

fact provoke the hysteria which they pretend to deprecate. A public opinion that is uninformed, mis-informed, uneasy and suspicious is almost certain to act intemperately, hastily and destructively. It is only a public which has reason to believe that it is not being deceived which can afford to be patient, tolerant, discriminating and composed.

## Peace without Victory in the Coal Industry

ONLY a few months ago the outlook for peace in the bituminous coal industry was dark indeed. Well informed observers were generally predicting another strike in April. But contrary to all forecasts, the joint conference of operators and union closed a few weeks ago with an agreement which, barring a crisis, assures industrial peace in the unionized coal industry for the next three years. This settlement has consequences and a meaning which are important outside, as well as within, the coal industry.

Wages, according to the new contract, remain where they were. The fixing of wage rates for so long a period in a basic industry is a significant sign of the times. Less than three years have elapsed since the depression of 1921 and the vigorous, but in the main unsuccessful, attempts during it to liquidate wages and to establish a new and radically lower price level than then prevailed. These attempts were marked generally by failure. Leadership in the movement to resist them was more than once furnished by the United Mine Workers. Now a wage contract which has the effect of maintaining wage rates at their war level until the spring of 1927 is received with scant comment and certainly with little excitement. When the economic history of this period comes to be written, nothing should deserve more attention and closer analysis than the results of the wage policy of organized labor in the post-war period.

This contract was negotiated, moreover, in an industry in which there is a large and powerful group of non-union operators and where the union employers themselves have proved, in the past, their capacity for carrying on a long and stubborn fight. Yet agreement came easily and swiftly; the only radical change in the program of the union consisted in the reduction of the term of the contract from four to three years. If the reports of the newspapers may be trusted on this phase of the conference, the promptness with which the coal operators accepted the terms of the union was due to pressure from the federal administration. With the election of President Harding, it was generally believed in the country that the official attitude toward organized labor had changed and that justice would be meted out, as between employer and employee, with a stronger hand than

was used during the Wilson administration. Early acts of Harding in fact confirmed this view. The trade unions, however, showed considerable vitality and a more tolerant, if not friendlier, attitude was forced upon the administration. That President Coolidge, with his Boston record behind him, should even indirectly connive at a settlement with the powerful union of miners is not alone an indication that nomination and election for the presidency are near. It is simply another evidence that the status of trade unions in this country has changed radically since 1914. There is now every sign that they have, in the past ten years, come to be regarded as permanent institutions, whose views and policies must be given prompt and effective consideration.

Within the soft coal industry the present settlement represents a complete change of front from the position which the operators adopted during the last great strike in the industry. At that time, both in private and public discussion, every conceivable effort was exerted to destroy the prevailing system of national collective bargaining, whereby arrangements in the central competitive fields became ruling throughout the industry. The costliness and unfairness of this system was then the subject of discussion in almost all organs of public opinion and the views of the operators won a friendly hearing in many quarters. Only the victory of the miners' union prevented the overthrow of this centralized system of collective bargaining, which, more than any other factor, is responsible for what little order the industry can show in its industrial relations. This year the central competitive field is restored to its position of importance, without excitement and with little public discussion. Something like national collective bargaining again rules in the bituminous industry.

The effects of this successful settlement will undoubtedly be to allow the major portion of the industry three years, free from costly disturbances, and to reinforce the prestige of the United Mine Workers. So far as these ends are achieved, the agreement should turn out to be a wise and useful one. It does not, however, except very indirectly, affect those enduring problems of the industry, which are now universally conceded to be fundamental to its peaceful and efficient conduct. The assumption that over-expansion, the utilization of excess capacity, and over-manning can be remedied by the maintenance of a high level of wage rates is not supported by the experience of the past. Control, to strike at such evils, must be direct and relevant. Aside from the fact that no one knows whether the present level of wages in the coal industry will be high or low one, two, or three years from now, it is the general experience in organized industries that wage policy has little influence in the long run in weeding out the inefficient and high cost enterprises. The soft coal industry will be operated at its appropriate and economical capa--

city only when it has become subject to an adequate machinery of control.

Given three years of peace, a fair volume of employment, and hence, substantial collections of dues and assessments through the check-off, the union will have large resources for continuing its struggle to organize the non-union fields. It is inevitable that West Virginia and the other non-union areas should become the scene of the great battles for control which will be waged in the next few years. How soon this happens, depends on the policy of Mr. Lewis and his cabinet and on the political complexion of the non-union territories. But it is certain that the organization of miners cannot long resist the pressure of union operators that they be freed from the costly competition of unorganized coal fields.

## Oil and the A. P.

**W**HAT part the press should have played in reporting the story of oil is a much debated question. Mr. Vanderlip contends that there was a period of twenty-two months between the time the leases were signed and the ultimate crash, when the press lay back on its oars. The first leases date from April, 1922. In that month Senator La Follette publicly attacked them. The story was there. Why didn't the press go after it?

Here and there the press replies. Thus the New York World: "If he [Mr. Vanderlip] had taken the least trouble to look into the facts or even to read the facts, he would know that the Senate committee was searching the records and other sources of information, and that such sources of information as it was ready to disclose were published in the newspapers. It was not engaged merely in spreading scandalous rumors for scandal's sake."

But is that all? Weren't there occasions, meantime, when the press was spreading good cheer for scandal's sake? Leaving aside for the moment the question whether most papers did not fail for more than a year to report the most sensational news in Washington, when there were enough suspicious circumstances to justify at least a careful investigation, there remains one striking bit of evidence of the part played by the press—not given the attention it deserves. Not given that attention: because it takes a great organization like the Associated Press to scatter the news broadcast—and this affair concerns a slip on the part of the Associated Press itself.

Remember it was on December 12, 1922, that Mr. Doheny received the contract finally confirming his privilege to exploit the great Elk Hills reserve in California. At that time it was not known, to be sure, that Mr. Doheny had let Secretary Fall have \$100,000 on an extraordinary non-interest-bearing loan. But it *was* known that the navy had lost its rights in its own oil field, by that contract

of December 12. The terms of that lease were written, then, precisely in the form in which Congress was later to declare them "against the public interest." And did the Associated Press then sound a note of warning—or so much as hint that this might not be the best of all oil contracts? Its night wire from Washington, on December 14th, began as follows:

WASHINGTON, December 14.—A huge fuel supply for the Pacific Fleet will be built up, an extensive tract of country developed and facilities for handling oil increased, and the Government will get immediate benefit of royalties from naval reserve No. 1 in California, as a result of the extension today of a contract between the Government and the Pan-American Petroleum & Transport Co., it was said after announcement of the change was made by Secretary Denby.

"Huge fuel supply for the Pacific Fleet"—"Government will get immediate benefit of royalties"—how does that read now?

The rest of the A. P. wire, as read into the Walsh committee investigations (page 1631) goes on in the same spirit for some eight hundred words. Mr. Doheny is quoted as to the benefits the government will derive. Secretary Denby comes in for a paragraph or two. Mr. Doheny returns to repeat himself on the benefits to the government. The whole message strikes an optimistic chord. What could have been the effect of breaking the news to the country in those terms, other than to contribute toward the calming of all doubts? And such doubts had arisen. For it was eight months earlier that Senator La Follette had attacked the first Doheny lease.

Presumably a report of this character went to all the papers which the A. P. serves. It is Senator Smoot who points out "of course that [the report] would go to about 1,300 or 1,400 papers."

The navy lost its oil. And the A. P. broadcasted a story of good cheer. The heading used by the Los Angeles Times summed its message fairly:

"OIL ASSURED FOR FLEET."

Good reading now!

## The Problem of the Smith Candidacy

**T**HE friends of Governor Smith are making out an exceedingly strong case for his right to the Democratic nomination for President. He is an honest man, and an able one. He has proved himself one of the best executives the State of New York has produced. His methods of political strategy are direct and open and commend themselves strongly to the average citizen. He has never failed, when the occasion arose, to take his stand on the side of a democratic and progressive liberalism, neither has he weighed political costs against his principles. For his virtues he has been