

## The Unruly Coal Industry

*The Four Hour Day in Coal, by Hugh Archbald. Published for the Bureau of Industrial Research. New York: The H. W. Wilson Company. \$1.50.*

THE American "coal industry" exists, develops, survives periodic crises, and supplies the country with an essential commodity in defiance of the rules laid down for the behavior of industries. A description of it is a record of contradictions. The operator sells his coal for far more than "the necessary expense of production;" yet he barely manages to remain solvent. The miner receives a tonnage rate which is extravagant; yet he lacks a chance of becoming affluent. The capital charge per unit of product is unbelievably large; yet the industry is poorly supplied with equipment. The inefficient concerns, instead of leaving survival to the fit, persist in living and in dragging the efficient down to their level. And, even more surprising, high prices, which we have always been taught possess the dogged virtue of arresting buying and conserving natural resources, have caused new mines to be exploited with high abandon.

Such inconsistencies cannot be resolved by the highly personalized explanations which at every recurrent coal "crisis" are on everyone's lips. It may be true that coal operators are more stupid, less fully informed, less considerate of the public, more prone to bad faith, and more exacting of their employees than other lords of industry. It may be that coal miners are lazier, more irregular in their habits, more prone to fault finding, less subject to the lure of gain, and more dulled to social responsibility than other workers. But, if so, the angelic or Simian stuff of which they are made has worked out peculiarly in the finished product and this calls for more basic explanation.

Accordingly one turns with interest to Mr. Archbald's attempt to get to the basic facts in "the coal problem." Its value lies in its success in finding the crux of the problem in the arrangements which constitute the organization (or malorganization, if you prefer) of the coal industry. A recognition of the importance of organization enables him to escape a discussion of the cosmic problem of industrial relations with illustrations drawn from coal, and to confine his attention to the question of the backwardness of coal production in comparison with other modern industries. He resolves the larger problem into that of the organization of the individual mine and that of the aggregation of mines into a coal industry. The first of these problems is clearly one of engineering; the second, of economics. Each requires brief formulation.

To his discussion of the organization of the individual mine Mr. Archbald brings an extended and varied experience as an engineer. Coal has furthered industrial development as has no other commodity; yet coal-getting remains a craft little affected by modern organization and machine-technique. The ever-increasing size of the mine and "the room and pillar" system of mining cause miners to work scattered far and wide, almost in isolation. Engineers are rarely employed to make initial "lay-outs" for the development of the mine; yet the earlier work is an asset or a liability in the later extraction of coal. The foreman, badly equipped and underpaid, has the double duty of planning and of supervising work. The distance to be traversed daily makes it impossible for him to know what is going on. His irregular itinerary makes it impossible for a miner to find him when he needs him. The miner's work is dependent upon a regular supply of cars; yet the transporta-

tion system runs on no schedule, it just runs—intermittently. These conditions are responsible for the glaring fact that the average workday of the average miner is of less than four hours. It is small wonder that he quits the mine when he sees no prospect of cars, becomes master of his own comings and goings, and acquires most irregular habits.

The author's discussion of the organization of establishments within the industry is much less rich in incident, but it is of even greater importance. Roughly the coal industry is organized upon the theory that all who own coal lands shall be free to exploit them; that "competition" will eliminate slothful and inefficient operators; that the rivalry of employers for laborers will hold wages up; and that the mythical forces called "supply" and "demand" will guarantee to the public reasonable prices. In fact soft-coal lands are scattered broadcast over the map; their ownership meets only too well the democratic dictum of wide distribution in small holdings; the capital and labor necessary to their exploitation is easy to get; and by law the railroads are forced to allocate cars to all amateur ventures in coal mining. The result has been that so many have gone into the industry that the country's "capacity" for coal production is far in excess of even "the peak load" which the consumers demand. New amateurs try the venture faster than "industrial forces" dispose of old ones. The outcome is a disorganization of the production and sale of coal.

The results that follow in the wake of the failure of those in the industry to solve their engineering and economic problems require no detailed presentation. The incidence of the cost falls alike upon the operator, the miner, and the public. Except at "the peak" of the business cycle the operator makes small profits; occasionally he has to sell at a loss. His precarious financial position makes him timid and conservative, unable and unwilling to experiment, and prone to make ends meet by imposing costs upon his laborers. The miner, despite extravagant pay for time actually at work, makes a very meager and a very insecure living. The idleness of parts of days is to be added to that of days and of weeks. He has constantly to bear the costs of "unemployment within employment." The public suffers in paying an excessive price for an essential commodity. A very large "overhead" is involved in maintaining a much larger force of men than the industry requires, in keeping them only intermittently employed, in maintaining equipment meagerly used, in small-scale operations in mines increasing in periphery. Such costs are greater than other industries demand and greater than the community can afford. The standard of living is still far too low for society to spend its limited human and material resources so prodigally in the production of a single commodity.

It is to the credit of Mr. Archbald's exposition that he finds necessary no exposition of "a solution" of "the coal problem." Ideally that problem can easily be stated. It is to supply the community with coal at a minimum of cost in human and material resources. Its solution would be evident alike in lower prices to consumers and in a higher standard of living for miners. Immediately the problem is the far simpler one of bringing the coal industry up to standards of efficiency and economy set by other industries. If the operators and miners were to bring to bear upon this problem a tithe of the energy and ingenuity they waste in industrial strife, it might be speedily solved, to be replaced by the ideal problem. If they do not, the public should intervene. If an economical production of coal can be secured under the prevailing form of "private enterprise" under which the industry is organized, it should be

retained. If not, some form of organization should be found under which the industry can be efficient. Whether this shall be monopoly, nationalization, or workers' control, remains an open question. The community should pay for its coal "the necessary expenses of production." It should value technique and organization too highly to pay for obsolescence, inefficiency, and prodigal waste.

WALTON H. HAMILTON.

## Harriman: A Type of Yesterday

*E. H. Harriman; a Biography by George Kennan. New York: Houghton Mifflin Company. Two volumes. \$7.50.*

**I**T may be that the present generation is quietly training up men who will tower above their fellows in the business of life of the mid-century as did the great generals of finance and industry of yesterday: the Jay Goulds, Rockefellers, Carnegies, the Morgans, Hills and Harrimans. But it is more probable that the generals are gone with their militant time. In the last quarter of the nineteenth century America was surmounting the crest between promise and fulfilment. Immense productive resources were emerging and the scattered pools of financial power were flowing together into vast reservoirs of apparently fathomless depth. The pioneering tradition of self-reliance and of the unquestionable worth of economic progress and of fortune building held over from the more difficult environment of the early nineteenth century. Political interference with the assumed right of each man to do as he willed with his own was bungling and half-hearted. Any first-rate intellect could outwit the government. And outwitting the government could be done with a perfectly good conscience. What was there that was sacrosanct about flimsy obstructions erected by politicians? Most Americans in the sunny nineties cherished a secret admiration for the business captain who, in default of a franchise, proceeded with a public work in spite of injunctions. "Keep those drills going, boys. I'm looking after the political end."

Such were the conditions in which Harriman rose from pad shover on Wall Street to broker's clerk, from clerk to independent broker, from a skilful dealer in stocks and shrewd speculator to the most powerful and capable railway builder of our time. George Kennan has told interestingly and competently the story of Harriman's work. He has exceptional qualifications for the task because he is himself a product of the period, holding strictly to its point of view, unshakable in his conviction that the ideals of the period are eternal, its values unassailable.

As a boy, Harriman was brisk and courageous. As a rising young man, he was joyous and a bit boisterous out of business hours, fond of companionship and sports, disposed to do another man or boy a good turn, if the chance came his way, without any philanthropic airs about it. One of his most characteristic enterprises was the founding of the Boys' Club. This was not just a case of a man exercising public spirit on the sure foundation of a substantial fortune: Harriman was twenty-eight and had his successes still to win. Neither was there anything patronizing about it. The slum boys who persecuted the girls in a school conducted by one of his friends, ragged little rascals of alien parentage, did not seem to him scum of the earth or souls likely to be lost, but just boys, naturally out for such amusement as they could find, worth making an understanding with and diverting to more interesting and useful activities. He gave as much time and thought to the work as he would have given to an important business venture,

and kept up his interest in the club down to the time of his death. That Harriman was public spirited, as public spirit was conceived in his generation, the history of his connection with this club would sufficiently prove. But there are plenty of other proofs, in his rescuing the Orange Mountains from deforestation, in his fight against the Colorado River to save the Imperial Valley when the government, whose business it was, could contribute nothing but advice, and in numerous other incidents. And, indeed, there was an element of public spirit in all his railroad enterprises. Mr. Kennan insists, with apparent justice, that Harriman never touched a road without improving it and making it a better instrument of the communities it served. That was good business, as the rapid growth of Harriman's fortune testified. Harriman never claimed any other merit for his policy. But in view of the fortunes made in the same period through the wrecking of roads, it was rather dogmatic in Harriman to assert that good business invariably required heavier rails, easier gradients, the elimination of curves. The better sort of American business men of his day somehow felt apologetic about confessing to a sense of public spirit, or even to instincts of workmanship, preferring to have it appear that all their actions were sufficiently explained in terms of the pursuit of profit.

In his life as a Wall Street broker Harriman pursued profit, as frankly and wholeheartedly as one ever pursued any other prey. He wanted the independence and ease that money would give. But he seems not to have had desires or ambitions that were difficult to appease, until he began to find himself in control of physical properties requiring betterment. Then insatiate impulses grew upon him. He would make the Union Pacific the best equipped road in the world. He would win for it outlets to the West and Southwest, to the Gulf and to Chicago. He would extend it by steamship lines to the Orient; he would seek to gain control of the Manchurian and Trans-Siberian roads, and girdle the world with his transportation system. It was an audacious project, yet at one time he was within measurable distance of its complete realization. Japanese co-operation, the one essential link, was almost secured, but not quite. It is worth considering how profoundly the course of history after 1914 might have been affected if the Trans-Siberian railway had been transformed into a typical Harriman road, straight, heavily railed and well ballasted, with powerful locomotives and abundance of capacious cars. Russia could have been munitioned properly, and the eastern front might not have crumbled.

The greater project failed, but Harriman achieved enough for one man in the rebuilding of the Union Pacific, the Central Pacific and the Oregon Short Line, the Southern Pacific, and in exerting a powerful influence for improvement in the Illinois Central and even in the Chicago and Alton, which he was charged with looting. Millions of tons of freight are carried more cheaply as a result of Harriman's work. Millions of passengers travel with greater comfort and security.

A man with such projects as Harriman's was bound to prove ruthless at times. If he wanted a railway, he went out to get it, and he was not much troubled about the interests he brushed aside. He was a formidable fighter, but a fair one. There was nothing vindictive about him. He never carried a fight beyond the point where it was possible to negotiate a settlement on terms that gave him what he required without inflicting gratuitous injury on the losing party.

Until relatively late in his life Harriman was practically unknown to the public. Then he suddenly loomed up as a power in the railway world, envied by many and feared