

# ROGER W. BABSON ON AMERICA'S GREAT COAL STRIKES

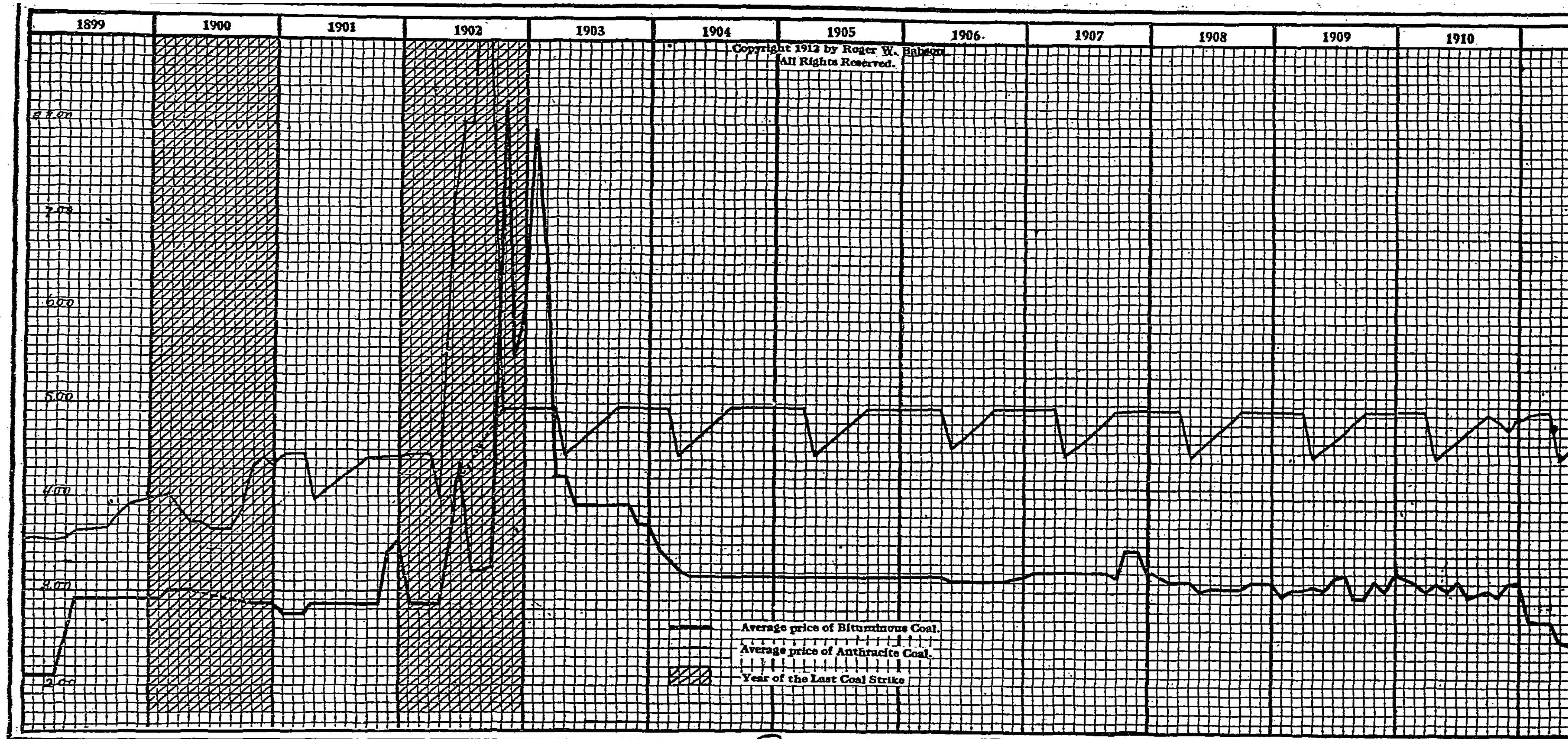


Chart Showing How Strikes Have Affected the Consumers of Hard Coal.

IN view of the investigation of coal conditions made by his organization, Roger W. Babson, the statistician of Wellesley Hills, Mass., was asked his opinion of the purposes and the causes of the present coal strike.

"I have some very decided opinions," said Mr. Babson, "and I will state them as follows:

"To begin with, you must realize that there are three classes of coal producers, viz.:

(1) The producers of only bituminous, or soft coal.

(2) The producers of only anthracite, or hard coal.

(3) The producers of both anthracite and bituminous coal.

Now, with the first class, the producers of bituminous coal, the present strike is a very serious affair. These producers are making little if any money at the present time and the increased wage will be severe hardship for them. Owing to the organized condition of industry and the fact that the Government will not allow the operators to pool their interests, bituminous coal has been selling at practically the same price. Moreover, owing to the fact that the market for bituminous coal is very powerful and concentrated, the buyer can practically dictate the price. Therefore, I state that these producers are very much opposed to a strike and have honestly striven to prevent it, and should have the good will of the public.

The facts of the situation regarding the strike in anthracite are very different. In this case the producers are well organized and the buyers are scattered. Therefore, notwithstanding Government action these producers can virtually pool their interests and control prices. Consequently the producers of anthracite are making handsome profits at the present time and their profits increase with every strike.

As the producers of anthracite regard a strike, it gives them a first call on labor and an opportunity to increase the price of coal per ton to each family. In fact a study of the figures would seem to indicate that for every additional increase of 25 cents per ton in the cost of producing, (due to increased cost of labor) the owners of anthracite mines have increased the price 50 cents per ton. This is one reason why I have no sympathy in the present instance with anthracite producers, and I should not be surprised if they were to welcome if not encourage the strike. These producers are now making handsome profits and can well afford to pay increased wages without making any increase in the price of coal. If they do increase wages, they will in all probability doubly increase the price of coal, so as to tax the public not only for the increase in wages, but for additional profits at the same time.

The third class of producers, namely, those of both bituminous and anthracite coal, are in a position more or less similar to that of the anthracite producers. It is true that these producers of the third class are making little if any profit on bituminous coal, and cannot afford to give their bituminous miners an increase. But they are making a very handsome profit on anthracite, and as I shall show you later, are making the anthracite buyers carry the burden of the entire load. In other words, if these operators of the third class are obliged to increase wages, they may not increase the price of bituminous coal, but they will increase the price of anthracite, which you and I purchase, a sufficient amount to pay the increase in wages on both anthracite and bituminous.

It will therefore be seen that so far as the two latter classes of operators are concerned, this coal strike is simply an act of the producers of anthracite and the operators are the actors and you and I are simply spectators who are paying the expenses of the show.

When one remembers that the total cost per capita of the entire income from the tariff is only about \$3.50, the effect of increasing the price of coal \$1 per ton is self-evident. It is therefore a great wonder to me why Congress should investigate the steel industry and the sugar industry and yet permit this periodical strike to be played every two years for the purpose of increasing the profits of the handlers of anthracite coal.

I know that the producers will deny these statements; but the price of the stocks of these anthracite producing companies speaks for itself. Note the advance which these stocks have made since the last great strike. Figures speak louder than words and are plain evidence to the ultimate advantage of the producers and are cordially welcomed. In fact, we should be ashamed of ourselves to stand by and see the American consumer of coal for domestic use being hoodwinked in this way, especially in a country which provides about 40 per cent. of the entire 1,300,000,000 short tons used in the world.

Mr. Babson then spoke of the great strike in England and in substance he stated as follows:

"When the strike of miners in Great Britain commenced early in March an object lesson of the power of organized labor over transportation and industry,

was impressed on the public mind as never before. The community stood aghast at the thought that 1,000,000 men had united to enforce the demands of their leaders.

"So great was the respect for the power of this vast host that retrenchment in the use of English, Scottish, and Welsh coals began immediately. Vessels sailing from European ports in some instances had so much difficulty in obtaining their customary supply of fuel that the sailing time was more or less seriously interrupted. Thousands of industries, millions of capitalists, and myriads of people realized in a new way what a wholesale strike of operatives in the British coal mines might signify. The Government at once intervened to avert the strike, even promising to attempt legislation to establish a minimum wage, and a majority of the operators were reported willing to agree to the minimum wage.

"But the strike was not to be averted. Despite the claim that it would last but a little while, great inconvenience and heavy expense was entailed. The steamship companies announced that until further notice vessels would be placed under reduced speed so as to economize in the use of coal. The service of railroads was reduced at that time when the strike was in its initial stages. On one railroad, the Northeastern, the service of 1,300 trains was suspended.

"In the second week of the strike British railroad earnings decreased \$2,500,000. Factories at Lancashire and elsewhere began early to curtail operations. The great armament works at Sheffield and the general steel trade there shut down early, throwing thousands of workmen out of employment. With 1,000,000 miners directly involved and as many workmen in other industries forced into idleness, it is plain to see with what comprehension the British coal operators' strike was received within and without the British Islands. About the same time coal strikes developed in France, Germany, and Spain, with unmistakable signs of similar demonstrations among the coal operatives of the United States. All these things have pointed to the talk of a world-wide strike of coal miners. Nor could it be said that capital was anxious to measure power with so tremendous a host as the combined body of those who go into the earth to produce the coal of commerce.

"In North Wales, immediately following the strike announcement, there was an advance in the price of coal ranging from 75 to 100 per cent., and the result was the closing of practically every factory and quarry in that part of the country. At the end of a fortnight two families in each of the Welsh villages were in need of assistance. Shipments of coal from the ports of South Wales, usually 400,000 tons per week, fell to 30,000 tons. The largest paper mills in the midland counties discharged their help and suspended operations completely. So great did the pressure on passengers become upon the street cars and omnibuses in London in consequence of the restricted suburban train service that permission was given to stand in vehicles, a thing forbidden under penalty in normal times."

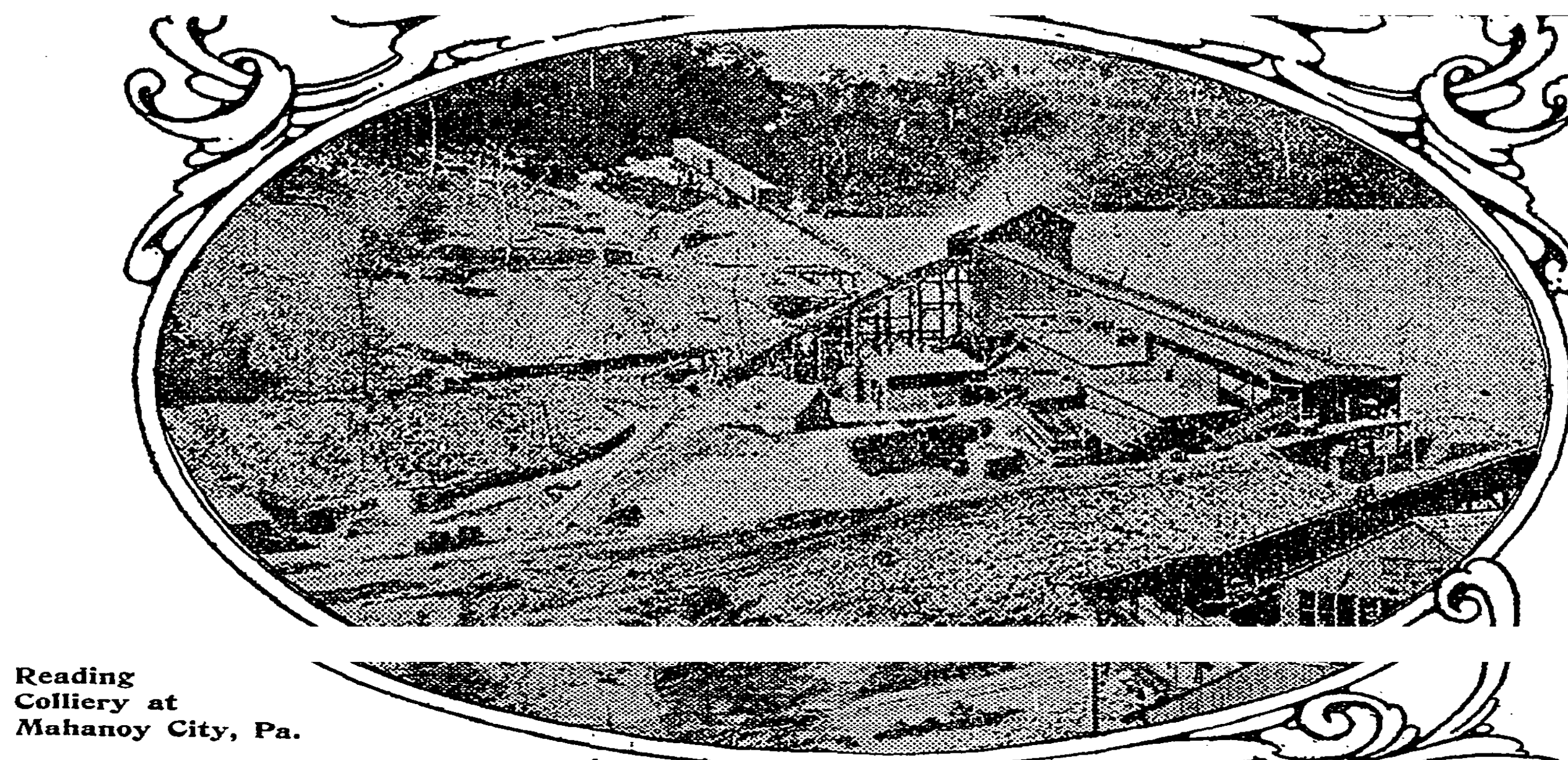
As Mr. Babson's office keeps in very close touch with foreign affairs, he was quick to point to the latest conditions in the coal fields of other countries and he cited the following facts:

"On March 10 delegates representing the three coal miners' organizations of the Ruhr region met at Essen in Rhenish Prussia and voted to call a strike. Although the Christian Trade Unions did not approve the strike, they were expected to approve the demand for increased wages, and many of them later joined the strikers. Eighty different district meetings were held and attended by some 150,000 miners, who were said to generally favor the strike as a means to a fairer wage. The official notification of the strike urged the miners to be law-abiding and strictly avoid the use of liquor.

"In Waldenburg, Silesia, the mine owners decided to restore the wages of 1903, the highest ever paid, yet this wage was less than half that demanded by the organized miners of the district, who called for a 15 per cent. advance.

"At Zwickau, Saxony, 1,500 miners voted to present an ultimatum to their employers, who had already refused to advance wages. The effect on the price of coal in Germany was exactly what would be expected, and all consumers were forced to purchase had to pay the price. The miners threatened to tie up all business in Germany as completely as had been done in Great Britain. The strike continued to spread, and by the middle of March the strikers numbered 240,000, and had become so turbulent as to require the calling out of the soldiers.

"The French miners are said to have planned their coal strike as an object lesson. The union leaders wished to demonstrate the justice of their cause and their readiness to use the strike as a means to enforce their demands. These demands are said to include an eight-hour work day, a pension of 2 francs a day for all workers over 50 years of age, and a minimum wage scale similar to that sought by the 1,000,000 British workmen. A Paris cable stated that two-thirds of the coal miners of France responded to the appeal of the General Miners' Federation to strike for twenty-four hours.



Reading Colliery at Mahanoy City, Pa.

"This action of the miners was not directed against the mine owners, but was designed to impress upon the Government the solidarity of the miners, and to warn Parliament that the miners are not satisfied with the workmen's old-age pensions law.

"Straightway upon announcement of the strike of coal operatives in Great Britain there was inquiry for coal in the United States by English interests, although this coal was not wanted for England. It was rather sought by the English to supply foreign customers accustomed to get their supply from Great Britain.

"Most early shipments from the United States, other than purchases by the English Admiralty, are said to have gone to the Canaries Islands and South America, localities which the United States ought naturally to supply.

"American operators were disappointed at inability to secure coal benefits at the expense of their English rivals. Realizing that the strike abroad was certain to come and that the British collieries would be unable to supply all their customers, American operators made special effort to prepare for a great export business. This aim was less to win large profits than to enter a field they had not occupied before and to supply such a good quality of coal at so reasonable a price as to establish a market in that field.

"That British coal operators were alive to this possibility is a reasonable conclusion from their promptness to supply their customers by purchases in the United States and shipments from here to the points named and other points.

"Having sold coal in some quantity to British operators, domestic operators were not so well prepared to meet a strike in this country. It is estimated that exports of coal on English orders will be about 300,000 tons. It was soon apparent that this country would need all the coal American operators could deliver, (after it became fairly certain that a strike or strikes would occur here.)

"American consumers having annual contracts with the producers insisted on deliveries under the contracts; and while the operators were doing what they could to honor the contracts, at least to the extent of meeting present needs, they were credited with reserving to themselves the right to sell at high prices to outsiders. That is to say, if there were to be large profits made on coal, the producers wanted the profits for themselves, and the consumers were to be left with the loss.

"On account of the severe winter the coal operators were not as well prepared for a strike at home or abroad as they would have been otherwise. The severe winter tied up a large amount of coal cars outside the companies' territory and prevented shipments through means of equipment. One of the coal roads in the Middle States had 15,000 coal cars tied up in the States around the Great Lakes, due to the collapse of motive power under the strain of winter. It was calculated that car conditions would not return to normal before a beginning of the strike of April 1.

"Meanwhile our mills, factories, transportation companies, and private individuals were buying coal as a precautionary measure, and little margin was left to exploit the foreign market. Of course, under these conditions there was an advance in prices. Although operators were blaming the middlemen and professing a desire to supply homes with coal at medium prices, they were apparently trembling lest the high cost of this home necessity should lead to political agitation.

action of unreasonable profits upon one of the prime necessities of life.

"More time was lost through labor troubles in 1910 than in any other year in the history of the coal-mining industry." observed Mr. Babson.

"The number of men made idle by strikes in the bituminous mines in 1910 was, according to a report by the United States Geological Survey, 215,040 out of a total of 255,532. The average time lost by each man was eighty-nine working days. The total time lost was 19,234,785 days, which, at the rate of \$1.50 a day to each man, would represent nearly \$30,000,000 in wages. It was recognized, however, that no such loss took place, for many of the miners migrated to other States or districts and found employment, and a large part of the lost time and wages was made up by increased activity both before and after the strike.

Babson continued, "In 1901, the year before the great strike, was 59,005,951 tons; while shipments to market were 55,508,001 tons. During the first four months of 1902 production continued at about the normal rate, or say about 20,000,000 tons. From May to November the production was about 4,000,000 tons, the whole being shipped, against 24,000,000 tons in 1901; so that the loss was 20,000,000 tons.

"This, he states further, was made up partly by shipping bituminous coal in large quantities and by using up all the available stock of anthracite usually carried by the companies, dealers, and consumers. It is evident from the resumption of anthracite developed during the continued idleness for so long a period that an average of 10,000,000 or 12,000,000 tons is usually held; a month's supply by each class. Anthracite which sold at \$4.50 per ton in April by wholesale commanded as

much as \$25 during the season and \$12 at the end of the season.

"There was much talk of substitutes for anthracite during the summer and fall of 1902, and many theorists came forward with plans; but the agreement to resume normal conditions of the coal trade, the readiest substitute was the bituminous coal found in great quantity and readily mined in Pennsylvania, Maryland, Virginia, and West Virginia; and this found its way into many places east of the Alleghenies where it had not been known heretofore.

"The result of this extra demand was an enhancement of values, so that frequently in the months of September and October a rate of \$5 per ton at the mines was willingly bid for and supply which

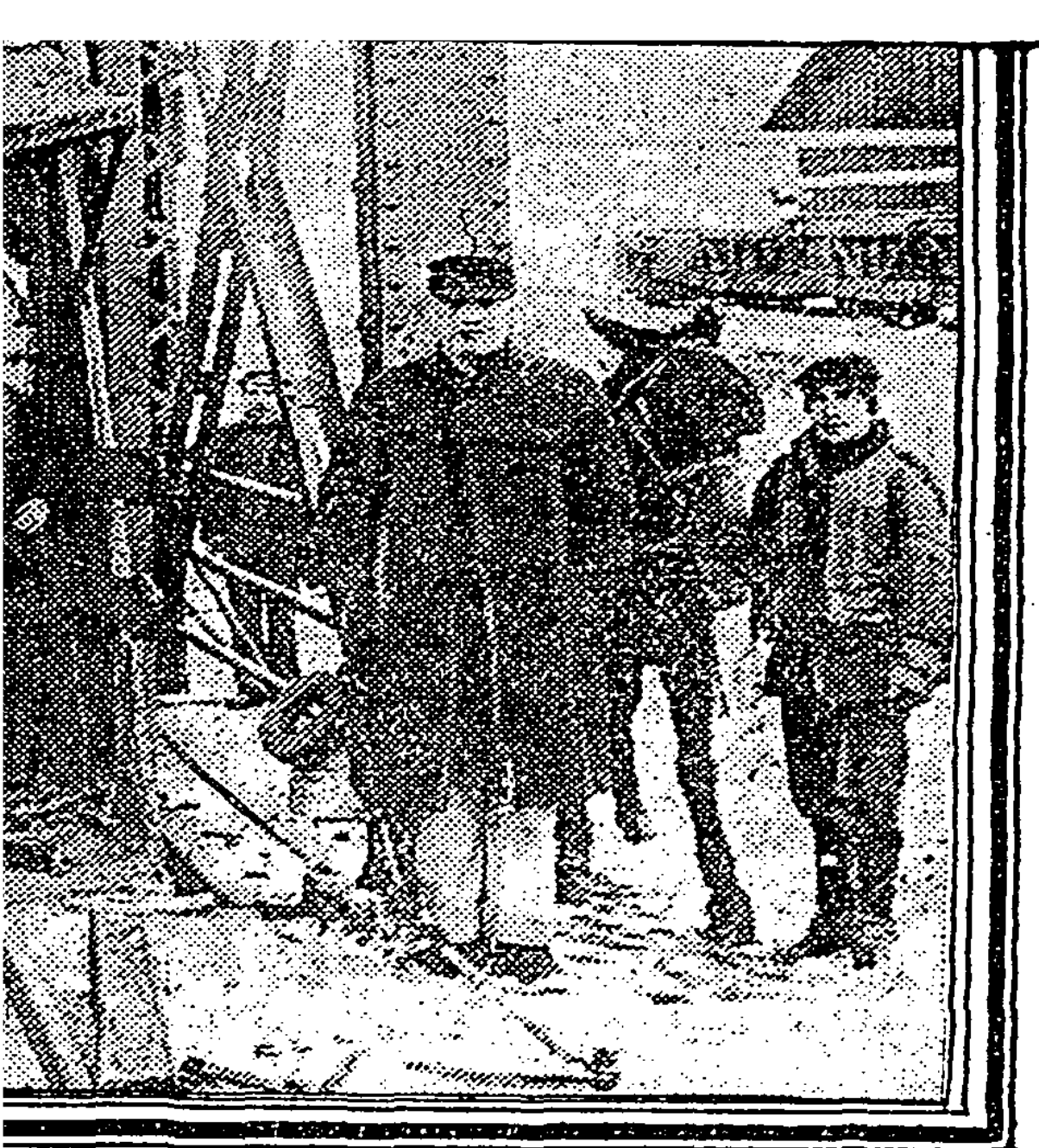
The following statistics have been prepared by Mr. Babson's organization relative to labor strikes in the coal mines of the United States in 1909 and 1910:									
State or Territory.	Number of Men on Strike.	Total Days Lost.	Av. No. Days Lost per Man.	Number of Men on Strike.	Total Days Lost.	Av. No. Days Lost per Man.	Number of Men on Strike.	Total Days Lost.	Av. No. Days Lost per Man.
Alabama	1,444	41,836	29	4,822	712,250	148	20	1,120	56
Arkansas	1,144	31,224	27	2,124	58,224	27	140	3,500	25
California	55	1,250	23	2,044	58,224	28	95	2,100	22
Colorado	55	1,250	23	2,044	58,224	28	11	2,100	22
Georgia	2,355	90,720	38	67,218	9,185,053	135	134	3,500	25
Illinois	36	720	20	2,044	58,224	28	29	700	24
Indiana	2,030	12,504	6	4,209	408,563	97	44	1,100	25
Iowa	4,715	71,566	15	10,346	1,578,627	152	129	3,500	25
Kansas	475	15,000	32	1,472	45,157	31	19	4,500	25
Kentucky	25	115	4	1,244	86,720	70	52	1,100	25
Maryland	457	6,002	13	7,771	1,218,699	157	127	3,500	25
Massachusetts	11	110	10	345	38,200	111	11	1,100	25
Michigan	11	110	10	345	38,200	111	54	1,100	25
Minnesota	2,375	120,434	50	2,744	1,354,631	494	54	1,100	25
Missouri	1,475	1,078	7	2,312	1,247,428	539	123	3,500	25
Montana	5,231	200,381	38	60,007	2,700,740	45	45	1,100	25
Nebraska	80	4,800	60	1,770	108,220	61	61	1,100	25
Nevada	1,010	19,500	19	1,620	13,983	8	8	1,100	25
New York	1,910	26,005	13	1,194	12,702	11	11	1,100	25
North Carolina	24,765	724,624	29	215,040	16,234,785	75	89	6	6
Ohio	771	8,616	11	2,853	15,739	5	5	1,100	25
Pennsylvania	24,765	724,624	29	215,040	16,234,785	75	89	6	6
South Carolina	771	8,616	11	2,853	15,739	5	5	1,100	25
Tennessee	24,765	724,624	29	215,040	16,234,785	75	89	6	6
Texas	771	8,616	11	2,853	15,739	5	5	1,100	25
Virginia	24,765	724,624	29	215,040	16,234,785	75	89	6	6
Washington	771	8,616	11	2,853	15,739	5	5	1,100	25
West Virginia	24,765	724,624	29	215,040	16,234,785	75	89	6	6
Wisconsin	771	8,616	11	2,853	15,739	5	5	1,100	25
Wyoming	24,765	724,624	29	215,040	16,234,785	75	89	6	6
Total bituminous	24,765	724,624	29	215,040	16,234,785	75	89	6	6
Total anthracite	771	8,616	11	2,853	15,739	5	5	1,100	25

A summary of the statistics of strikes in the coal mines of the United States since 1899 is given in the following table:

Year	Number of Men on Strike	Total Days Lost	Av. No. Days Lost per Man
1899	4,081	121,154	30
1900	131,073	4,878,102	37
1901	1,000,000	16,072,217	16
1902	2,300,452	3,541,051	15
1903	2,300,452	3,541,051	15
1904	77,001	3,382,820	44
1905	1,000,000	16,072,217	16
1906	1,000,000	16,072,217	16
1907	1,000,000	16,072,217	16
1908	1,000,000	16,072,217	16
1909	24,765	724,624	29
1910	215,040	16,234,785	75
Total	25,000	725,000	29

\* Bituminous mines only. \* Estimated. \* Mr. Babson's production of anthracite.

We Should be Ashamed to Stand By and See the American Consumer of Coal for Domestic Use Being Hoodwinked, Says the Well-Known Statistician, and Explains Why.



A Typical Miner.

gle might occur the present year, and the operators were probably more alert than was publicly known. There was the storage of coal and construction of stockpiles about the collieries by some of the companies to protect the properties from damage in the event of a strike. Throughout the coal regions there could be found works inclosed by high and strong fences, surrounded by heavy wire, and the operators to avert and far-sighted of the users were early on the market, and when the public fully awoke to the situation it was difficult to supply the demand at \$1 advance in price for leading sorts. This was the wholesale price in March compared with the price in January. Retail prices in several instances showed even larger advances.

"Rather suggestive," said Mr. Babson emphatically, "and possibly impolitic, was the remark of the operators' committee in its reply to the demand of the miners that it is out of the question for the operators to advance wages unless they can in some way realize from the sale of coal produced a sum equal to the increase of wages." The inference from this observation would be that an advance in wages might be granted if the burden of paying the wages could be shifted to the consumers of coal. That was precisely what was done after the strike of 1902, and the anthracite carriers were never so prosperous as they were in the years following that strike. Their prosperity has continued to this day, possibly reaching its peak after it became known that a 1913 strike was probable, if not certain.

"Consumers," Mr. Babson went on, "are already groaning beneath the burden of high-priced coal and uttering expressions of discontent because their dealers are only partially filling even small orders and at rapidly rising prices. The outlook would be gloomy enough with only an anthracite strike at hand. But with a greater strike of soft coal operatives in view, what shall be said regarding the feelings of the domestic consumer?"

"This unfortunate individual has long been wondering why coal was so dear, and will undoubtedly be interested to follow the argument of George H. Cushing, a writer in The Technical World Magazine upon the theme, 'Why Your Coal Bill Is So High.' Mr. Cushing declares that at a luncheon with coal operators he made this statement:

"I say that the householder, the unprotected buyer, the consumer of domestic coal pays far more than his share of the cost of coal product. He pays all that his coal is worth, plus part of what the consumer of steam coal ought to pay. This means that he pays all the profits of the coal mining companies, all of the increased value of coal lands, and he consumes coal to exceed the cost of the coal. The user of steam coal pays no part of these things; he does not even pay the cost of producing that coal which he uses.

"Mr. Cushing said that no exception was taken to his statement, except that one party wished to make the operator the partner of the householder and express it this way: 'The householder pays all the increased cost of producing coal, except what the producer involuntarily absorbs, and all the profits of the coal mines when there are profits.' And this Mr. Cushing said he was ready to accept because it made small difference. 'The main point,' he continued, 'is the householder pays so heavily, merely because the big industries will not carry their end of the load. Yes, I mean it—the people who own their homes and must use coal or freeze, pay, along with their own

(Continued on Following Page.)



# ROGER W. BABSON ON AMERICA'S GREAT COAL STRIKES

(Continued from Preceding Page.)

bills, a considerable part of the fuel bills of the railroads, the steel mills, the big factories, the electric light companies, etcetera and ad infinitum.' This same article by Mr. Cushing brings out further points:

I am told by railroad men that the carriers of this country use 125,000,000 tons of coal annually, or one-fourth of the total production, and that it is all bought by not more than twenty-five men. On the average, then, one railroad purchasing agent will buy 5,000,000 tons of coal per year. In placing such enormous orders, he receives bids and prices not from twenty-five coal companies but from at least 500. This duplicates the situation which enriched the oil refiner and impoverished the producer of crude petroleum; which enriched the American Tobacco Company and impoverished the farmer who grew the tobacco. It pits one buyer against a multitude of producers. In coal this has resulted in a situation which gives the centralized buyer his steam coal for less than it costs to produce it.

This is not merely theory pinned to logic; it is supported by facts and is the truth. For instance, to produce Illinois coal costs \$1 at the mine mouth. The Great Western Railroad not long ago bought its supply from Illinois and Indiana mines for 82 cents a ton. The United States Steel Corporation used to have a contract with the Deering Coal Company of Chicago to furnish it 4,000 tons of coal per day at 5 cents a ton above cost. Then the Steel Corporation went to R. R. Hammond and J. K. Deering of that company not only demanding a surrender of that small profit, but that the company should accept a loss. The Deering Coal Company refused and was forced into the hands of a receiver.

To multiply examples adds no weight; a clear and authoritative statement of a fixed policy is better. I get it from Charles A. Lind, purchasing agent of the Commonwealth Edison Company of Chicago, who buys 3,000 tons of coal per day. He said plainly that if the time ever came when he had to pay as much for coal as the cost of production or more, his company would begin to operate mines upon the coal land which it owned. His reason for this is clear and easily understood. Coal is our raw material, and if any profit is to be made on it by any one, our stockholders can use it as well as the stockholders of the coal company.

"With this situation made clear, it requires no wizard to explain why we pay. All business concerns, including coal companies are operated solely to make a profit. If they do not make it from one customer, they must make it from another. If coal companies are prevented from organizing while all their big customers are uniting or have united, it stands to reason that steam coal is at the mercy of its users and that the users put on the screws to their own advantage. This gives the coal company no hope of profit from that source—but it must have a profit and this profit comes from you and me. We are not centralized buyers and can't beat down the price. For that reason we must make up the loss and supply all the profit which we are doing.

Upon every ton of coal delivered to your cellar and mine is put a price which gives the producer what he lost on his big steam business and what he ought to have and will have as a profit on his total production.

## Worst To Come.

"In addition to the above reason for the high price of coal there is another which Mr. Cushing states as follows:

The American miner to-day works only 180 or 200 days in the year. This is because the competition upon which you and I have insisted has caused so many mines to be opened they cannot possibly be worked steadily. Still, the miner must live whether he works his 180 or 300 days in a year. As a consequence, he must get for his 180 days as much as another workman gets for 300 days, or 33½ per cent. more per day than the man who is steadily employed.

Now, the miner is complaining that his yearly income is not enough. He knows it is useless to ask for more steady employment, so he asks for 10 cents a ton and compromises on 7½ cents or 5 cents. If any increase whatever is granted it must be paid, and we all know that this money can come from only one of two sources. The producer must take it from his profit or it must be raised by increasing the selling price of the coal.

The price paid per ton to the miner has about been doubled in the last twenty years. The producer could not absorb that increase; if he could he was either making too much money in the first place or is making none now. It is out of the question to assure that the producer absorbed this increase. This means it was paid for by us and the steam user. The price of steam coal has gone down rather than up. Railroads which used to pay \$1.12½ to \$1.15 for their coal are getting it all the way from 80 cents to 95 cents a ton. The official figures for Illinois show a reduction in the average selling price of coal of 14 cents a ton in eleven years.

This measures the decrease in the price of steam coal. That is, the reduced price on 60 per cent. of the output—the steam coal—was enough to reduce the average price of the whole 14 cents a ton. In a struggle to make up this loss and also pay the higher wages to the miner, we have been obliged to pay more for our coal.

In 1910, by way of example, Springfield, Ill., lump coal was selling for \$1.25. Illinois operators gave the Illinois miners an increase of 7½ cents a ton. The price of domestic coal immediately thereafter went up to \$1.40. This was an increase to the householder of 15 cents, or 7½ cents for the legitimate rise due to the concessions of the miners, and 7½ cents to make up what the producers know they could not collect from the steam users.

Yet again, the miners find that powder will let down the coal much faster than the pick, and so are blasting in a way to increase the amount of fine coal and lessen the amount of lump coal, which domestic users buy. It must increase our burden if we must use lump coal, and if lump coal only bears the manifold burden of mine expense. If the miners are given any new concessions, you and I will pay in like proportion. If coal prices could be equalized, it would be possible at once to take 50 cents a ton off the price of domestic coal at the mine mouth, grant workmen's compensation and old-age

pensions; put safety appliances in mines; recover all the coal left in the ground, and still leave the coal as rich as the oil business.

"This idea," said Mr. Babson, "is that if the coal operators were permitted to regulate prices (which they cannot do under the Sherman law) they would store the lump coal which they produce in excess in the Summer and the fine coal which they produce in excess in the Winter, and would thus be in position to equalize prices the year around; and domestic prices would not go up every time the thermometer went down. I agree with the idea that the big steam coal users may never pay the operators a profit, but will immediately develop their own coal properties if the necessity is forced upon them."

Every coal-carrying railroad, Mr. Babson tells us, has control either of virgin coal land or of coal-producing companies. One and all these big buyers of steam coal would desert the commercial coal companies which they now patronize and would start to develop their own property. There would be a rapid readjustment of coal sales, by which the steam coal price would be freed from the downward pressure of these powerful buyers. We would realize that it makes against the common good for a coal producer to sell coal to one man at a lower price than is charged another, just as we now see that it is contrary to public policy for a railroad to give a preferential freight rate.

In reference to the relations of the big companies to the coal trade, The Black Diamond (newspaper) in a former issue had the following:

Last week we printed a paragraph showing how the Commonwealth Edison Company of Chicago is constantly manipulating the market to beat down the price of coal. We have on a good many occasions discussed the tactics of this particular company, and last week our news item brought out the question: What do you want, anyway? At what are you driving? This is what we want. We want the Commonwealth Edison Company and all other big buyers of steam coal—the railroads, the Steel Corporation, the International Harvester Company, and all other big concerns—to either pay as much for their coal as it costs the operating companies to produce it or we want them to mine their own coal.

The Commonwealth Edison and all other concerns have coal lands of their own which they are holding in reserve. They are not mining a pound of their own coal for their own use, although they have thousands and hundreds of thousands of acres of coal land awaiting development. Even to preserve their land intact they are not willing to pay commercial operators as much as the cost of production, to say nothing of the cost of production plus the depreciation of coal land. When the coal operators try to stop donating 10 to 25 cents a ton on all the coal which these concerns use, they manipulate the market to take the advantage by force. Not only that, but they say flatly that so soon as the operators begin to charge

enough to pay the cost of production they will withdraw their patronage and begin to mine their own coal.

For this reason we want the operators to stop at once donating not only the coal but part of its production cost to people who have money enough to pay for their fuel. If the large consumers don't like this coal trade policy, we want them to deplete their own lands instead of those of the commercial coal companies.

"It's a serious matter," Mr. Babson affirmed, "to interrupt the fuel supply of a country, and we want to lessen such strikes even if they cannot at once be wholly done away with. Labor strikes are the outcome of a crude civilization, and when the people become sufficiently advanced in honesty, justice, and uprightness reason will take the place of force in settling disagreements between employer and employee.

"At present," he added, "society is too much at war with itself, and in business every man is too much at war with his fellow. The old code of business ethics held it right for everybody to make all the money he could without breaking the law, and, it might also be said, without detection of violating the law. How often the remark used to be heard, 'That's business,' reference being made to some sharp practice between man and man, with the implication that success in money making justifies divergence from strict principles of equity. In the conduct of business men have occasion to buy the services of other men, and circumstances and conditions determine the compensation. Generally speaking, the employer will pay as little as he must, reducing the wages or dismissing the employe as it seems expedient.

"At least, it was long that way; but since laboring men organized for mutual protection the relationship between the employer and the employe has become somewhat altered in practice if not in spirit. The employer has learned that he is no longer dealing with individuals but with organizations. These organizations seek the welfare of their members precisely as the employers of labor seek to promote their own advantage, and there is little philanthropy practiced by either side. Each tries to get the better of the other, and appeals to the law, the lawmakers, and public sentiment to sustain his contention.

"Each interest is to a degree selfish, and that must be said even when allowing that there is compensation in the exercise of that trait in dealings between men. Millions would starve, as society is now constituted, did not men, in seeking individual enrichment, furnish employment to the countless hosts not otherwise able to provide for their own wants and those of their dependents. Selfishness may carry compensation, but it engenders an immense amount of friction in business and other relations.

"When this Nation was small and a

neighborhood feeling pervaded every community; when the employer and employe were one in association, lived side by side, and had a mutual interest in each other, labor strikers and strikes were unknown. With the coming of the corporation and the development of the trust, employer and employe got out of touch. The employer was no longer a person, but an institution, proclaimed as 'soulless.' Foremen were employed to deal personally with the operatives and were themselves employes.

"Moreover, as time passed and the workpeople were chiefly immigrants, the breach between the mill owners and those who worked for them became very wide. For mill owners the term operators could as well be used. The ties of sentiment which bound the employer of labor and his hired help to one another in the days of smaller things had given place to self-interest, which, like a spring of steel, required little to set it in action and to widen the gap. Self-interest governs the relationship between the management of corporations and their employes to such an extent that the idea of mutual interest seems to have been quite lost to sight. The Directors and stockholders comprise one class and the hired help an entirely separate class.

"With the influx of foreign help, speaking many languages, arose the necessity for labor unions officered, perhaps with designing men, perhaps with men desirous of serving others and themselves. This gave a leadership of a higher intellectual order than the average of the members of the unions. This leadership has persistently sought to force recognition of itself in this and other countries, it may be with growing success.

"The battle is now on between organized labor and capital, and the law seeming to stand in the way of capital forming a similar organization; and the strife between employer and employe must apparently go on until a proper relationship between the interests shall be established. What that relationship will be, the intelligence of the present age cannot say. The old idea seemed to be that capital was entitled to all the fruits of toil that it could exact and the idea has not entirely perished. The antithesis of this theory is that labor is entitled to what it produces; and labor is exacting more and more as its proportion, public sentiment apparently approving in the main.

"If a closer co-partnership between labor and capital could be established, some disinterested third power determining the terms and reward of the partnership, the attainment would approximate the ideal. Let the old relationship continue, and the strife will become more and more acute; with the possibility that the General Government will have to manage the coal industry.

"Undesirable as this may seem to some people, it is not impossible that such a step may be found necessary for the preservation of peace and the protection of labor, capital, and consumers. The consumers are the worst sufferers from these recurring struggles at the coal mines and elsewhere. More millions of dollars than one would venture to reckon have been taken from consumers of coal in this country in consequence of strikes and threats of strikes. Moreover, the coal roads have been making excess millions of profits in the conduct of their business at the expense of the public. The assumption is that should the Government operate the coal mines consumers would be saved a tremendous middlemen's profit, and if this should prove on investigation to be the case, it is easy to foresee a possible demand that a trial of this method be made."