forever talking about the "wage slaves." They are trying to make men believe that because they work for wages or work with their hands, they are slaves and that it is their duty, and that they have it in their power, to rise up in their might, as soon as they are sufficiently organized, and "to kick out the men who own the railroads, the factories and the farms and grab them by force." To become farm and factory owners themselves and not to continue as "serfs."

In all this din of discordant voices there is none that echoes down the corridors of time, in these days, like Ruskin, teaching the dignity of Labor. Men are being taught to hate their jobs and to hate the man who employs them, on the theory that he is a capitalist, no matter how just or how honest and amiable he is.

You and I know that the line which stood at the head of our old-time copy-book, "there is no excellence without great labor" is true. there is no royal road to wealth and comfort and happiness. No man is a good workman who is not in love with or is at least content with his job. The man who works because he feels he has it to do and who would rather be a loafer than a worker, is an undesirable employe.

The wrongs that have been committed in the name of industry, by promoters, and capitalistic plunderers in the past, or that are being attempted to-day, deserve a treatise by themselves. I could catalogue a lot of them, malignant growths they are or sores on the body politic and should be treated caustically, heroically, with a surgical operation, where necessary and those responsible for wrong doing sent to prison as common felons.

But because those things happen occasionally, just as a murder is committed here and there every day, are we going to tear down our Government, scrap the machine which has been constructed through generations of sacrifices, for some new theory of Communistic Control that put the factory workers of Russia on top and plunged one hundred and eighty millions of people into barbarism?

We will hve none of it here in West Virginia nor will we bear too long with men who are waxing fat from making threats of it. I

summon to my aid in rolling back this alien philosophy soldiers of the American Legion, who sacrificed that American ideals might live. I summon the School teachers, who know the history of their country as well as of the Empires and Republics that have perished in the past. I summon the farmers who have patiently struggled through adversity and who have at last seen a better and a brighter day.

And last, but not least, I summon the wage-workers who love this land where their fathers died; who own their own homes and possess their own firesides or who hope to do so and who are NOT willing to communize their little heritage and who do not ask others to mortgage themselves to give them a railroad or an industry.

