

# A FIGHT TO THE FINISH IN THE COAL INDUSTRY

## SPECIAL CORRESPONDENCE FROM WASHINGTON

BY WILLIAM P. HELM, JR.

**T**HE fight is on—a fight to the finish—in the coal fields. Employer and employee are locked in an industrial death grapple. Miner and operator fight grimly with whatever weapons may be seized, each for his economic life. The patient public, whose patronage has reared a two-billion-dollar industry of coal, is either flouted or disregarded. The President's offer to restore peace has been spurned by the miners, accepted by some operators, and rejected by others.

This is the sixteenth week of the strike. Since the beginning of the coal year, April 1, there has been mined less than one per cent of the normal output of anthracite and about one-half of the normal output of bituminous. A shortage of both hard coal and soft coal is assured during the coming winter. Industries are already closing down for lack of fuel, prices have shot skyward and without check past the barrier of the so-called gentlemen's agreement with Secretary Hoover, passenger trains have been discontinued wholesale, and stocks have dropped to below the danger-line.

Anthracite coal has virtually disappeared from the market. There will be none whatever had for weeks, possibly months. A furnace requiring ten tons, for instance, for the winter will have to get along on a maximum of six or seven. That maximum assumes resumption of work at high pressure within the next two or three weeks. The maximum is unlikely, for work probably will not be resumed on that scale, if at all, within that time. The minimum—

It is entirely possible that there will be no anthracite coal whatever available for consumers at the beginning of winter, save the carry-over in the cellars from last spring, plus the dribbles which have been secured from retailers' small stocks, now exhausted, during the summer.

Bituminous mines in Illinois, Indiana, Ohio, Michigan, the Pittsburgh field of Pennsylvania (second largest in the country), and Iowa are one hundred per cent idle, according to the United States Geological Survey, because of the strike. In central Pennsylvania, the largest single field in the world, about one-eighth of the normal production is being mined. Alabama and three fields in Kentucky alone are unaffected. Even in West Virginia, otherwise unaffected, two great fields, each mining millions of tons annually in normal times, are hard hit by the walk-out.

That great section of the United States lying west of the Great Lakes and north of an east-and-west line running through Chicago faces dire extremity next winter. The Northwest fills its bins each year from the mines of western Pennsyl-

vania, Ohio, Indiana, West Virginia, and other fields within freight-rate distance of Southern lake ports. It has become gospel in the coal trade that the Northwest must obtain its winter fuel while navigation is open on the Great Lakes.

Up to July 9 there had been shipped to the Northwest less than 4,000,000 tons of coal via the Great Lakes. Up to the same time last year nearly 11,000,000 tons had been shipped. A year's supply is about 25,000,000 tons. They must have that coal or freeze. The winters are cold in the Northwest, and the mines of Washington (at present running at about half of normal) and Montana are remote from most of the territory and have not the capacity to supply it in case of extremity.

Two years ago, when temporary shortages and a slow movement threatened the Northwest's fuel supply, the Interstate Commerce Commission by drastic priority orders parceled out coal cars to producers and virtually compelled the shipment of coal to the Northwest, so that that great territory would not freeze. At the time this unheard-of action was taken the Northwest had received more coal than it has this year. Even if the Commission were to attempt now to repeat the programme, there would not be coal to move without depriving other sections needing it as badly.

Make no mistake about this: Because of the lack of coal there will be dire extremity next winter in that thinly settled empire. The State of Minnesota, already alarmed, is clamoring for coal and is the first to sense the coming calamity.

New England is another section which gets most of its coal by water. She has not yet awakened to her peril. There is yet coal at Hampton Roads and at other tide-water piers that she may have, but she has been waiting for developments—and apparently for the price to come down. It will be hard work to supply New England with bituminous from the non-union mines if she begins to order now. Of anthracite of course she may expect none save small shipments from vanishing stocks as long as the present deadlock continues.

Some bituminous coal moves all-rail to New England. Most of this comes from central Pennsylvania. During the week ending July 8, 481 cars, or about 25,000 tons, were sent her in that manner. During the same week of last year she received 2,729 cars, or about 137,000 tons.

West Virginia alone—with the comparatively unimportant exception of restricted output from some Pennsylvania fields—is digging coal available for the Atlantic seaboard and the East. And West Virginia, because of the shopmen's strike, is having unexpected trouble.

Her carriers tapping the non-union fields are beset by labor difficulties and are slowly becoming glutted with traffic. Logan, the banner field, lost twenty per cent of producing capacity during the week ending July 1. Up to that time the volume of coal mined in that field was so large that the money coming in, if equally divided, would have netted \$100 a week for every man and boy on the operators' pay-rolls.

Transportation troubles plague Kentucky fields also. At Madisonville, Kentucky, the headquarters of one non-union field, there were a day or so ago no less than forty-three purchasing agents, each trying to buy coal. Usually the coal operator or sales agent sends his men to the consumer, seeking orders. Now the tables are turned. These forty-three men have come from the consumer to the market. They are bidding fancy prices against each other for coal as yet unmined. Each car that comes from the pit is grabbed up at soaring figures. These men have orders to get coal, and the dollar talks.

The rail strike hit the Chicago coal market a broadside that sent the packers, railways, and manufacturers—all with stocks dangerously low—running to cover. The yards became glutted and conditions grew worse rapidly toward the end of the week. As usual, prices stiffened and then struck out for higher regions at increasing speed.

More than 100 passenger trains on the Wabash and the Missouri, Kansas and Texas Railroads have been taken off because of the coal shortage.

These miscellaneous facts are cited to show that the American public at last has awakened to the gravity of its peril. In the face of the impending calamity the United Mine Workers of America flatly rejected the President's offer that they return to work at their old scale of wages until a fair arbitral body could determine a reasonable, impartial wage. In the face of this public calamity, the President's offer was rejected by the Pittsburgh Coal Producers Association, composed of some of the largest mining concerns in the country; by the Central Coal Association of Pennsylvania, whose tonnage is larger than that of the Pittsburgh crowd; and by the Indiana operators.

Nevertheless coal will be mined. The President's invitation to the operators to return home is being construed in Washington to-night, not as an invitation, but as a command. The bituminous operators are going home, and some of them will try to mine coal.

And then will begin the really critical period of the strike.

Herrin and Wellsburg tell the story of what labor is willing to attempt in defense of what it regards as its rights.

There is not an operator in Washington to-night within the writer's knowledge who does not fear the days to come. They look for bloodshed. They fully anticipate calling for troops, and many of them believe that the troops will be United States Regulars. They are preparing to break the backbone of the strike.

Another West Virginia could do it, but there is none. And, as the writer re-

marked in these columns months ago, West Virginia is at once the hope of the country in this crisis and the despair of union miner and union operator alike. Because of her the union operator of Pittsburgh and Indiana rejected the President's offer. That operator would have little chance, with high wage scales, in competition with non-union coal.

It may be that, under heavy and un-

ceasing guard, union mines will run non-union. If the production of such mines can be brought up to 3,000,000 tons a week, the strike is over. There will be coal for all—at a pinch—who need it for their mills and factories. What is left of the union under such circumstances would have to go to work to keep from starving.

Washington, July 17, 1922.

## WALTHER RATHENAU

### EDITORIAL CORRESPONDENCE FROM EUROPE

#### BY ELBERT FRANCIS BALDWIN

**A**T the opening session of the Genoa Conference the German delegates filed in, rotund and rubicund.

I noted among them a thinner, paler man. He looked more like some old portrait of an early Italian poet than like any Teuton. His conical-shaped head was inclined to baldness. His eyes were deep-set and piercing; they gave the impression of one who no longer cherished illusions but who had both precision and independence. His beard was clipped close. He had no German bull-neck. His neck, in fact, his whole body, was slender. He did not lumber along like his brother delegates, but moved with grace and easy assurance. He took a seat next to Chancellor Wirth, I noticed, and frequently engaged him in conversation.

The un-German-looking person was Walther Rathenau, German Minister of Foreign Affairs. His manner of speech, I discovered later, harmonized with his appearance. No rough gutturals. No long-drawn-out sentences where you have to wait for the verbs at the end before you know what the speaker is saying.

As to matter, in distinction to manner, I remember one day when Herr Rathenau was speaking to a number of us journalists at his hotel and when we had the opportunity of talking with him. No whines from him. No sob stories. Even if there was regrettably no direct confession of his country's wrongdoing, there were constantly evident a frank recognition of obligations due, a desire to co-operate and to co-ordinate in self-disciplinary and positive action so as to meet them, and a good will for the rest of the world.

This terse, intelligent talk was emphasized at the closing session of the Conference. I heard notable speeches from Lloyd George, Barthou, Colrat, Facta, Rossi, and Schanzer; from Tchitcherin; and especially from the Swiss ex-President Motta. But the address to elicit the longest and loudest cheering was Rathenau's. Instead of speaking in his own tongue, he addressed his audience in a language understood by all. It was hard to believe him a German, his French was so good. I jotted down the following points, and translate them:

"The world situation will not become

better until certain truths are recognized:

"(1) Every nation's debt is too large in comparison with its revenue. No country can really balance its budget, save America, without whose help European reconstruction is impossible.

"(2) Every creditor has a duty towards his debtor in getting together the means to pay debts.

"(3) World economy cannot be re-established until confidence is. The world is no longer at war, but it is not at peace. The world's mechanism is not functioning; there is unemployment, hunger. Nine-tenths of pre-war wealth remains, but confidence is lacking.

"(4) The force of no one nation is great enough to bring about world reconstruction. We need a universal force. We must make sacrifices. We must give international credits."

Walther Rathenau was the son and successor of Emil Rathenau, the founder of the enormous A. E. G.—the Allgemeine Elektrizitäts Gesellschaft (General Electric Company)—in Germany. Walther's splendid intelligence, great cultivation, and organizing talent were his, not only as his father's son, but also by virtue of varied and suggestive environment—for instance, in journeys to Africa in colonial work for the Government, in independent ventures in aluminum in Switzerland, and in the development of his own patents in the electrochemical industry. When only thirty years old, he had already begun to found branches of the A. E. G. at Amsterdam, Baku, Buenos Aires, Manchester, and elsewhere, and in this endeavor saw much of the world.

Eight years ago the elder Rathenau died, and the son took up the furnishing of material to the German army; he became head of the Raw Materials Branch of the German Government. His work was done with great efficiency, as the Entente Powers found to their cost. Some critics have charged him with ultimate responsibility for the wholesale looting in Belgium and northeastern France.

At all events, during and since the war no one among German industrial chiefs has been more eminent than Rathenau. Comparisons between him

and that other great captain of industry, Hugo Stinnes, are of course inevitable. The two men differed in character and in economic views. Rathenau's ideal was his famous "horizontal plan;" it would group together in co-operation, under Government direction, all industries of the same class.

Politically, Rathenau seems to have been about the only German who in 1914 rightly measured the ultimate dangers that menaced his country. A monarch in whose supposed ideals of peace he had sympathized had capitulated to the increasingly powerful military clique. Disillusioned, Rathenau was not slow in showing his disdain for German pretensions. The war was not two years old when he declared: "We have no right to impose our thoughts and sentiments on civilized nations. Whatever their weaknesses, there is one thing we have not yet learned—the will to shoulder our own responsibilities. We are a generation in transition."

Such a sturdy, well-nigh haughty character, surprised neither by Germany's defeat in the war nor by her revolution after the war, was destined to shine as a publicist even more than as an industrialist. He wanted Germany to recover her economic independence. But he wanted her still more to regain her proper place among the nations.

To this moral end Rathenau was one of the first (and certainly the most important among them) boldly to proclaim the necessity of speedy reconciliation with France. And this, if not on moral grounds, then for the sake of Germany's economic interests. Long before he joined the Wirth Cabinet—the best post-war Ministry Germany has had—first as Minister of Reconstruction and then as Minister of Foreign Affairs, Rathenau's was far and away the most powerful German influence towards a better international understanding and comity.

And the patent means, he asserted, was by a sincere and serious effort to carry out the terms of the Versailles Treaty. "We have lost," he added, "and it is the usual and right thing for the loser to pay." From that moment with the Junkers and military party he was a condemned man.

This in general. In particular, his