

J. PIERPONT MORGAN AND THE LABOR SITUATION.

An Associated Press report conveys the intelligence that Mr. Morgan is about to introduce a plan which, although not intended as a solution to the problem of labor complication, will at least be accepted as a long step in the direction of harmony.

The report states that several millions of dollars worth of stock in the United States Steel Corporation, valued at par, has been set aside for purchase at inside figures by the 165,000 men employed by the companies that make up the "steel trust," and to thus afford the opportunity for each employee to become a co-operator in the business.

This suggestion is not entirely new, and is open to criticism as well as commendation. The Illinois Central Railroad company, the National Biscuit company and the Pillsbury-Washburn Flour Mills company furnish working examples of the system proposed by Mr. Morgan.

In the Illinois Central, it may be remarked that the opportunity to purchase the preferred stock of the company, which was recently granted them, was, by many employees, immediately seized. Thousands of dollars each month were and are being paid to the treasurer for the stock thus purchased. The writer knows of an office boy, about 20 years of age, who paid for one share and has received over \$30.00 in dividends, and has nearly finished paying for another. The employed men of the road have thus acquired sufficient stock to name a director in the Illinois Central board.

The National Biscuit company has only recently put this new co-operative plan into operation. It is safe, however, to predict that it may be equally successful, as the Biscuit company guarantees 4 per cent upon the money invested, if the investor lapses, and they agree to pay 7 per cent interest, "dating from the time of first payment, if they make complete payment for it, as long as they pay \$100 per share for it, or less." This guarantee is substantial, as this same company has for nearly four years earned double the amount necessary to pay dividends on its preferred stock.

The Pillsbury-Washburn Flour Mills company furnishes a somewhat different co-operative demonstration, as its method is based upon a simple, profit-sharing system, whereby each man's labor bears a certain proportion to the total capital invested. His profits accrue upon the basis of that percentage. In the event of crop-failure, and a subsequent loss in the operation of the plants, each man relinquishes his claim to profit-sharing, and the loss is sustained by the owners, while the wages of the men, if they are continued in employment, are undisturbed.

Thus, in the first instance, we have a

profit-distributing system, by a company whose ability to earn upon its invested capital is not questioned, and which never assesses its stock; second, the National Biscuit company, whose earning capacity has been demonstrated, and whose four and seven per cent. guarantee is good, and, lastly, a company whose employees assume no liability in the event of a loss.

However, the United States Steel Corporation proposes a new method of solving the question. Before combining, the individual companies were, no doubt, able to carry such a system into effect. Now, the claim is made that the combination is over-capitalized, and their ability to show a net earning upon a capitalization of \$1,500,000,000 is questioned. A loss once sustained introduces a *pro rata* assessment upon each certificate of stock. The problem, then, is, will the stockholders, among the laboring-class, willingly submit to an assessment?

Is it not true, that the steel-workers are more partial to profit than to losses, and that their attitude, at assessment time, will be in accordance with their sentiments, rather than with their judgment?

It is true that Mr. Morgan's entire scheme is not wholly made known to the public, and we are, therefore, unable to deal with the question in detail as intelligently as otherwise.

The experiment reduces itself to the query: Will there be a dividend or interest guaranteed? And, considering the amount of capital purported to be invested, will that guarantee, if made, be good?

These are questions which, at the present development of the situation, are unanswerable. Mr. Morgan's proposition is perhaps somewhat premature. On the other hand, it is pleasant to hope that these two industrial complements are breaking over the artificial barrier, which has been raised between them, by demagogues and walking delegates; that they are coming together in friendship, animated by a gigantic impulse for peace, and an irrepressible desire to settle fairly, the world's most momentous question.

Why would it not be in order, to suggest that the funds in the hands of the treasurers of the various lodges of the Amalgamated Association, which are now being devoted to an object which will demoralize the industrial prosperity of today, be diverted to the purchase, at an agreed price, mutually satisfactory to seller and buyer, of United States Steel Corporation stock?

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DEFORESTATION A CAUSE OF DROUTH.

In a letter to the editor of The Commercial West, J. Sterling Morton, of Nebraska City, answers a suggestion

made by the editor of this paper, relative to deforestation being one cause of drouths. His letter is given below. Mr. Morton has done more than any one else in this country to stimulate a sentiment against forest destruction and in favor of tree-planting. He was the founder of "Arbor Day," and at his own Home at "Arbor Lodge," he set a practical example to his countrymen of the benefits of tree-planting. Largely through his teaching and influence, Nebraska is far ahead of every other state in the Union in arboriculture. While secretary of agriculture, during President Cleveland's second administration, he accomplished a vast deal in the interests of national forestry. Lately in his paper, "THE CONSERVATIVE," he has been advocating that 33 feet off every 66-feet-in-width country road in Nebraska be either sold to increase the road fund or be planted in maple, elm and ash trees, to be an endowment to the state, by which other endowments would sink into insignificance. Mr. Morton's letter follows:

The deforestation of the eastern and middle western states is undoubtedly one of the primary causes of long and intense drouths, and likewise of the torrential rain storms, which follow them, and do so much damage to the agriculture, commerce and manufacture of the country.

The denudation of the hillsides and mountains of Pennsylvania and West Virginia, has had very much to do with the destruction of lands, lying at the base of mountain ranges. In fact, some entire valleys have been made infertile by the erosion of unimpeded waters, rushing down the treeless mountain sides.

In a state of nature, the mountain sides, and in fact all heavily wooded lands, have a covering of leaf mold, running from six to twenty-four inches in depth. This leaf mold catches and holds down-pouring rains. It operates as a great sponge for the absorbing and holding of precipitation. It permits the stored waters to ooze out slowly, and thus forms little springs and rivulets.

But the same areas, denuded of trees, permit the water to escape in torrents as it descends, and thus we have the constantly increasing disasters from high water along the Ohio and other western rivers.—The Commercial West.

"Whether the reduction of duties on articles which can be produced at home more cheaply than abroad, and which for that reason are exported largely, would unsettle business is doubtful," the Chicago Tribune (Rep.) says: "It is certain that a persistent refusal to modify tariff schedules by reciprocity treaties or in any other way will bring about finally a condition of affairs which will seriously disturb trade and unsettle business."