

Henry D. Lloyd on the Lords of Industry (1894)

Last July Messrs. Vanderbilt, Sloan, and one or two others out of several hundred owners of coal lands and coal railroads, met in the pleasant shadows of Saratoga to make "a binding arrangement for the control of the coal trade." "Binding arrangement" the sensitive coal presidents say they prefer to the word "combination." The gratuitous warmth of summer suggested to these men the need the public would have of artificial heat, at artificial prices, the coming winter. It was agreed to fix prices, and to prevent the production of too much of the raw material of warmth, by suspensions of mining. In anticipation of the arrival of the cold wave from Manitoba, a cold wave was sent out all over the United States, from their parlors in New York, in an order for half-time work by the miners during the first three months of this year, and for an increase of prices. These are the means this combination uses to keep down wages—the price of men, and keep up the price of coal—the wages of capital. Prices of coal in the West are fixed by the Western Anthracite Coal Association, controlled entirely by the large railroads and mine-owners of Pennsylvania. This association regulates the price west of Buffalo and Pittsburgh and in Canada. Our annual consumption of anthracite is now between 31,000,000 and 32,000,000 tons. The West takes between 5,000,000 and 6,000,000 tons. The companies which compose the combination mine, transport, and sell their own coal. They are obliterating other mine-owners and the retailer. The Chicago and New York dealer has almost nothing to say about what he shall pay or what he shall charge, or what his profits shall be. The great companies do not let the little men make too much. Year by year the coal retailers are sinking into the status of mere agents of the combination, with as little freedom as the consumer.

The coal combination was . . . investigated by the New York legislature in 1878, after the combination had raised the prices of coal in New York to double what they had been. The legislature found that private mine-operators who were not burdened like the great companies with extravagant and often corrupt purchases of coal lands, heavily watered stock, and disadvantageous contracts, forced on them by interested directors, and who have only to pay the actual cost of producing the coal, "can afford to sell at a much less price than the railroad coal-producing companies, and would do so if they could get transportation from the mines to the market." This is denied them by the great companies. "The private operators," says the report, "either find themselves entirely excluded from the benefits of transportation by reason of the high freights, or find it for their interest to make contracts with the railroads, by which they will not sell to others, and so the railroads have and will keep the control of the supply of the private operators." To those who will not make such contracts, rates are fixed excluding them from the market, with the result, usually, of forcing them to sell their property to the lords of the pool. "The combination," the committee declared, "can limit the supply, and thereby create such a demand and price as they may deem advisable." The committee found that coal could be laid down on the dock in New York, after paying all charges, for an average of \$3.20 a ton. It was at that time retailing in the city for \$4.90 to \$5.25 a ton. "The purposes of the combination are solely to advance the price of coal, and it has been successful to the amount of seventy-five cents to one dollar a ton. Its further advance is only a question whether the combination can continue to repress the production." An advance of only twenty five cents a ton would on 32,000,000 tons be \$8,000,000 a year, which is not a bad thing—for the combination. [If] any individual or corporate producer, show[s] any backwardness about accepting the invitation to join "the pool," they are whipped in with all the competitive weapons at command, from assault and battery to

boycotting and conspiracy. The private wars that are ravaging our world of trade give small men their choice between extermination and vassalage. Combine or die! Competitors swear themselves on the Bible into accomplices, and free and equal citizens abandon their business privacy to pool commissioners vested with absolute power, but subject to human frailties. Commerce is learning the delights of universal suffrage, and in scores of trades supply and demand are adjusted by a majority vote. In a society which has the wherewithal to cover, fatten and cheer every one, Lords of Industry are acquiring the power to pool the profits of scarcity and to decree famine. They cannot stop the brook that runs the mill, but they can chain the wheel; they cannot hide the coal mine, but they can close the shaft three days every week. To keep up gold-digging rates of dividends, they declare war against plenty. On all that keeps him alive the workman must pay them their prices, while they lock him out of the mill in which alone his labor can be made to fetch the price of life. Only society can compel a social use of its resources; the man is for himself.

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