

THE "BIG STRIKE" AT OELWEIN SHOPS

CHICAGO GREAT WESTERN IN RECEIVERSHIP WITH SUBSEQUENT REORGANIZATION, 1907-1909¹

By JAMES THOMAS CRAIG

During the latter part of 1893 the directors of the Chicago Great Western Railway Company faced drastic retrenchment. Organized January 11, 1892, in St. Paul, Minnesota, they had taken over the property of the bankrupt Chicago, St. Paul & Kansas City Railway Company. Their president, A. B. Stickney, had organized the Great Western on a stock basis with no mortgage on the property. The industrial panic of 1893 necessitated a curtailment of expenses. To eliminate the expense of hauling broken down and wrecked equipment all the way back to St. Paul, new machine and repair shops were built at Oelwein. Also, in moving the shops from the city of St. Paul to the town of Oelwein it was believed that less money would be lost in labor disputes. No major labor difficulty arose for over eight years. Short strikes had occurred when the company temporarily refused to grant requested increases in wages. Over the eight year period wages increased thirty per cent for all shop employees, and in some instances as much as forty per cent. In August, 1907, the machinists and boilermakers asked for still another raise. The company, whose debts were reaching unmanageable proportions, refused the increase, but offered to compromise. The machinists and boilermakers rejected the offer and on September 14th walked out in protest. When their places were filled with strike breakers all remaining

¹This is the third article on the history of the Oelwein shops of the Chicago Great Western Railway Company by Mr. Craig. The first article, "Oelwein Secures the C.G.W. Shops, 1894," appeared in THE ANNALS OF IOWA, Third Series, Vol. XXIV, No. 3, Jan., 1943, Part 1, pp. 210-235. The second article, "Great Western Builds Oelwein Shops, 1894-99," appeared in THE ANNALS OF IOWA, Third Series, Vol. XXVI, No. 2, Oct., 1944, pp. 90-128. At the time he did the research for these articles, in 1942, Mr. Craig taught history in the senior high school in Oelwein. He is now an instructor in history at Central High School, Flint, Michigan. Mr. Craig is also the author of "Muskegon and the Great Chicago Fire, 1871-73," which appeared in *Michigan History*, Vol. 28, No. 4, Oct., 1944, pp. 610-623.

shop employees walked out in sympathy. The strike continued until December 14th when the machinists accepted the company's terms. The tie-up of equipment resulting from the strike decreased the company's earnings to such an extent that interest payments could not be met. On January 9, 1908, the property was put into the hands of receivers. The company was reorganized March 16, 1909, and sold August 21st following. The strike, with its effects on Oelwein, the C.G.W., in receivership, and its reorganization and sale form this history.²

MACHINISTS AND BOILERMAKERS DEMAND HIGHER PAY

In their demands of August, 1907, the machinists and boilermakers at the Great Western shops in Oelwein asked for a nine hour day and forty-five cents an hour pay. They were then working ten hours a day and the machinists were being paid thirty-seven cents an hour; the boilermakers, thirty-eight. They declared the increase was necessary to meet the higher cost of living and also that other roads were giving raises to their machinists and boilermakers. On September 9th the company announced its approval of the nine hour day, but offered only a three and one-half cent raise. The machinists and boilermakers refused the compromise and on September 14th walked out of the shops. Approximately 350 men, 200 machinists, 75 boilermakers and 75 helpers, refused to return to work. On September 19th a bargaining committee of the boilermakers' union met with C.G.W. officials in St. Paul, but no agreement was reached.³

²Craig, *op. cit.*, "Oelwein Secures C.G.W. Shops, 1894," and "Great Western Builds Oelwein Shops, 1894-99," Stickney, A. B., "Report to C.G.W. Stockholders," printed in the *Oelwein Register*, Apr. 23, 1908; Deyo, Earl E., superintendent, Illinois division, C.G.W.R.R. Co., "History of C.G.W.R.R.," July 10, 1939, letter to B. F. Parsons, assistant to the president, Oct. 29, 1941, notebook, n.p.; Fitch, Geo. W., *Past and Present of Fayette County, Iowa*, Vol. 1, pp. 138, 317; Seley, C. A., "Shop Layouts," *The American Engineering and Railroad Journal*, Aug., 1905, p. 307; I.C.C., *Valuation Report of C.G.W.R.R. Co.*, Vol. 35, 1932, pp. 147, 271; Stand. Corp. Rec., *Corporation News Edition*, Aug., 1941, p. 1494; Eastman, Joseph B., "Report on Consolidation," June 12, 1936, p. 4; Parsons, B. F., secretary, C.G.W.R.R. Co., letter to the author, Apr. 21, 1942.

³*Oelwein Register*, Sept. 9, 14, 19, 21, 1907; Stickney, *op. cit.*

Since the Oelwein shops had been opened in 1899, the C.G.W. had endeavored to keep its employees contented. President Stickney, who determined the company's financial policies, was known as "the railroad president on whose road there have been few strikes." He had generally preserved harmony among the shop men and their loyalty to him was "proverbial." He recalls:⁴

Between 1900 and 1906 the members of the seven different unions have received five increases in wages amounting to between thirty-one per cent and forty per cent. About the first of August, 1907, the machinists and boilermakers made a demand upon the company for a further increase in wages, which, if granted, would have made an increase of wages since 1900, for the boilermakers of fifty-five per cent, and for the machinists of sixty-three per cent, and coupled with the demand of increased wages were demands for rules relating to shop conditions which, if conceded, would have added as much, or more, to the cost of maintaining the equipment as the increase of wages would have added. It goes without saying that if the demands of these two dominating unions had been conceded, similar demands of the other five unions engaged in maintenance of equipment, and of still five other unions engaged in running trains and in switch service, would have followed. Well knowing the enormous loss which a strike of its machinists and boilermakers would entail upon the company, the management offered, as a compromise, an increased rate of compensation of about ten per cent, and agreed to practically all the proposed rules. . . .

REMOVAL OF SHOPS RUMORED

Less than a week after the outbreak of the strike it was rumored that the shops were to be moved from Oelwein. These rumors were traced by the local editor to articles appearing in Des Moines and Dubuque newspapers. Fred S. Robinson, of the *Oelwein Register*, denied these by saying:⁵

Des Moines and Dubuque Sunday papers came out with a blare of trumpets and a beating of drums announcing that Oelwein is to be virtually wiped off the map by removal of the Great Western shops from this city, and the erection of four smaller shops at Des Moines, Dubuque, St. Paul and Fort Dodge. This rumor is very important if true, but it is a bunch of hot air that is built

⁴*Oelwein Register*, July 25, 1906; Stickney, *op. cit.*

⁵*Oelwein Register*, Sept. 23, 1907.

in rumor, and the natural desire of those cities to profit by such a removal. . . . This wholesale knocking on Oelwein is not very creditable to the papers of some of our larger cities, and this is a new turn at the game. . . .

Shortly afterwards Stickney "explicitly" denied the rumors.⁶

Though not particularly disturbed by the above rumors, the people of Oelwein desired an early end to the strike. During the afternoon of September 24th handbills were distributed calling a meeting of all persons interested in making an effort to terminate the strike. That evening business and professional men, shop men, and citizens in general met in the city council chamber. Upon being asked to preside, L. A. Megow stated the purpose of the meeting. He declared that he, with others, was "personally interested in the matter and desired to do all in his power to further the interests of the city and its people." G. H. Phillips suggested that a committee be appointed to speak for the strikers in a conference with Great Western officials. He felt that the townspeople should support the men on strike as "the railway can take care of itself." Megow, however, urged that a citizens' committee be appointed to meet with both the strikers and the C.G.W. Megow's plan was almost unanimously approved and Mayor T. L. Hanson, H. D. Simon, and Frank Tousley were selected. After talking with Hanson and Tousley, Simon announced that they would meet with the company officials only when the men on strike desired them to do so. An inquiry was raised as to whether or not the strikers wanted a citizens' committee to act on their behalf. One of the strikers, James Sherratt, replied that, although he could not speak for the machinists' and boilermakers' unions, he knew they had not asked for such a committee. In part, he said: "The affair is a contest between the railway and its employees. . . . However, anything that can be done to bring the strike to a satisfactory

⁶St. Paul Dispatch, reprinted in Oelwein Register, Sept. 25, 1907; Oelwein Register, Sept. 26, 1907.

conclusion will be welcomed." The meeting ended and the citizens' committee was not heard of again.⁷

C.G.W. EMPLOYS "STRIKE BREAKERS"

Great Western officials were determined to keep Oelwein shops running. Already criticized for giving poor service, they knew they had to keep the "Maple Leaf" moving! Further decreases in earning power would bankrupt the road. To keep the equipment rolling the shops had to be kept in operation and their solution was to use "strike breakers." The first group arrived on September 27th and were put to work in the machine and boiler shops. As reported:⁸

They came in about fifteen coaches from the east and their number was variously estimated at from four hundred to five hundred men. The first hours of the morning were taken in signing them up as machinists, boilermakers and other lines, and it was a busy scene in the company's offices at the shops. . . . As far as could be learned the men came from Chicago, Cincinnati, New York and other eastern cities.

Earlier, it had been reported that non-union men employed by the Great Western at other points were to be brought to Oelwein to fill the places vacated by the strikers. But these would have never made the great number of men who arrived on September 27th.⁹

Within a week after the first "strike breakers" went to work all remaining union shop employees staged a sympathetic strike. The blacksmiths and their helpers refused to work the morning the so-called "scabs" arrived. The steamfitters walked out the next day and on September 30th the woodworkers and car men quit. The painters walked out October 1st, and two days later the tinsmiths, the last to go out, called it quits.¹⁰

With the shops shut down the Great Western sent George A. Goodell, general superintendent, to Oelwein

⁷*Oelwein Register*, Sept. 25, 1907.

⁸*Oelwein Register*, Sept. 27, 1907.

⁹*Oelwein Register*, Sept. 19, 26, 1907.

¹⁰*Oelwein Register*, Sept. 27, 29, 30, Oct. 2, 5, 1907.

to take charge. Upon arrival he said:¹¹

With other officials of the company I am located here to re-open the shops, and shall remain here til that is effected. I have no statement to give out as to whether the Oelwein shops will be open or not. We have no feeling of ill will toward the men who have been in our employ here til recently, but the C.G.W. will not pay higher wages than other roads, or higher than its income will justify. . . .

Later he stated:¹²

We are bringing in workmen every day, and at present have in our employ ninety-eight machinists and eighteen boilermakers. We have seven fires running in the blacksmith shop. A force of men have begun work in the car shops and four men are doing business in the mill. We have sent out three engines since the strike developed. We shall not attempt to open the coach shop as we have entered into a contract with the Pullman shops to do all of that work, and coaches will be sent to Pullman for repairs, painting, etc.

Many of the "new employees" were found to be incompetent and were "shipped out." The *Register* reported:¹³

The new employees appeared to be of various types of workmen as those evidently unaccustomed to doing manual labor. . . . Sunday the company shipped out several carloads of those who had been tried and found wanting in skill to manipulate the tools in the machine, boiler and blacksmith shops. They retain quite a large force and are shipping in others in an endeavor to secure competent non-union men to perform their work.

A few days later the newspaper stated: "The company is daily shipping in men to take the strikers' places. The men who come in are, in a majority, incompetent, it is presumed, for they are shipped out again." Stickney later admitted that not for six weeks did the C.G.W. secure any sizeable number of good shop men.¹⁴

The first batch which was discharged, consisting of about one hundred men, refused to leave the barricade, made themselves a barricade within the company's barricade, and producing guns and knives, refused to budge. The company's fighting men, after

¹¹*Oelwein Register*, Sept. 27, Oct. 4, 1907.

¹²*Oelwein Register*, Oct. 4, 1907.

¹³*Oelwein Register*, Sept. 27, 30, 1907.

¹⁴*Oelwein Register*, Oct. 5, 1907; Stickney, *op. cit.*

a day or two, forced them out of the barricade and into a special train which carried them under guard to Chicago.

Actually, very little repairs were made before November 1st. By then the general recession in industry was forcing manufacturing establishments to lay off shop workers by the hundreds. Many of these, when brought to Oelwein, were unable to do railway car and locomotive repairing. As Stickney later said, "Only by constant effort and at great expense" were the necessary workmen obtained.¹⁵

STRIKE BREAKERS FED AND HOUSED IN THE SHOPS

To avert trouble with the men on strike the strike breakers were fed and housed in the shops. The afternoon before their arrival cots and tables were set up in the machine shop and roundhouse. The next morning when nearly five hundred men arrived to work the machine shop was cleared. The cots were removed to the balcony above the machine shop and to the three floors at the east end of the main building. The tables were set up next in the coach shop and later moved into the paint shop, which was made into a kitchen and dining hall. One hundred and thirty of the "strike breakers" ate their meals in the roundhouse and slept on cots in box cars on a nearby siding. A check room and postal station were provided in the main building and a barber shop in the car shop. By the end of October three emergency structures were erected west of the main building. Two of these were for dormitories, with bunks, wash rooms and toilet facilities for six hundred men. The third building was a kitchen and dining hall. As these buildings were across Otter Creek a wooden bridge was built so that the men could cross over from the shops.¹⁶

To prepare and serve meals for approximately six hundred working men, "a small army of men"—chefs and assistant cooks—were employed by the Great Western. Negroes were used to wait on tables and wash

¹⁵Stickney, *op. cit.*

¹⁶Oelwein Register, Sept. 26, 27, Oct. 4, 12, 22, 25, 1907; Stickney, *op. cit.*

dishes. "The food looks to be up to a high standard," reported the *Register*, and from one of the men: "The feed is excellent!" Meal tickets were issued and a ticket detached for each meal eaten. Most of the provisions were purchased locally. Thousands of pounds of fresh meat, fruits, and vegetables as well as many gallons of milk and cream were consumed daily. Most of the canned goods, flour, sugar, and much fruit was shipped in. A cold storage car was used to keep the perishables. Shelves were built in the paint shop to store provisions. At the roundhouse an empty box car was used for this purpose.¹⁷

The Great Western prepared to house and feed its "new employees" indefinitely. However, after November 6th, when the C.G.W. obtained an injunction against the strikers interfering with its employees at any place—whether on company property or not, many of the latter began to board and room in town. Several of the men with families rented houses and moved their families to Oelwein. Others who were unable to rent houses secured rooms for their families and boarded out.¹⁸

GUARDS PROTECT SHOPS AND "STRIKE BREAKERS"

Protection for company property and the "strike breakers" was provided by a special guard. Stickney recalled:¹⁹

To deal with the strike situation it was first necessary to barricade the shops and roundhouse and to employ about one hundred and fifty men, who were sworn in as special policemen, to guard the property of the company and to protect the new men. . . .

The special guards were on duty with the arrival of the first "strike breakers" on September 27th.²⁰

A number of guards were scattered about the shops to see that

¹⁷*Oelwein Register*, Oct. 4, 11, 12, 22, 25, 1907.

¹⁸*Oelwein Register*, Oct. 5, 7, 15, 18, 19, 21, 22, 24, 25, Nov. 2, 7, 16, 1907; Stickney, *op. cit.*

¹⁹Stickney, *op. cit.*

²⁰*Oelwein Register*, Sept. 27, Oct. 4, 1907.

everything went straight. . . . Guards were placed at all the entrances of the shops and shop yards, and no one is allowed to go in or out without a pass.

The guards ate and slept apart from the workers. Most of them ate at separate tables in the car shop and slept in the paint shop. Thirty ate at the roundhouse and slept in passenger coaches nearby. When the dormitories and dining hall were completed the guards were given new quarters.²¹

The guards maintained a twenty-four hour watch, seven days a week. They ate and slept according to their working hours. Once a reporter wrote: "The shops continue in a state of armed siege, and sentinels patrol every avenue of approach to the inner temple." Not until after the strike was broken was the guard dismissed.²²

"EVERYTHING QUIET ALONG THE OTTER!"

As he watched the first strike breakers enter the shops a reporter noted the guards and said: "There was apparently no need of their services. . . . There are no hostile demonstrations." Later he declared: "One thing is manifest—that there is no disturbance of any kind. Everything is quiet along the Otter!"²³

And everything was quiet throughout the strike, with but one exception. On the night of October 23rd, the C.G.W. pumping station was attacked. That night when one of the guards attempted to call in he found the telephone dead. Tracing the wire he found it grounded to one of the rails on the railway bridge over Otter creek. Later two men approached the station. One threw a large rock through a window and the other started shooting. The guards returned the fire and "the assailants lit out for the tall timber and escaped." The company offered a reward of two hundred dollars but nothing was ever reported.²⁴

²¹*Oelwein Register*, Oct. 12, 25, 1907.

²²*Oelwein Register*, Oct. 11, 15, Dec. 14, 1907; Stickney, *op. cit.*

²³*Oelwein Register*, Sept. 27, 29, Oct. 5, 1907.

²⁴*Oelwein Register*, Oct. 25, 1907.

Two other incidents occurred at the shops during the strike. In escorting a group of strike breakers into the shops on the night of October 3rd, one of the guards mistook another for an "outsider" and hit him over the head with such force that several stitches had to be taken. On the afternoon of November 22nd a fight occurred in the shops. Several of the men were drunk and used knives and guns as weapons.²⁵

One other fight might be mentioned. On the evening of November 5th Joe Cabelka got into a fight with Charles Simmons, a guard stationed near the C.G.W. ice house. Cabalka had worked at the ice house during the summer but had been laid off at the end of the season and was not a striker. During the fight he was shot twice. Despite testimony that he had shot in self defense, Simmons was charged with intent to kill and held over to the grand jury.²⁶

INJUNCTION OBTAINED AGAINST STRIKERS

In addition to hiring a special guard to protect company property and strike breakers, the Great Western sought and obtained an injunction against the strikers. On October 4th the C.G.W. obtained an order from the United States circuit court in Cedar Rapids temporarily restraining the strikers from interfering with Great Western trains or property. This court order was served on the strikers the following afternoon. At a hearing, October 17th, in the circuit court in Sioux City, the unions' attorney tried to have the writ dissolved. On the other hand, the Great Western sought to have it enlarged. This was granted. The strikers were restrained not only from interfering with Great Western trains or property, but also from interfering in any way with its employees at any place, whether on company property or not. They were also restrained from picketing the shops or right-of-way. They were not to

²⁵*Oelwein Register*, Oct. 4, Nov. 23, 1907.

²⁶*Oelwein Register*, Nov. 6, 7, 8, 9, 1907.

assemble on company property or on any street leading into the shop yards. Furthermore, they were not to utter threats of violence or use abusive language or "conduct themselves in a manner calculated to prevent any person from entering into the employ of the C.G.W."²⁷

A copy of the temporary restraining order as enlarged appeared in the *Register* as follows:²⁸

United States Circuit Court, Northern District of Iowa, to:—
T. P. Hassett, George Weinter, J. E. Vannest, T. F. Gallagher, William Stansfield, A. C. Webber, L. Harthill, P. J. Gallagher, Sam Slick, Thomas Baldrige, E. W. Roberts, W. H. Amoit, Charles Sexton, William Davison, Frank Kirkpatrick, J. E. Fortier, Joseph Butler, Charles O'Harran, George Rupert, Harry Balisdell, John Pierce, Charles Kaiser, R. H. Smith, George Stahl, John B. Hutton, N. Watterworth, P. B. Chase, F. W. Brace, H. Watterworth, R. McDonald, and to all persons who are members of either of the following named organizations or union *viz*: International Association of Machinists, Machinists' Helpers Union Tool Men, International Brotherhood of Boilermakers and Iron Ship Builders of America, International Brotherhood of Blacksmiths and Blacksmiths' Helpers of America, Amalgamated Sheet Metal Workers International Alliance, United Association of Steam Fitters, and others whose names are to the complainant unknown, and to your Councillors, Attorneys, Solicitors, Trustees, and Agents, and to each and every one of them, GREETING:

WHEREAS: it hath been represented to the Judges of our Circuit Court of the United States, for the northern district of Iowa in Chancery sitting, on the part of the Chicago Great Western Railway Company, complainant, in a certain bill of complaint as amended exhibited in our said Circuit Court on the Chancery side thereof, before the Judges of said Court, against you the said T. P. Hassett, etc. . . . We therefore . . . do strictly command you, and each of you, and others and all persons conspiring with you or any of you, or with others, and all others whomsoever absolutely to desist and refrain until the further order of this Court from in any way or manner interfering with, hindering, obstructing, or stopping any mail train, express train or other train, whether freight or passenger, engaged in interstate commerce, or carrying passengers or freight between or among the states, and from any manner . . . hereof fail not under the penalty of what the law directs.

²⁷*Oelwein Register*, Oct. 5, 7, 18, 1907.

²⁸*Oelwein Register*, Oct. 19, 21, 1907.

To the Marshal of the Northern District of Iowa to execute and return in due form.

WITNESS the Honorable Melville W. Fuller, Chief Justice of the Supreme Court of the United States of America, at Dubuque, Iowa, in said district this seventeenth day of October, A. D., 1907, and of our independence the 132nd year.

(signed) A. J. VAN DUZEE, *Clerk*,
U. S. Circuit Court,
Northern District of Iowa

(SEAL) of
Clerk of the United States
Supreme Court

The hearing on the above order was held in Dubuque November 5th and 6th and a temporary injunction was awarded the company.²⁹

With the announcement of the temporary restraining order the "new employees" set out to see the town on Sunday afternoon, October 26th. As this was the first time any large number of them had appeared on the streets "they were the observed as well as observers." Undoubtedly many more would have left the shops had they had suitable clothes and the weather been milder. No trouble occurred and it was predicted they would soon be patronizing the stores. However, "there was not the most cordial feeling imaginable between the two bunches of workmen." Three days before this the foreman of the boilershop had been attacked by two men as he was going home from work. The company offered one hundred dollars reward for information leading to the arrest and conviction of the assailants, but no one was apprehended.³⁰

Another incident relating to the injunction and the only one brought to court occurred October 31st. A blacksmith who had returned to work was accosted by a blacksmith's helper still out on strike. The latter pointed a shotgun at the blacksmith and said, "You are a . . . of a scab!" No fight occurred but the blacksmith

²⁹*Oelwein Register*, Nov. 6, 7, Dec. 14, 1907.

³⁰*Oelwein Register*, Oct. 25, 27, 1907.

charged his assailant with intent to commit murder. This charge was later modified to assault when it was found the gun was not loaded. The defendant was fined fifty dollars and costs or fifteen days in jail. Being unable to pay the fine he was taken to the Fayette county jail in West Union. While still in jail he was summoned to appear before the U. S. circuit court in Dubuque for violating the injunction.³¹

RUMORS OF RIOTING IN OELWEIN

At the citizens' meeting anxiety had been expressed over "the impending danger to the city if the strike continues." In reply, one of the strikers said, "Oelwein is not in any jeopardy as a consequence of the strike. . . . It will not result in any injury to the city." This proved correct. Oelwein experienced no riots or big fights.³²

Rumors of riots and lawlessness originated frequently in out-of-town newspapers. The local editor was constantly on the alert for the source of such rumors. When he discovered one he went out of his way to deny it and then criticize the paper. On September 30th he declared: "Notwithstanding false reports that have gone out from this city relative to riots and battles, there has been little trouble in the city, and the order has been nearly perfect when it is considered about a thousand men are out on strike." Three days later he called attention to an article in a St. Paul newspaper which, in his estimation, tended to show Oelwein "as an armed camp."³³

Armed guards, sheriffs, city and county officials, and property owners generally are intensely interested in preventing lawlessness among the striking machinists, boilermarkers, and wood workers now on strike at the C.G.W. shops here. The streets are now crowded with idle men and there are rumors of threats and bad feeling among the strikers is noticed. Arrests were made yesterday for disturbance.

³¹*Oelwein Register*, Nov. 1, 2, 8, 1907.

³²*Oelwein Register*, Sept. 23, 25, 26, 27, 30, Oct. 2, 5, 7, 8, 9, 11, 18, 19, 21, 27, Nov. 2, 6, 7, 1907.

³³*Oelwein Register*, Sept. 30, 1907; *The St. Paul Dispatch*, reprinted in the *Oelwein Register*, Oct. 2, 1907.

Robinson replied:³⁴

Here is a big pipe dream. . . . The fact of the matter is that the streets of Oelwein are as peaceful as at any time in the history of the city. The strikers are quiet, and are not attempting to mix with the non-union men. The arrests and threatening trouble was largely in the mind of the man who sent the dispatch and possibly he had a brainstorm.

Again, on October 8th the editor denied rumors. To quote:³⁵

SOME FALSE RUMORS POSITIVELY DENIED

Oelwein is quiet and there are not riots or hostile demonstrations in the city. It seems that some of the windjammers of the surrounding territory have drawn on their imagination to depict a condition of affairs here similar to that in the big strike in Chicago some years ago. But the stories are without foundation in fact. They are mostly hot air stories written by space writers who hitched on 'Oelwein, Ia.' to the screed and then gave rein to their imaginations. There has been no rioting, militia, or state of armed seige in this city during the past month. True, there is a bitter feeling between the men who have been employed in the shops, and the non-union men who have taken their places, in part, and are lodged in the shops but that does not extend to those who come into the city from surrounding towns. It is just as safe for people coming into the city, and attending to business as it ever was. A non-union man working in the shops who comes over town and drifts into certain places may meet trouble. But for other people visiting the Hub City it is as safe as on the sunny side of the main street in Stanley.

Throughout the strike similar rumors continued and were denied.³⁶

Four incidents of a minor nature that occurred in Oelwein during the strike might be mentioned. On September 29th a Great Western detective, in town, was hit on the head with a rock. On the evening of October 3rd a guard was in town and got into an argument with "some citizens." Thinking he was in danger he pulled a gun. He was arrested and fined twenty-five dollars and costs. On November 4th a man from out of town was arrested for drunkenness and fined five dollars and costs.

³⁴*Oelwein Register*, Oct. 2, 1907.

³⁵*Oelwein Register*, Oct. 8, 1907.

³⁶*Oelwein Register*, Oct. 9, 11, Nov. 2, 1907.

He explained that he came to Oelwein thinking that he was to cook for a group of sportsmen. On arrival he learned that he was to cook for the "scabs" and refused. To forget his misfortune he got drunk. On the evening of December 5th one of the guards was arrested for drunkenness. He was fined ten dollars and costs. He told Judge Porter that "things were pretty dull over in the shops" and that he came to town "to have a whirl."³⁷

EFFECTS OF STRIKE ON STRIKERS

Being out of work while on strike affected the shop men in different ways. One man took his own life. Otto Heinze, a fifty year old machinist, became despondent after failing to find work elsewhere and on November 4th committed suicide. Later, the widow explained: "He had often said that he felt like taking his life, being out of work. He had worried a great deal over the strike. He's got letters stating he is too old and that they could not give him a job. . . ." Fellow machinists made up a purse of nearly three hundred dollars for the widow and five children. Further, Heinze's union insurance paid her two thousand dollars.³⁸

Heinze's suicide was the exception. During the early days of the strike, when it was felt that an agreement would soon be reached, most of the men on strike attended union meetings regularly. But, by the end of four weeks when it was evident that neither the strikers nor the company was going to give in many of the men left Oelwein. On October 10th it was reported that one-third were gone and by November 2nd, half. To accommodate those wishing to leave, the C.G.W. advanced its October pay day one week. Unlike Heinze, the machinist, all the boilermakers were offered jobs by other roads, namely: the Rock Island, Illinois Central, and the Northwestern. Undoubtedly this accounted for many of them leaving Oelwein. Of those remaining, some passed the

³⁷*Oelwein Register*, Sept. 30, Oct. 4, 5, Dec. 6, 1907.

³⁸*Oelwein Register*, Nov. 4, 5, 1907.

time by going hunting while other worked around their homes.³⁹

Only one activity of a social nature was held during the strike. This was a Thanksgiving day dinner and program given by the Ladies' Auxiliary of the Boilermakers' and Boilermakers' Helpers' Union for the members and their families. The dinner was served at noon to over two hundred people. Joseph Butler spoke in place of J. E. Vannest, president of the union, who was unable to attend because of sickness in his family. The Marshall orchestra, aided by May Morrow, vocalist, furnished the music and the afternoon was spent in dancing and singing. A lunch was served at 6:30 and the dancing and visiting continued. Before departing for their homes they distributed the left-over food to the "needy of the city."⁴⁰

Although the machinists and boilermakers, who had started the strike, stood firm in their demands, other shop employees on sympathy strike were anxious to get back to work. On October 18th, the thirty-fourth day of the strike, the car men voted to quit the strike and return to work. Within four days more than sixty were back on the job, according to Master Mechanic Walter P. Chrysler. Also, several machinists' apprentices, painters, and tin smiths were working. On October 24th it was reported that most of the car men, painters, and blacksmiths had applied for their former jobs. It was predicted that even the machinists and boilermakers would soon be back in the shops. With the opening of the new dining hall and kitchen on October 28th, the paint shops were vacated as eating and sleeping quarters. These shops were re-opened and many painters re-employed.⁴¹

THE STRIKE BROKEN

Eight weeks after the car men voted to quit the strike the machinists accepted the company's offer of a three

³⁹*Oelwein Register*, Sept. 19, 24, 29, Oct. 9, 10, 15, 1907.

⁴⁰*Oelwein Register*, Nov. 29 1907.

⁴¹*Oelwein Register*, Oct. 18, 22, 24, 25, 27, 1907.

and one-half cent raise. The strike was considered broken on December 14th even though the boilermakers had not accepted the company's terms. Over forty per cent of the machinists were re-hired immediately; others employed as vacancies occurred.⁴²

Not only striking shop employees left Oelwein during the strike, but also C.G.W. officials. On November 28th Goodell resigned as general superintendent to become superintendent of the middle division on the Northern Pacific. On December 20th J. E. Chisholm resigned as general master mechanic.⁴³

C.G.W. IN RECEIVERSHIP

"The strike was won . . . but the damage had been done!" Equipment had been tied up three months and the earnings of the company had decreased sharply. Less than a month after the strike ended the Great Western was in the hands of receivers.⁴⁴

Receivership was inevitable. To understand its causes one must review Stickney's financial policies. Sixteen years earlier he had organized the C.G.W. solely on a stock basis. In permitting no mortgage on the property he figured the company would be "bankruptcy-proof." However, Great Western stock failed to sell as he had planned. Beginning in 1895, and continuing in the years following, Stickney had sold debenture stock on the London market. In order to attract English finance it was given preference over all other C.G.W. stock. As described by Stickney:⁴⁵

It partakes of the nature of both stocks and bonds . . . it has a lien upon the income of the railway for its interest. As a stock

⁴²*Oelwein Register*, Dec. 14, 1907; the *Cedar Rapids Tribune*, Jan. 31, 1908, reprinted in the *Oelwein Register*, Feb. 27, 1908; International Brotherhood of Boilermakers and Iron Ship Builders and Helpers of America, *Journal*, Feb., 1908; Stickney, *op. cit.*

⁴³*Oelwein Register*, Nov. 29, 30, Dec. 20, 1907.

⁴⁴*Oelwein Register*, Jan. 8, 9, 1908; I.C.C., *op. cit.*, p. 272; Stickney, *op. cit.*

⁴⁵Craig, "Great Western Builds Oelwein Shops, 1894-99," *op. cit.*, pp. 101-104; Stickney, A. B., *A Short History of the Finances of the C.G.W. Ry. Co.* 1899, pp. 5-6; Bogart, Ernest L., "Alpheus Beede Stickney," *Dictionary of American Biography*, Vol. XVIII, pp. 15-116; C.G.W. Ry. Co., *Corp. Rec.*, Vol. 1, pp. 1-12; editorial, "C.G.W. Finances," *The Railway Age*, Mar. 3, 1899, p. 146, and Aug. 13, 1897, pp. 658-659; editorial, "Action of C.G.W. Directors," *The Railway and Engineering Review*, Feb. 18, 1899, p. 94, and editorial, "Pres. Stickney's Western Trunk Line Railway Without a Mortgage," Mar. 4, 1899, p. 122; I.C.C., *op. cit.*, p. 272.

it participates in the management in all respects the same as other stocks. . . . Like a bond, debenture stock bears a fixed rate of interest which must be paid semi-annually. . . . It is a perpetual security, not terminable like a bond by lapse of time, and the rate of interest cannot be cut down by default, foreclosure, and reorganization.

In this way money was obtained for purchasing new equipment, improving the right-of-way, and even building the Oelwein shops. Through these expenditures Stickney hoped to increase the earning power of the "Maple Leaf." However, the rate of increase never rose in proportion to the amount of money spent on the road.

It has been pointed out that the strike resulted in a sharp decrease in the company's earnings. It also increased the extra-ordinary expenses for the second half of 1907 by \$133,000. It was clear that the interest due March, 1908, on the debenture stock, totaling \$6,000,000, could not be met. This stock had already an accrued debt of \$8,500,000. The total indebtedness of the company was \$12,500,000. Stickney went to London and on January 8, 1909, asked the debenture stockholders to postpone the interest payments. They refused and voted the C.G.W. be put into the hands of receivers so that the property could be mortgaged. Later Stickney recalled: "A great majority of the noteholders were perfectly willing to extend the time of the notes, but some of the holders could not be reached, and it was uncertain what they might do. The committee thought it best, under the circumstances, to place the property in control of the court during the time necessary to issue first mortgage bonds and sell them." A cable to this effect was sent to the directors in St. Paul. The following morning their attorney, Frank Kellogg, met with Judge Sanborn of the U. S. circuit court in St. Paul. That afternoon, January 9, 1909, Kellogg made formal application for the receivership. The application was accepted and filed. Stickney and Charles A. S. Smith were ap-

pointed as receivers and Kellogg as their attorney. Kellogg explained the receivership as follows:⁴⁶

The receivership is not the result of any single creditor or stockholder, but has been taken after careful consideration of all parties interested, many of the creditors, and the board of directors. The immediate reason for the receivership was the failure to obtain an extension of the notes now due and coming due during 1908 which were given for money borrowed for improvements and betterments of the property. The company has spent \$19,000,000 in the past ten years . . . in general improvements and betterments of the railway, and has outstanding notes for this purpose to the amount of about \$10,000,000. During the last spring a plan for financing the road was agreed upon by the board of directors and the [London] finance committee, but owing to the stringency in the money market and other unforeseen causes, they have been unable to carry it out.

The earnings of the company were very materially decreased during the autumn by a strike at the shops, which tied up the equipment. The strike was won by the company, but the damage had been done. The receivership will be temporary pending the time required to carry through the plan of financing the road. . . .

During the next four years \$1,653,413.17 will fall due. \$54,000 of notes have already gone to protest, and during 1908 \$3,342,545 will fall due and be defaulted. If the creditors were to levy on the company's property, it would result in tying up interstate commerce and the road would be torn to pieces. A receivership seemed necessary to protect all interests equally, the stockholders and the public as well.

Oelwein received the news of the receivership with regret. Although the people of Oelwein had not purchased much Great Western stock, they looked on the road with favor, mainly because of their liking for Stickney and the income it brought to Oelwein. Their feeling is indicated by the following: "If the road is in financial straits it will not be because President Stickney has failed to do his full duty. He has been 'instant in season' to promote the welfare of the road, and the success to which it has attained since the small beginning of years ago has been largely the result of his unselfish efforts." In spite of the receivership, Oelwein

⁴⁶*Oelwein Register*, Jan. 8, 9, 16, 1908; Aug. 21, 1909; Bogart, *op. cit.*

residents were confident the Great Western would still be made a success.⁴⁷

The people of Oelwein presumed, and correctly, that the "Maple Leaf" would continue to run. When interviewed, O. Cornelison, the new general superintendent, stated that not only would train service continue but that considerable new equipment was to be purchased and all the old overhauled. He said that he understood the above expenses could be paid for while the company was in receivership with the money that would ordinarily be used for interest payments. In reality, the money was to be obtained from the sale of first mortgage bonds yet to be issued and sold.⁴⁸

Before Great Western property could be mortgaged it had to be inventoried. The inventory was made during August, 1908, under the supervision of a committee representing the English creditors.⁴⁹

Meanwhile, business conditions were improving. In September the company was doing a good business and as the weeks passed business continually improved. The reasons were a huge eastern movement of grain resulting from a bumper crop in the northwest and heavier loads of manufactured products. The Oelwein shops were as busy as ever in their history. In view of the improved business conditions, the English creditors on December 5th voted to postpone the reorganization of the company. No mention was made of mortgaging the property. They evidently figured that, with their debenture stock having a preference over other C.G.W. stock, the Great Western might still become a paying proposition for them if not for other stockholders. These were the same men who had demanded the property be put in the hands of receivers so that it might be mortgaged and they get their money.⁵⁰

⁴⁷*Des Moines Capital*, reprinted in *Oelwein Register*, Jan. 10, 1908; *Oelwein Register*, Jan. 16, 1908; editorial, "Annual Report of C.G.W. by Pres. Stickney," *The Railroad Gazette*, Sept. 8, 1899, pp. 629-630, and Sept. 7, 1900, p. 597.

⁴⁸*Oelwein Register*, Jan. 16, 13, 1908.

⁴⁹*Oelwein Register*, Apr. 9, 16, Aug. 28, 1908.

⁵⁰*Oelwein Register*, Sept. 2, 5, Oct. 21, Dec. 5, 1908.

With the announcement from London of the proposed delay in reorganizing the company, C.G.W. stockholders holding common and preferred "A" and "B" stock began making inquiries as to whether or not the property was ever to be mortgaged and the company reorganized. Their inquiries were answered March 1, 1909, by a statement from the receivers, as follows:⁵¹

From present indications it will be at least one year and possibly two before the receivership of the C.G.W. Railway is terminated and funds are available for the payment of different claims, and further offering to buy claims if they can be bought at a satisfactory discount. The receivership of the C.G.W. Railway was created at the instance of and for the benefit of the creditors, and as receivers we feel it our duty to advise the creditors that we understand satisfactory progress is being made looking to the reorganization of the property. We cannot state positively when the receivership will terminate, but we feel it should not extend beyond the present year and that it may be wound up in less time. The creditors should also be advised that the value of the property in the hands of the receivers is so much greater than the total claims against the estate, that, in our judgment, there is no question but that the claims of all creditors will be paid in full, with interest. We have deemed it our duty to address this communication to the creditors so they will be fully informed.

After the property was put in the hands of the receivers the sale of the C.G.W. was rumored several times. First, in April, it was the Canadian Pacific or the "Soo" Line who had bought it. In August it was a syndicate formed by the English creditors. In September it was the Canadian Pacific again, and in January, 1909, the Northwestern.⁵²

C.G.W. REORGANIZED AND SOLD

Tentative reorganization of the Great Western was rumored January 5, 1909, and officially confirmed two weeks later. As pointed out above, on March 1st, the receivers admitted that they did not know when the

⁵¹Smith, Charles, and Burt, Horace G., receivers for C.G.W. Ry. Co., letter to stock holders, Mar. 1, 1909, reprinted in the *Oelwein Register*, Mar. 6, 1909.

⁵²*Oelwein Register*, Apr. 16, Aug. 8, Sept. 22, Oct. 21, Dec. 5, 1908; Jan. 9, 1909.

receivership would end but hoped that it might be terminated within a year. Two weeks later the plan of reorganization was completed. An arrangement was made with certain financiers on Wall street, New York City, by which the company was to be refinanced and the property rehabilitated. \$60,000,000 worth of first mortgage fifty-year four per cent gold bonds were to be issued and sold. Not until July 26th did Oelwein learn that for a period of five years the Great Western was to be controlled by a syndicate formed by J. P. Morgan & Company.⁵³

News of the proposed reorganization of the C.G.W. was welcomed in Oelwein. The people knew that if the Great Western could again be made to prosper Oelwein would likewise benefit. The local editor declared: "With the big strike, the presidential election, and the C.G.W. in the hands of receivers the prospects of Oelwein have not been as rosy as might be desired. Now with the strike a thing of the past, with the presidential election over, and business reviving, and with the C.G.W. placed on a solid financial basis, the 'sun of renewed prosperity' is already above the eastern horizon."⁵⁴

Within a month from the time it was learned that the C.G.W. was to be controlled by J. P. Morgan & Company, the mortgage was foreclosed. On August 21st, in the West Side Freight House in St. Paul, the property was sold at auction to the sole bidder, J. P. Morgan & Company, for \$12,000,000. The Morgan syndicate held the property until September 1st, when it was turned over to the new company—the Chicago Great Western Railroad Company. This company had been organized August 11th under the laws of the state of Illinois and incorporated the 24th under the laws of the state of Iowa. The new company was capitalized at \$96,000,000.

⁵³*Oelwein Register*, Jan. 5, 19, Mar. 6, 17, 1909; "Plans for C.G.W. Ry. Reorganization," *United States Investor*, Aug., 1909, reprinted in the *Oelwein Register*, July 26, 1909; I.C.C., *op. cit.*, App. II, pp. 203-04. In 1897 and again in 1901 it had been reported that the Morgan interests had secured control of the C.G.W. Later this was denied. *The Railway Age*, Aug. 27, 1897, pp. 694-696; Mar. 29, 1901, p. 394, and July 5, 1901, p. 16.

⁵⁴*Oelwein Register*, Mar. 17, 1909.

Figuring 800 miles in the system this made the capitalization approximately \$120,000 per mile. Under the old company it had been \$140,000. Two things of interest are noted about the incorporation fee. First, Morgan's personal check was used to pay the fee. Second, the charge was \$96,000. This amount was figured on the basis of one-tenth of one per cent of the new company's capitalized value.⁵⁵

The new company was incorporated under the name of Chicago Great Western Railroad Company, changing only the word "railway" to "railroad." In the case of the trademark, however, it was changed from the "Maple Leaf Route" to the "Corn Belt Route."⁵⁶

Before the sale it was stated that the general offices of the new company would be located in St. Paul as had been the general offices of the old. However, four days after the sale it was announced they were to be in Chicago. The change was made by October 3rd. Most of the offices were situated in Grand Central station; the remainder in the Harvester building. Following the completion of the Peoples' Gas building the following May C.G.W.R.R. offices were united in that building.⁵⁷

The people of Oelwein were encouraged with the news of the sale of the "Maple Leaf." The influence of the "Morgan millions, and the immense credit and resources of the Morgan railroad interests" were noted within a very short time. The roadbed was improved, new equipment purchased, and all the old rolling stock overhauled. The latter was important to Oelwein in that several hundred new men were employed at the shops and the shops themselves were soon enlarged.⁵⁸

⁵⁵*Oelwein Register*, July 23, Aug. 13, 21, 25, 27, 1909; Aug. 22, 1910; I.C.C., *op. cit.*, p. 141; Stand. Corp. Rec., *op. cit.*, Encyclopedia Americana, Vol. 6, p. 447.

⁵⁶*Oelwein Register*, Aug. 25, 27, 1909; June 25, July 16, 1910; Joyce, Patrick H., president, C.G.W.R.R. Co., pamphlet, Aug. 27, 1934; *Encyclopedia Americana*, *op. cit.*

⁵⁷*Oelwein Register*, Aug. 13, 25, Sept. 1, Oct. 4, 1909.

⁵⁸Deyo, *op. cit.*, "History of C.G.W.R.R. Co.," July 10, 1939, "The C.G.W.-R.R.," Nov. 3, 1941; the *Dubuque Times-Journal*, reprinted in the *Oelwein Register*, Dec. 30, 1909; *Oelwein Register*, Aug. 25, 30, Sept. 20, Oct. 2, 3, 1909; Jan. 29, Feb. 5, Apr. 11, 18, May 13, 1910; Anniversary Edition, 1923; Robinson, Fred S., "Oelwein, Iowa," *The Maize*, Dec., 1914, p. 48; Fitch, *op. cit.*, Vol. 1, p. 317.

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