

VAUCLAIN SEES THREE FAMINES LOOMING IN U.S. TO ASSURE PROSPERITY FOR ENTIRE NATION

Veteran Head of Baldwin's Works Says Shortage of Labor, Railroad Cars and Locomotives Means Country Must Stop Talking Gloomily and Keep Production Humming

"GOOD TIMES REALLY HERE" AND BUSINESS IS WAITING AT FOUR CORNERS OF EARTH

"World's Greatest Salesman" Asserts Croakings of Pessimists Are Out of Place and Tells of Real Woes of European Nations to Start Trade Revivals

THE UNITED STATES will face three famines in the fall. "One famine will be a shortage of labor, another will be a shortage of railroad cars because of the tremendous volume of freight to be hauled, and the third will be a famine of locomotives, for the same reason."

This is the optimistic view of Samuel M. Vauclain, president of the Baldwin Locomotive Works, and Mr. Vauclain ought to know.

The locomotive builder has traveled far and seen much, and the result of his observations is simply this—"prosperity is not on the way; it is already here."

Mr. Vauclain sat in the inner room of his office suite at the Baldwin Locomotive Works, Broad and Spring Garden streets, and gazed out of the window at the ceaseless stream of automobiles going past.

The office building itself is of another day, and seems more like the substantial parish house of some prosperous church than a modern business office. Mr. Vauclain himself, in his gray frock coat and silver hair looks more like a clergyman than the live-wire modern business executive that he is.

It is when he begins to talk, however, that the business chief comes to the fore, and the dynamic personality of the man expresses itself in sharp sentences uttered with all the emphasis of absolute conviction.

It was a hot day, so Mr. Vauclain took off that coat, and sat in his shirt sleeves.

"Everywhere I go," he said, "people ask me the same question. They want to know when they will be busy again."

"Why, man, we are busy now."

Prosperity Really Here, Not Coming, He Asserts

He slammed his fist down upon the table. "We're busy now. There is no country in the whole world that is enjoying such prosperity as these United States of America. That is a fact, and it would be realized if people would only look at the matter in the proper light.

"There is only one thing to do—go ahead and be busy, forge ahead, find a way to do business; why there was never so much to be done in the country as there is right now. That is an absolute fact.

"Of course, there have been things that have militated against a more rapid increase in business—several insane ideas partly put into operation, resulting in general business debility and retarded confidence. One of these was the clamor for lower steel prices. The other was the determination of people not to buy until prices became lower.

"The result was that there was a panic among the steel manufacturers. They were afraid of losing their organizations. They did not want to see the fabric built up through the years dissipated. So they lost money rather than lose their organizations, hoping to hang on until the business revival came.

"Well, they miscalculated the distance they had to travel, for the period of deflation extended over too long a period and this resulted in an absolute loss in the operation of their plants. There is not one of them today that is able to make ends meet."

Mr. Vauclain paused to give directions to one of his executives.

"You see," he resumed, "the situation was simply this—the steel companies cut prices, but railroad rates were not cut, labor's wages remained high and raw material prices were not any lower. Then came the clamor for fewer working hours in the steel industry; in fact, everything was done to increase cost of production instead of lowering it.

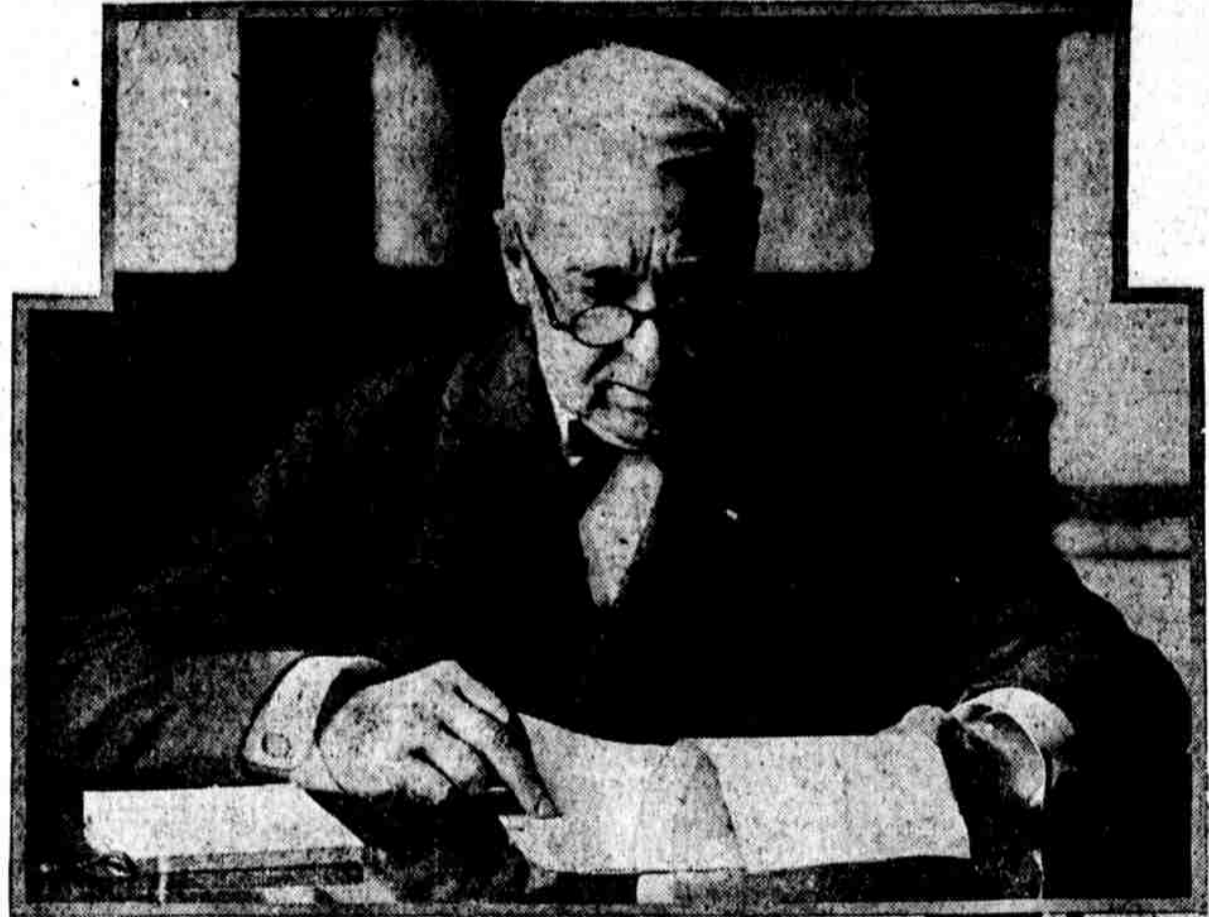
"Then came the coal strike, decreasing the available supply of high volatile coal for gas, with an added cost of the product of the mills in consequence. Because, you see, for every dollar in the cost of a ton of

Don't Bury Savings, But Show Confidence by Spending a Little

"THIS country is all right, even with prohibition, and even if that no man who wants a drink need go without it."

This is the philosophic outlook upon life of Mr. Vauclain. He believes that prosperity is not only on the way, but is actually with us now. If any one doubts it, he points out, all he needs do is go up to Broad street and watch the automobiles go streaming past.

He believes people should show their confidence in the country by placing their funds in business enterprises instead of sinking everything in Government securities, and he believes it is a good thing for a workingman to buy an automobile if he can; it shows the workingman has confidence in being able to earn some more money to make up what he has spent on the machine, and look at the fun he and his family have.



Samuel M. Vauclain at his desk

to grab another straw, and to quote low prices, and to hang on a little longer, just to get the orders, and this, of course, prevents a price advance, and a continuance of the losses.

Steel Is Real Backbone Of Nation's Prosperity

"You must remember that this is a steel country pre-eminently, and these matters are of vital concern to the whole country. Steel is the one great basic industry of the nation, and if it is operated at a loss it is bound to depress every other business, even if it is being operated upon a profitable basis."

At this point a soft-footed secretary



Vauclain, "Apostle of Prosperity"



Vauclain showing "his boys" how to build a locomotive

Baldwin's, for instance. We are trying to meet the situation here. "We have gone along, and continue to be prosperous, on a starvation basis. I'll admit. For locomotive builders, you see, are the last to feel a wave of prosperity. The railroads must have a surplus of business before they begin to look about for additional locomotives to haul it.

"Therefore, general business must pick up first, the railroads must find themselves crowded for rolling stock, and then they go into the market to buy and the prosperity wave reaches us."

By this time there were two secretaries on the job, walking uneasily up and down in the outer office. The chief watched them out of the corner of his eye, but kept right on talking, evidently hoping against hope that they would not come in and drag him out.

"Now," he continued, "there is another thing that militates against the general business situation. That is the scarcity of common labor.

"Oh, it is a fact, common labor is getting to be as scarce as hen's teeth. As a result everybody is spending capital to devise ways of going along without the usual amount of unskilled labor. For one thing, it is not to be had, and for another, it is high-priced and no good when you do get it.

law limits it. As a result the manufacturers—and that includes the farmers, too, for the farmer is a manufacturer as well as any of the rest of us—the manufacturers are deprived of good labor, for the people who know how to do this class of work cannot enter the United States. And our own American people are busy educating their children and their grandchildren so they won't have to do work of this kind any longer.

"Now, that is very commendable and ambitious. But don't forget we cannot have all the people doctors and bankers and lawyers and stock brokers and storekeepers. We need producers and all these other people live off the workingman. Some poor devil out there in the shops is working long hours to support these people."

Recalls His Own Days Spent as a Laborer

Mr. Vauclain became reflective, probably thinking of the days he worked in those same shops himself.

"We must be fair about it, however," he went on. "All these non-producers are vitally necessary to the health, the happiness, the comfort and even the longevity of the working people. The doctor, the stockbroker, the lawyer, they are all necessary; even the movie man is essential to happiness, it seems. It does look as though they cannot get along at all without the movie man."

"So, the condition of the working man reflects the condition of the country. As for the Baldwin Locomotive Works, I am not putting on any more men to work here. This is so I can give the maximum wage to the men now on our payroll.

"Conditions are such in the country that a workman must have a decent wage, and I am anxious now to get enough work in the United States and abroad to be able to pay them decent wages—not as much as I would like to pay them, perhaps, but as much as I possibly can under the circumstances.

"I wonder whether the country is prosperous? Just look out that window there, and watch the automobiles going by. Why, I was driving home and we passed an automobile bearing the license tag 800,210. Just think how many persons in Pennsylvania have automobiles. In fact, all who can afford it have bought automobiles. They have bought them whether they work in a bank, office, or store. The whole country today is on wheels.

"That means the whole country today lives ten times as fast as it did when I was a boy fifty years ago. In those days we walked. We never had the money to pay carfare with, and as a matter of fact in most places we had no cars to ride in. I could get to work here at this plant in those days, from Twenty-ninth and Poplar streets, in a bob-tailed car, if I wanted to ride, but I could come down Pennsylvania avenue and thence to the plant afoot, much faster.

Be Cheerful, Is Vauclain's Answer to Pessimist Army

"CONFIDENCE in the future," says Mr. Vauclain, "is absolutely necessary if we are to have a much more general prosperity, even, than we have now, or to maintain the present gain."

"We have a coal strike on hand. All right. Even with that take the reports of the Baltimore and Ohio and the Pennsylvania Railroads. Their merchandise traffic has increased, so much so that their freight traffic is greater now than before the strike. Now just imagine what their traffic will be when they get the coal traffic back.

"In the fall we will have three famines, one of labor, for there will be more business than labor to handle it, there will be a famine of cars on the railroads when the coal and grain traffic starts, and last, there will be a locomotive famine.

"Then, also, the natural growth of the United States is several million people annually. The general business just to take care of these extra people is enormous. They need houses, clothing and all the necessities and luxuries of life. Their wants are many, and we rejoice that such is the case; we are glad people are living better than ever before."

appearance again, and were waved aside. Despairingly they moved away, to lurk in the vicinity.

Must Please Customers to Keep Foreign Trade

"Remember, we don't have to try to please the customer with what we make—let's go out and find out what the customer wants and make that," Mr. Vauclain pursued. "The customer is not a damn rascal, you know. He is at least just as honest as we are. Upon that basis we are doing business with Siberia, Poland, Rumania, China, Japan, many foreign countries. We are doing business with their business men because we have confidence in them.

"Confidence—that is what everything must be based upon in the business world.

"This corporation has been persistently spending money in the United States, reducing costs of production, doing away with a certain amount of labor upon locomotives. Better work, less labor to do it, is the goal. For we realize that labor is soon going to be

or if we are to maintain the present gain. We have a coal strike on hand now. All right, even with that take the reports of the Baltimore and Ohio and the Pennsylvania Railroads. Their merchandise traffic has increased, so much so that their freight traffic is greater now than before the strike. Now just imagine what their traffic will be when they get the coal traffic back.

"In the fall we will have three famines, one of labor, for there will be more business than labor to handle it, there will be a famine of cars on the railroads when the coal and grain traffic starts, and last, there will be a locomotive famine.

"Then, too, the natural growth of the United States is several million persons annually. The general business, just to take care of these extra people, is enormous. They need houses, clothing and all the necessities and luxuries of life. Their wants are many, and we rejoice that such is the case. We are glad people are living better than ever before.

"No one wants to see the working man live poorer. Everybody wants

Confidence Is Essential to Lead Nation Ahead

"This confidence in the future that I have been talking about is absolutely necessary if we are to have a more general prosperity than we have now."

"I have absolute confidence in our own Government.

"Remember, in this country, we have the best Government upon the face of the earth, and we can change it the moment we don't like it.

"Everybody in governmental capacities here is doing as well as he can. We have some poor politicians in the country, and a lot of wise men in political circles, too. In time of stress they forget petty differences and do what they honestly think best for the country.

"So, all things considered, business will gradually grow and grow and grow. That's what our prosperity depends upon, the gradual increase in general business. We need the confidence of the poor man, who will put his money into a home and buy an automobile, and put out his money in other ways, serene in the confidence that some day he will earn it back.

"Lots of people have put their money in Government securities, afraid to risk it in business. We have got to get them out of that frame of mind. There is lots of business here. All we need do is find a way to do it."

At this point the secretaries—somehow Mr. Vauclain into his gray frock coat, and he started for the door he called, "Hell, this country is all right—even with prohibition—and at that no man who wants a drink need go without it."