THE COAL TROUBLES.

Argument of Franklin B. Gowen, Esq., in Behalf of the Railroad and Mining Interests of Pennsylvania.

The following is Mr. Gowen's argument delivered before the Penosylvania Senate Juliclary Com-

mittee on the 36th ult. :- : Gentlemen: We, who are Pennsylvanians, have always been under the impression that our State derived great benefits from having within her borders the only accessible deposits of anthracite coal yet discovered in the United States. I have been taught to regard the possession of this vast mineral wealth as a great blessing; but I can assure you, that in consequence of two years of suffering under the control and mismanagement of the leaders of the Workingmen's Benevolent Association, I am almost tempted to doubt whether all this treasure upon which our Commonwealth has so largely depended for her revenue-which has given such an unexampled impetus to our manufactures, and has attracted to us an aggregation of capital that has supplied employment for, and fed and clothed so large a proportion of, an industrious laboring population-has not been a great evil and a great curse; and I fear that you, gentlemen, who have spent so much time in an earnest endeavor to fathom the causes of the present unfortunate condition of affairs in the coal regions, will be willing to agree

with me in this conjecture. Our neighbors of New York derive their prosperity from and boast of the supremacy of commerce; but when we recall to our minds how fleeting and evanescent has been the reign of commercial prosperity in all the countries of the world, and remember that at the beginning of this century Salem was one of the most important ports in the United States, who can tell whether, ere the close of the century, Salem or Boston may not have regained its supremacy, or whether the ships whose sails now whiten the bay of New York may not float upon the waters of the Delaware, or ride at anchor in the harbor of Norfolk? But the prosperity derived from the possession of mineral treasures is more enduring; and in her coal fields our own great Commonwealth has control of an unfailing source of wealth, which, if properly fostered by the State, will be far more lasting than that which depends upon the diamonds of Brazil or is derived from the gold of California. You may be surprised to learn that the coal traffic alone has within the past ten years paid into the treasury of the State between five and six millions of dollars, and that, notwithstanding the difficulties with which we have had to contend during the past year, the corporations for whom I now appear before you have paid as taxes to the State, in the year 1870, nearly eight hundred thousand dollars. Why is it that our farmers have been relieved from State taxation upon their lands, the State debt has ceased to be a burden upon our population, and the finances of the Commonwealth are in so sound a condition? Simply because the interests for which I appear before you-which have been strickeg down by the unlawful combination of an ignorant faction, and are now struggling to be heard, in a calm judicial investigation, against the wild clamor of the demagogue and the fanatic -have paid into the coffers of the State so large an amount of taxes that other interests and other industries have been relieved from the payment of

Having called your attention to the great importance of the subject under consideration, and fully conscious that the result of your deliberations may be either to rescue these great, interests from the evils that environ them, or to consign them again to the control of a tyrannical association, I now propose (because it is necessary as part of the argument I shall make in defence of the course pursued by the railroad companies) to give, as suc-cinctly as I can, and with some regard to the chro-nology of events, a statement of the causes which have led the several corporations to adopt the course which has called forth this investigation, and then to present a legal argument in defence of their action, together with some suggestions as to the mode of adjusting the present difficulty and pre-venting its recurrence in the future.

It is well known that during the late war the de-

required a large supply; and manufacturers-who are always the great consumers—were prosperous and active; coal-mining became exceedingly profitable; the coal-carrying railroads all made money the minors and laborers were paid high wages; and it was no uncommon occurrence for a good miner to earn several hundred dollars a month. In consequence of this, a great impetus was given to the coal trade. New collieries were rapidly opened new coal regious were brought into con with the markets by new railroads, which were extended into every valley that contained a deposit for coal; and the high wages earned by the miner attracted from other intries a large immigration of skilled work-n, and diverted to the business of mining many who left other trades and occupations to ga-ther the golden harvest which was spread before them. The natural result of this was, that after them. The natural result of this was, that after peace was declared and the war demand had ceased, the productive capacity of the anthracite coal regions was far greater than was required to supply the censumption of coal; and the laboring population had increased so rapidly that employment could not be given to ail. The natural remedy for this state of things would have been enforced by the law of demand and supply. The badly-constructed and ill-ventilated collieries that could not produce coal at the rate the public was willing to pay for it would have been abandoned, and the better class of collieries that could have supplied the market would have continued at work and given emof collieries that could have supplied the market would have continued at work and given em-ployment to as many men as were necessary to produce the amount of coal required by the wants of the community. The surplus population that could find no employment at mining would have gone back to other occupations, until the increased demand for coal, resulting from low prices, would have called them again to the coal regions. Thus a year or two of low prices would have supplied the cure for all the evils that were felt at the close of the war. But about this time there came into prominence an organization which is now known as the Workingmen's Benevolent Association. Embracing originally several distinct societies in the different regions, it gradually became a united and compact organization, chartered first by the courts, and subsequently by the Legis-lature; and by the year 1868 it embraced nearly the entire laboring population of the anthracite coal region. The object of this organization was to seregion. The object of this organization was to se-cure employment for all of its members, and pre-vent the reduction of wages which every other class of labor had to submit to at the close of the war. Well knowing that if all its members worked a full day during the year, the production of coal would be much greater than the demand, they insisted upon an increased rate of wages and decreased appoint of work which would each learn to are amount of work, which would enable a man to earn in six or seven months as much as had previously been earned in a year,—so that the entire popula-tion should receive employment without increasing the supply of coal above the demand. As it was also well known to them that such wages could not be paid unless the price of coal was kept up to a high rate, they suspended work whenever the price reached such a sum as made it impossible for their

employer to comply with their demands.

We, who thought we understood something about
the laws of trade, and knew that natural causes would soon bring relief, remonstrated with the leaders of this organization in vain. The law of supply and demand, and every sound maxim of trade which experience has demonstrated to be correct, were thrown to the winds; and from the the earth there came swarming up a school of political economists, who professed to be able, during the leisure hours of their short working day, to regulate a great industry and restore it to vigor and health. In the wildest flight of the imagination of the most pretentious charlatan there never was conceived such a cure for the ills with which we were afflicted as was suggested by these new doctors. In their hands, however, we were powerless; and with the eagerness of a student, and the assurance of a quack, they seized upon the body of a healthy trade, and have so doctored and physicked it that it is now reduced to the ghost of the shadow of an attenuation. The first dose of this the shadow of an attenuation. The first dose of this new panaces was administered in the year 1868, and a general suspension of work for many weeks, resulting in advanced prices and higher wages, encouraged them to proceed with the treatment. Again, in the early part of 1869 a general suspension in all the regions was inaugurated, accompanied by a demand for a rate of wages based upon the price for which coal was sold; so that as coal advanced the wages of the men were also to advance; but a minimum rate of wages was demanded, which was never to be lower than when coal was sold at five dollars at Elizabethport and three dollars at Port Carbon. When coal brought these cape the wreck with even that little to call their days, in the early part of 1869 a general suspension in all the regions was inaugurated, accompanied by a demand for a rate of wages based upon the price for which coal was sold; so that as coal advanced the wages of the men were also to advanced the wages of the men were also to advanced the wages of the men were also to advanced the wages was demanded, which was never to be lower than when coal was sold at five dollars at Elizabethport and three dollars at Port Carbon. When coal brought these prices it was possible for the coal operator to pay the minimum rate of wages without losing money; but as these prices were about from fifty to seventy-five cents a ton higher than coal could possibly be sold for whon all the regions were at work, and consequently that much higher than the public should be asked to pay for it, the operators of all the regions refused to accede to the demand. After six wocks of idleness, when it was apparent that the strike in

the Wyoming and Lehigh regions would be of long duration, the operators of Schuylkill county agreed to the terms demanded by the men, and commenced work at the three-dollar basis as a minimum. Both of the other regions being idle, the price of coal was very high at Port Carbon, and so long as the Schuylkill county operators had the entire market to themselves they could afford to pay the wages. The public and the miners and operators of the other regions were the only sufferers. After market to themselves they could afford to pay the wages. The public and the miners and operators of the other regions were the only sufferers. After five months of idleness in the other regions, when the depletion of the supply had increased prices to a high rate, and it was evident that Schuylkill county was taking customers away from the other districts, both the Lehigh and Wyoming regions resumed work—the former upon the terms demanded by the men, and the three large companies in the latter without a basis, but at a rate of wages far greater than had been originally asked. During the few weeks of the close of the season of 1869, when all the regions were producing, it became evident that the price of coal could not and ought not be sustained at such a rate as would enable the operators in all the coal fields to pay the wages which those of one could pay when the others were idle; and, accordingly, in the winter of 1869-70, a new basis was asked for by the operators of Schuylkill county, which would enable them to produce coal as low as \$2.25 and \$2.50 able them to produce coal as low as \$2.25 and \$2.50 per ton. This was refused by the Workingmen's Benevolent Association, and the result was the long Benevolent Association, and the result was the long strike of 1870 which kept the Schnylkill region idle for twenty weeks. Lehigh and Wyoming continued at work in 1870; and in consequence of the large amount of Schnylkill coal kept out of the market the operators of the other region realized high prices, and were able to pay the high rate of wages—the only sufferers being the public, as in 1869, and the operators, workmen and carrying companies of the Schuylkill region. In the latter part of July, 1870, the Workingmen's Benevolent Association agreed to a modification of their demands; and in the Schuylkill region work was re-sumed on the first of August, 1870, at what has so frequently been alluded to in the course of this investigation as the "Gowen Compromise," which, while it adopted the same rate of wages at 83 as was paid the previous year at \$3, permitted the rate to decrease in the same proportion as it ad-vanced, and established the minimum at \$2; so that vanced, and established the minimum at \$2; so that when coal sold for \$2 at Port Carbon the workmen received thirty-three per cent. less wages than when it sold for \$3; and when \$4 per ton at Port Carbon was realized by the operator, the workmen got an advance of thirty-three per cent. above what he was entitled to at \$3. Under this new basis, work was continued in Schuylkill county during work was continued in Schaylkill county during the remaining five months of 1870, and the amount of coal then sent to market, in addition to what was mined in the Lehigh and Wyoming fields, was such that prices fell to \$2 25 and \$2 50 per ton at Port Carbon. As this "Gowen Compromise" was only to last during the season of 1870, it became necessary to adopt some basis for 1871; and in the month of November last the regular committees of the Workingmen's Benevolent Association and operators met and agreed upon a rate of wages for the Workingmen's Benevolent Association and operators met and agreed upon a rate of wages for 1871, which was entirely satisfactory to both parties, and which has been called the \$2.50 basis. You will remember that during the whole of 1870 the three large mining companies of the upper Wyoming region had been paying the exorbitant rate of wages which they agreed to, rather than submit to the claim for a basis. It must be evident to all of you that, at this rate of wages, the coal of these three companies was costing them more than they could realize for it during the months of Octo-ber and November last. Accordingly, they an-nounced a reduction of wages to take effect on December 1; and though this reduction was not greater than was required to make the rate about equal to what other men in adjoining collieries were working for, the men refused to submit to it.

quit work.

I now desire to call your particular attention to the fact—which is undisputed—that at this time there was no difficulty whatever existing between the Workingmen's Benevolent Association and their empleyers, upon the question of wages, in the Schuylkill, Lehigh, or Lower Wyoming districts. In the Schuylkill region the men were working under the "Gowen Compromise," which was to continue during the year 1870, and their representatives had agreed with their employers in recommending the adoption of the \$2.50 basis for 1871. In the Lehigh and Lower Wyoming coal-fields no intimation had been given by either side of an intention to change the basis under which the men were working. Notwithstanding this, however, a general suspension was ordered by the Workingmen's Benevolent Association to take place on January 10, 1871; and this order was literally obeyed. quit work. January 10, 1871; and this order was literally obeyed.

The object of this suspension, as stated by the officers of the Workingmen's Benevolent Association, and published in their organ, the Anthracite Monitor, was to deplete the market, reduce the supply and advance the price of coal; and there an be no doubt that it was re instance, to assist the men of the three large mining companies who had been upon a strike since the first of December, and who could not hope to hold out very long in their demand for exorbitant wages if the coal market was being supplied from other regions. I presume that the consideration to be given by these men of the three companies for this assistance was an absolute adhesion to the Workingmen's Benevolent Association, and obedience to its demands, that no work should be done except its demands, that no work should be done except upon the basis. The suspension, therefore, became general in all the districts on January 10th. On the 15th of February, the General Council of the Workingmen's Benevolent Association ordered a resumption of work; but this order was accom panied by a claim in the Upper Wyoming districts for the high wages of 1870, and in the Schuylkill region it had been preceded by a demand for the old \$3 minimum basis. These demands were not acceded to, and the suspension still continues.

and on the first of December, 1870, they struck and

I have thus gone over two years of alternate sus-pensions and strikes, by which, occasionally, the workingmen of one region would realize exorbitant wages, but always at the expense of their suffering brethren of another who were kept in idleness by their own actions. Out of the last twenty-two months, the workingmen of Schuylkill and the Up-per Wyoming districts have been idle for nine months—and those of the Lehigh region have been idle for eight months—and yet, with moderate wages and low prices for coal, they could have had steady

Let me now ask what has been the effect of this control of the coal trade; so relentlessly exercised by the Workingmen's Benevolent Association durng the last two years; I mean its effect upon others than themselves—upon the operators, upon the rail-road companies, upon the coal trade, upon the iron interests and upon the State?

Before entering, however, upon this subject, I desire to say a few words in behalf of the coal operators. I do not mean in behalf of the one out of the tors. I do not mean in behalf of the one out of the five hundred who has appeared here as the especial champion of the workingmen, but on behalf of the remaining four hundred and ninety-nine whom the one referred to has characterized, out of his choice vocabulary of abuse, as "lying thieves and scalawag operators." I will take Mr. Kendrick as an example. He commenced life as a laborer in the mines, became a miner, worked for twenty years as such, was made a superintendent, saved out of his hard earnings enough to enable him to possess a colliery of his own, and now, when well advanced in life, he finds the accumulated earnings of long years of toil threatened with destruction, and himin life, he finds the accumulated earnings of long years of toil threatened with destruction, and himself held up to ignominy and reproach, because in this free country he has had the courage to resist the fierce tide of agrarianism that has threatened to reduce him to beggary, and to run riot with the property which his own patient industry and toil have enabled him to lay up for old age. You must remember, gentlemen, that in the effect of these suspensions upon the two classes of men, employer and employed, there is a wide difference. The miner or laborer, if he does not choose to work, can pack up his effects and move to another work, can pack up his effects and move to another locality; but the employer is bound to his colliery all his property is there invested, and upon the suc cess of the enterprise depends not only his subsist cess of the enterprise depends not only his subsistence, but that which to some men is dearer than life itself—his character for commercial integrity. The miner has no money invested in the coal business. The operator may have two hundred thousand dollars expended at one colliery. He may have notes to pay, and contracts for the delivery of coal to comply with; all of these he can meet if he is permitted to work his mines. His employes may be entirely is permitted to work his mines. His employes may be anxious to work for him, and may be entirely satisfied with the wages; but the grasp of the Workingmen's Benevolent Association is around their throats; the decree goes forth that there must be a general suspension. The poor laborer well knews the ghastly fate in store for him if he disobeys this decree, and the result of his obedience is the ruin and dishonor of his employer. We have called many of these coal operators before you, and they have testified to the injurious effect of their continued suspensions and strikes, and have stated that, if the present condition of affairs is not improved, they present condition of affairs is not improved, they will be glad to sell their property at one half or two-thirds of its cost, and be thankful that they escape the wreck with even that little to call their

us when we are doing no coal business as when we are transporting 180,000 tons a week. We cannot discharge our employes, the railroad track must be constantly watched, repaired and guarded; every superintendent and agent must be at his post, and receive his salary or his wages; the only men whom we can temporarily dispense with words. we can temporarily dispense with are the coal train bands. It is greatly to our interest that the price of coal should be low, because low prices in-crease consumption, and we make money more from a large tonnage than from high rates of

Charges.
You can judge of the effect upon such a railroad company, when an imperative decree of the Work-ingmen's Benevolent Association suddenly deprived ingmen's Benevolent Association suddenly deprives it of all its coal tonnage; when the receipts of the road from coal traffic are suddenly reduced from over a million of dollars per month to less than two hundred thousand dollars, while the expenses remain nearly the same; and yet to this extremity have we been reduced time and again during the last two years—and all because the Workingmen's Benevolent Association have determined that the public shall never purchase their finel at less than Benevolent Association have determined that the public shall never purchase their fuel at less than \$3 per ton at Port Carbon or \$5 per ton at Elizabethport. Why, gentlemen, I stand here in all sincerity, speaking for the several railroad companies that I represent, to say that, if this evil is not abated, we will be glad to have our charters forfeited and taken from us, so that our stockholders may invest their money in some other enterprise, and in some other country where the rights of property are respected, and the citizen may appeal with confidence to the protection of the law. I trust I may not be misapprehended. I speak the language of sober truth when I say that if this state of society is continued for six months longer we will come before you as petitioners, asking you to invoke the assistance of the courts, so that we may be permitted to surrender our charters, and obtain for our stock and bondholders the money they have invested. Then let the Workingmen's Benevolent Association take charge of our roads in Benevolent Association take charge of our roads in name, as they have done in fact. Better, far better for us all, that this should come to pass, than that we should continue the farce of pretending to control our own property, while the baleful influence of this organization is brooding like a dark shadow over the land.

Let me now call your attention to the coal trade itself, and show you how injuriously it has been affected by the insane action of the leaders of the workingmen. You know that anthracite coal enter into competition with bituminous coal and with wood as fuel. Whenever anthracite can be intro-duced at a moderate price, it displaces both of the other fuels for domestic purposes, and is generally preferred to bituminous for steam and for many manufacturing purposes. But it is not only mode rate rates of price, but certainty and regularity of supply, that are necessary to enable it to main tain its position. Even at a lower rate, many manu-facturers will discard anthracite and use bituminous coal, if the supply of the former is constantly interrupted, and the latter can at all times be ob tained. I think I speak within bounds when I say that there are consumers now burning bituminous coal at the rate of 150,000 tons per month, who have coal at the rate of 150,000 tons per month, who have been driven to it by the high prices and irregularity of supply of anthracite caused by the repeated strikes and suspensions of the last two years. If you go into the steeple of Independence Hall, and look out over the city of Philadelphia, you will see the thick black cloud of smoke of bituminous coal rising from the stacks of many manufactories at which nothing but anthracite had ever before been burned; and if you go to the bay of New York, and look over the shipping congregated there, you will see that hundreds of ferry-boats, steamboats and steamships, which formerly burned anthracite, are now using bituminous coal. It is no exaggeration to say that in the year 1871 there will be burned at least 2,000,000 of tons less of anwill be burned at least 2,000,000 of tons less of anthracite coal than would have been consumed had it not been for the criminal folly of the managers and leaders of the Workingmen's Benevolent Association.

sociation. So much for the coal trade. Now let us look at the iron trade. Within the next few years the question is to be decided, whether the State of Pennsylvania is to maintain her supremacy in the iron trade; whether the valleys of the Lehigh and Schuylkill are to be the sites of furnaces and rolling-mills; or whether the manufacture of iron is to be moved to the southern states—to Kentucky, to Tennessee and Alabama—where vast deposits of iron ore have lately been brought to notice. know of many instances where some of our largest iron manufacturers have invested large amounts of money in the iron districts of the south. If coa can be obtained at Port Carbon at from \$2.25 to 82 50, and at Mauch Chunk at from \$2 75 to \$3 there can be no doubt that the valleys of the Schuyl-kill and the Lehigh will continue to be the great centres for the manufacture of iron. But if the policy of the Workingmen's Benevolent Association is to be enforced—if coal is to be kept at fifty cents a ton higher than it should be, and the regularity o the supply be constantly interrupted by strikes and suspensions—there can be no doubt that Pennsylvania will have to bid farewell to its greatiron manufactures, and be content to see other States that are free from the tyrannical rule of trade unions proper in an industry which, by proper care, she could have retained forever for herself. A very experienced iron manufacturer lately stated that the Finglish iron trade required no better protection for its products in America than has been afforded the supply be constantly interrupted by for its products in America than has been afforded by the active co-operation of the Workingmen' Benevolent Association in Pennsylvania; and with in the last sixty days it is believed that more orders for Scotch pig iron have left the United States, than under other circumstances would have been sent in

Upon the general prosperity of the State, the results of the course which I have been condemning are but too apparent. Since the 1st of January we have fallen behind last year's trade to the extent of about one and a hair millions of tons of coal. Of this, two-thirds would have gone beyond the State if it had been mined, and would have been worth, at the State line, at least four dollars a ton so that four millions of dollars, which in the space of three months would have been sent into the Commonwealth by foreign consumers of our products are now lost forever.

But let me call your attention to the effects of this association upon its own members. I speak now in behalf of the rights of labor,—not of the rights of the sleek, well-fed and well-dressed leaders of the organization that you see around us here, but of the thirty thousand suffering men who are anxiousl awaiting the decree of their society to know whether they have a right to make use of their hands to labor for the support of their families. Capital has its rights—property is entitled to the protection of the law; but higher and dearer than the rights of capital, or the claims of property, is the right of the laboring man-condemned to earn his bread b the sweat of his brow-to make use of the strengt which God has given him, without hindrance or molestation from any one. But do these men pos-sess this right, or, rather, dare they exercise it? Is it not a notorious fact, that the decrees of a tribu-nal called the General Council of the Workingmen's Benevolent Association have condemned to idleness thousands of men who were entirely satisfied with thousands of men who were entirely satisfied with their wages, and who would now gladly return to work if they felt certain that the State to which they owe allegiance had the power to protect them from outrage? Will the leaders of the Workingmen's Benevolent Association agree that the question of resuming work at the \$2.50 basis may be submitted directly to the men, to be voted upon by secret ballot? If they will, I can venture to predict that eight out of ten would gladly embrace the opportunity of going to work. In all the history of the coal trade, I do not believe there have ever been two such disastrous years to the laboring classes as have been the last two under the dominaclasses as have been the last two under the domina tion of their society. I think I have shown how in juriously this organization has affected the best in-terests of the State; but it has affected no one as injuriously as its own members. Think of an or-ganization, entered into for the purpose of mutual protection, being so perverted and mismanaged as protection, being so perverted and mismanaged as almost to reduce its members to starvation! They ask for work: it has permitted them to work in Schuylkill county but five months out of the past twelve. They want steady wages and regular employment, and when they have both it compels them to stop, in order that the men of some other region may be assisted in a strike and brought under the control of the society. They was this tops. der the control of the society. They pay their due to the association under the belief that it will shield them from distress: it barely permits them to work iong enough to carn money to pay the dues that have accumulated during their idiences. They have asked for bread: it has given them a stone.

Let me stop here to inquire what this society

Let me stop here to inquire what this society might have been if properly managed, with no other view than the benefit of its own members; let me suppose that, instead of being blinded by prejudice and passion, its leaders had opened their eyes to the real wants of the working classes, and had earnestly set about to supply them; that, instead of acting upon the principle that what they did not know was not worth knowing, they had listened to the advice of real friends, and actively co-operated with them to secure constant employment for those who depended upon them—then, indeed, this association might have been a blessing instead of a curse to its own members; it might have secured them from oppression; given them regular employment at remunerative wages; cared for them when sick or injured, and provided for their wives and children when illness or accident had disabled them from work.

But it is not only what this association has done, but of the means resorted to to accomplish it, that

but of the means resorted to to accomplish it, that we complain. Mr. Hall has been very severe upon we complain. Mr. Hall has been very severe upon us because the employers ventured to meet together and decide upon the amount of wages they could afford to pay, without first obtaining the permission of their workmen. But Mr. Hall's clients, the Workingmen's Benevolent Association, never consulted any one before resorting to the arbitrary measures that have marked their sway. Before ordering the suspension of work, which now deprives thousands of men of break, reduces the owners of collieries to bankruptcy, and paralyzes

the industry of a whole State, they obtained the consent of no one but the few leaders whose secret conclave is denominated the General Council. It s by brute force alone that all their decrees have been carried into effect, it is by brute force that been carried into effect, it is by brute force that they have compelled a large proportion of their members to join their organization; it is brute force that now prevents thousands from leaving it; it is by brute force that this present suspension has been inaugurated, and it is by brute force alone that they hope to terminate it. For three weeks, gentlemen, you have been listening to the testimony of witnesses, revealing the existence of a state of society in the coal regions of Pennsylvania—the mere recital of which must bring a blush to the cheek of every good citizen. You have heard how often a large colliery has been compelled to remain idle large colliery has been compelled to remain idle for weeks and months, on account of the refusal of its owner to comply with an order of the Work-ingmen's Benevolent Association, requiring him to dismiss his superintendent, or to refuse to employ some man who was obnoxious to the organization. You have heard how notices have been served upon coal operators, containing a list of names of persons employed by them who did not belong to the Union, in which it was announced that if those whose names were given did not join the Association before a certain day, no more work should be done at the colliery; and you have heard how the colliery was compelled to remain idle for days and weeks, and how, at last, the ostracized miners who refused to join the society were compelled to leave their homes to engage in new pursuits in other places where the rights of personal liberty and personal security were held to be something more than a mockery and a farce. You have been told by Mr. Markle how his men refused to been told by Mr. Markle how his men refused to work for him because he complied with one of the provisions of the ventilation bill; and you have learned from the officers of the Workingmen's Benevolent Association themselves, that if one of their own members does not pay his dues to the society, his employer is punished by stopping all work at his colliery until the delinquent member discharges the amount. We had over a hundred witnesses to call upon this subject; but, out of dewitnesses to call upon this subject; but, out of de-terence to the general desire to close the investiga-tion as quickly as possible, we called but twelve or fifteen, and from these you learned enough to know that in this free State of Pennsylvania, within one hundred miles of the capitol, the liberty and pro-perty of our citizens are held at the mercy of the lecrees of a secret tribunal, above and beyond which there is no law and no power to which the oppressed people can apply for protection, or resort to for redress.

to for redress.

Let me now ask, whose fault is it that the present suspension still continues? I have shown you very clearly, I think, and indeed upon this question there is no dispute, that the suspension was ordered by a decree of the General Council of the Workingmen's Benevolent Association, made at time when there was not only no dispute about wages in either the Schuylkill, the Lehigh, or the lower part of the Wyoming districts, but no design or intention on the part of the employers to reduce them, and that the sole objects of the Workingmen's Benevolent Association were to increase the price of coal and assist the men of the three large mining companies. During the month of February the meetings of railroad officials, coal operators and iron men, about which you have heard so much, took place in New York and Philadelphia. The object of these meetings was to adopt some equitable rate of wages to be paid in each of the three regions, so that thereafter there should not be a repetition of the experiences of the past two years, such as paying higher wages in one region than in another, or stopping one region to benefit the men of another. At these meetings it seemed to be conceded that the rate of wages should be established in the Schuyl-kill region, and that the others should conform to it. Accordingly, we adopted for Schuylkill the very basis of wages which the committee of the Work ingmen's Benevolent Association had already recommended for the year 1871. We took then at their own offer; although it was generally believed that the price of contract work at the \$2 50 basis was entirely too high. We offered to \$2.50 basis was entirely too high. We offered to the men precisely the same terms which they themselves in November last had agreed should be paid to them during the whole of the year 1871. We have heard it said that this November basis was never ratified by the association. Two witnesses were called to prove that it had not been; but, on the other side, we showed that Mr. Siney, the president, said it had been accepted. I do not, however, represent a rest this point of the case upon the ever, propose to rest this point of the case upon the formal acceptance of the terms. The question is, are the terms offered fair? and upon that question the fact that in the month of November last, when there was no strike and no quarrel, the regularly authorized committee of the Workingmen's Bene-volent Association, with John Siney, its president, at its head, signed a paper recommending the adoption of the \$2.50 basis for the year 1871, should be sufficient to convince anyone that the 50 basis is in nowise unjust or unfair to the men. If these leaders of the Workingmen's Be Association could recommend the \$2.50 basis in November, as entirely fair and just, to their con-stituents, why is the same basis unfair and unjust in January? What had occurred in the two months to change their minds? Why, gentlemen, in Deto change their minds? Why, gentlemen, in De-cember a strike took place among the men of the three companies; the Workingmen's Benevolent Association was asked to join it. Their cupidity was aroused, and they believed that, by making the strike general, in January they could so advance the price of coal as to compel their employers to give them much more than they had themselves de-manded. It has been said that this \$2.50 basis is too manded. It has been said that this \$2.50 basis is too low; that, under it, when coal sells for two dollars, the outside laborer gets but \$7.64 per week. True; but when coal sells at \$3, the same laborer gets \$10.70 per week; and when it brings \$4, he gets \$13.76 per week. Under the "Gowen Compromise," the men were never paid at less than the \$2.25 rate; and when coal falls to \$2 at Port Carbon, the operator is losing money, he is giving the coal away, and simply running his colliery for the benefit of his men. When coal brings \$3 per ton, it is safe to assume that the actual labor of producing it costs \$1 50 per ton; that is, the actual sum paid out by the operator to his own miners and laborers will be \$1 50 per ton. In addition to this, there are exbe \$1 50 per ton. In addition to this, there are expenses not affected by the basis price of labor, amounting to another \$1 per ton. These expenses are for rents or royalties, lateral railroad freights, timber, lumber, sheet iron, rails, horse and mule feed, insurance, &c. Thus at a good colliery, with a good month's work, the coal that sells for \$3 will cost the operators \$2 50, leaving a profit of fifty cents per ton; but out of this profit must be deducted the losses of break-downs, strikes, suspensions, and the driving of dead work during the

sions, and the driving of dead work during the Let us now look at the cost when coal is selling at \$2. The wages will then be thirty-three per cent. less, or \$1 a ton instead of \$1 50—the stationary expenses remain the same, \$1; so that the coal costs the operator \$2—exactly what he sells it for—leaving no surplus out of which to reimburse himself for break-downs, strikes, suspensions and winter's dead work. It must be remembered that the men do not want a steady rate of wages, but have themselves adopted the sliding scale based have themselves adopted the sliding scale based upon the price of coal. As they get the benefit of every advance in price, they should be willing to decline as prices recede. In other business pursuits, when a man becomes a partner in trade he invests his own capital, and agrees to give his own labor for a specified time; he then becomes entitled to a participation in a distribution of profits, but he must also make up his proportion of the losses. Our friends, the members of the Workingmen's Benevolent Association, however, claim to be partners without investing any money, without binding themselves to work a day longer than is agreeable to themselves, and without being required to bear any share of the losses. They say to their employer, you must pay losses. They say to their employer, you must pay us the \$3 basis as a minimum; at this rate we will get, at the worst, better wages than can be earned by any other similar class of labor in the world; by any other similar class of labor in the world; then, with this secured as a minimum, whenever coal goes above \$3 you must distribute amongst us half of your profits. The employer replies, I will do either one of two things: I will either give you regular wages throughout the year, unaffected by the price of coal, or I will share my profits with you when coal is above \$3, provided you will let me deduct from your wages, when coal goes below \$3, the same percentage I add to them when it rises above that price. No, reply the workingmen, we can never agree to that; we never will permit you to oppress us and grind us into the dust in that way; you must give us all the profits and you must bear all the losses; and if you don't consent to this before next Monday we will strike. So the strike takes place, and the Workingmen's Benevolent Society hurries off to Harrisburg to tell the dignitaries there assembled that, unless immediate relief is given them from the rapacity and tyranny of their employers, the said dignitaries will never again be

given them from the rapacity and tyranny of their employers, the said dignitaries will never again be elected to any public position.

In speaking of the amount of wages that can be carned under the \$2.50 basis our friends on the other side are disingenuous in referring only to the wages of the laborers. You have seen that the largest amount of wages paid at a colliery is to miners who work by contract; and, indeed, all coal mining is done by the job. The miner is paid by the yard or by the wagon, and, at the wages offered to them, every good miner can readily earn from \$4 to \$5 a day. Why, gentlemen, you have had the actual check-rolls before you, and have seen that miners are earning from \$100 to \$200 per month, and some even more than that; and you have had it proved that the miner seldom works more than six or seven hours a day.

it proved that the miner seldom works more than six or seven hours a day.

You, gentlemen, are all lawyers, and I have no doubt that you remember how.

"—through long days of labor,
And nights devoid of ease."

you strove for years, by study and severe application, to fit yourselves for the duties of a tolleome and laborious profession. I have no doubt—for it has been the experience of us all—that you were glad if, after two or three years of practice, you could count upon an income of five or six hundred

dollars a year. How many, or rather how few, of the lawyers, doctors and clergymen of the United States have an income of \$1500 per annum. I am willing to accord to the miner all that is his due. I think he should be well rewarded for his toil; and I am glad when he is prosperous and happy. But those who labor with their hands should yield to those who labor with their minds. There are those who toil longer and harder than the miner, and who are not paid one-half so much; and the favorsof fortune are indeed distributed by a careless hand, when we find that the yearly earnings of a miner exceed the average incomes of the three learned professions in the United States. I fear, too, that some of these workingmen are disposed to take an professions in the United States. I fear, too, that some of these workingmen are disposed to take an agrarian view of this subject of their earnings. I talked to a number in the lobby of the Senate today, and aithough I found most of them exceedingly sensible and well disposed towards an amicable adjustment of our differences, there was one who said to me, "Mr. Gowen, it is not fair that you should get so many thousand dollars a year, while we only get bundreds." I replied to him that I could learn get hundreds." I replied to him that I could learn his business in eix weeks, but that I feared that it would require six years for him to learn mine. This was evidently to him a new view of the case, and if it did not satisfy him, I think it silenced him. But, says the counsel for the Workingmen's Benevolent Association, my clients are entitled to large volent Association, my clients are entitled to large wages; their vocation is an exceedingly dangerous one; even if they meet with no accidents, the effect of working in the mines is so injurious that few live to be over thirty-five years of age. They are mere slaves, living in abject misery, and ruled with an iron hand by their imperious employers. And my friend Mr. Hall seemed so much in earnest in this belief that during the examination he occasionally asked the witnesses whether they he occasionally asked the witnesses whether the that mining is sometimes a dangerous occupation; but I do deny that it is as dangerous as many others in which much less wages are earned. It is by no means as dangerous a life as that of a brakeman on a railroad; and a good miner who works but six or seven hours a day will earn twice as much money as a brakeman who works from ten to twelve hours. You have heard a very experienced gentleman upon the witness stand say that in his judgment the business of a miner was not more dangerous to life than that of many mechanical pursuits, and that it did not compare unfavorably with that of a carpenter. There is one very great peculiarity about life under-ground. I speak from my own observation, and I believe it has been the experience of all who have given the matter much attention—when a man once becomes accustomed to work in the mines, he never will work elsewhere. I have often heard this as-serted, and have never heard it denied. Mr. Sharpe, when explaining how the high wages paid during the war attracted to the mines men of other trades, spoke of a shoemaker and a tailor who had become miners, and who, throughout all the vicissitudes of

miners, and who, throughout all the vicissitudes of the past two years, remained firmly attached to their new profession, and did not think of abandoning it. So much for the danger. How is it about the poverty, degradation and the mournful statement of the early death of the workingmen? I did think that when it was announced—and, I believe, attempted to be proved—that the miner generally dies at thirty-five years of age, our friends, out of regard to the fitness and propriety of the thing, would call no living witness who was over thirty-five; and I expected that some dramatic effect would be produced by the appearance of witness after witness, decrepit with premature age and bearing upon his person, and exhibiting in his manner, the unmistakable marks of servitude and degradation. I had noticed that there was sitting manner, the unmistakable marks of servitude and degradation. I had noticed that there was sitting near us, during much of the examination, and apparently taking a great interest in the proceedings, a very respectable, well-dressed, elderly gentleman, who had the appearance of a well-conditioned clergyman, and I supposed him to be some minister of the gospel who was interested in the solution of the social problem that it is presumed will be solved by this investigation. This geutleman, to my surprise, was called to the stand as a witness. He was a miner; had been one all his life; he was sixty-five years of age; strong in wind and limb, and an active member of the Workingmen's Benevolent Association. It was our friend Mr. Williams, who now fills the responsible position of a liams, who now fills the responsible position of a member of the House of Representatives of the great State of Pennsylvania, and helps to make the great State of Pennsylvania, and helps to make the laws which all of us must obey. It is painful, gentlemen, to reflect upon the long course of misery and degradation through which our friend Mr. Williams must have passed before he was reduced to his present extremity. The next workingman called to the stand was Mr. Hallman, from Danville. He is a blackemith by trade, and an officer of the National Labor Union. Nature had adorned him with a magnificent beard, and art had arrayed his person has uit of French broadcloth; he carried a gold-headed cane; and, with all these outward marks of he aded cane; and, with all these outward marks of uncomplaining penury and toll, he pathetically described how the class to which he belonged had suffered, and were still suffering, from the tyranny and oppression of those grasping monopolists—the railroad companies. Why, gentlemen, when I looked at these witnesses and compared their dress with my own, I really felt somewhat ashamed of myself; and if I had had a better suit, I would have appeared in it, out of deference to yourselves and regard for the reputation of my clients.

But it is not only upon the witness-stand that these evidences of degradation and misery have presented themselves to you. I have been in Harrisburg the greater part of three weeks, and, as our sessions have been held in the afternoons and evenand oppression of the

risburg the greater part of three weeks, and, as our sessions have been held in the afternoons and evenings, I have had a great deal of leisure during the earlier parts of the day, and have occasionally ventured within this chamber when the Senate was in session, to watch the process of law making. I remember that on one occasion my attention was attracted to two or three gentlemen engaged in attracted to two or three gentlemen engaged in earnest conference with senators at their desks, and apparently remonstrating or expostulating with them. I inquired who the gentlemen were—supposing, of course, that they were senators. I was told that they were not senators, but members of the Workingmen's Benevolent Association. "What are they doing on the floor of the Sonate?", I exclaimed. "Why," replied my informant, "they are instructing senators how to vote upon certain bills, and threatening them with defeat at the next election if they dare disobey." And it is these people—who brow-beat senators—who are members of the Legislature—who dress in fine broadcloth and carry gold-headed canes—who have the impudence to appear before you in forma pauperis.

appear before you in forma pauperis.

I have now shown, I hope, successfully, that the amount of wages they can earn at our offer exceeds that realized by any other class of equal skill in the world; that the offer in Schuylkill county is precisely the same as was recommended in November by the very leaders who appear in March to de-nounce it as unjust; and therefore, that, by refus-ing to accept it, the workingmen are as much in the wrong in protracting the suspension, as they were I come now to the action of the railroad compa-

nies. On the fifteenth of February, the Reading Railroad Company increased its charges from \$2.08 to \$4.08 between Port Carbon and Philadelphia. Shortly afterward, the other companies made a similar advance; and again, about the first of March, an additional advance of \$2 was made by the Read-ing Railroad Company alone. Under this state of facts, two questions arise for discussion: First. Had these several railroad companies the

First. Had these several railroad companies the lawful right to make these charges.

Second. Have they exercised their power in such a manner as to amount to an abuse or misuse of their charters? and subsidiary to this, is the inquiry into the power of the Legislature to determine the question of abuse or misuse.

Mr. Brockway has referred you to each particular charter, and my colleague has discussed the question of the right to impose charges, so fully, as to leave little for me to add. There are but five statutes, or parts of statutes, which require construction: 1st. The tenth and twentieth sections of the Reading Railroad charter; 2d. The eighteenth the Reading Railroad charter; 2d. The eighteenth section of the general railroad law of 1849; 3d and 4th. The acts of 1856 and 1865, relating to the Delaware and Lackawanna and Western Railroad Company; and, 5th. The act of 1870, supplementary to charter of the Lackawanna and Bloomsburg

Under the charter of the Reading Railroad Company, granted in 1833, power was given to the com-pany to charge as tolls not exceeding four cents per ton per mile. By another part of the same charter the companywas authorized to furnish motive power and to transport passengers and freight, though nothing is said about the charges for such transporta-

Railroad Company.

Now, the points we make are these: First, that the word tolls refers only to the charge for the use of the roadway when the transportation is done by others; and, second, that as power was given to transport, it follows, as a necessary consequence, that there is to be implied a power to charge for such service; and, as no limit is imposed by the statute, the managers of the company have a discretionary power to regulate the charges.

I do not propose to enter upon any elaborate argument upon these points. Fortunately for me, as well as yourselves, gentlemen, we have an express

I do not propose to enter upon any elaborate argument upon these points. Fortunately for me, as well as yourselves, gentlemen, we have an express authority in the case of Boyle vs. the Philadelphia and Reading Railroad Company, 4 P. F. Smith, page 310, where the very points raised by our friends upon the other side were discussed and finally determined in our favor. This decision of the highest judicial tribunal of the State, I am sure, will be considered as authority by you, notwithstanding the attacks which have been made upon it by Mr. Hall. In the year 1833, when the charter was obtained, railroad companies were not transporters. They simply turnished a road-bed, kept it in repair, and collected a toil from those who put cars upon it. Originally these cars were pulled by horse-power, and afterward by locomotives. I can very well remember when, upon the State road between Columbia and Philadelphia, there were a number of passenger and transportation lines owned by different individuals, who paid the State a toil for passing over the railroad. And it was exactly such a toil that was meant by the Legislature when the Reading Railroad Company

was restricted to the charge of four cents per ton per mile. The very fact that in another part of the charter power is given to transport, is sufficient to show that the charge for tells did not include the cost of transportation and car service.

I admit that charters are to be construed favorably to the State, and I admit that a corporation takes nothing by implication; but this last position is admitted with this qualification, that where power is given to a company to engage in business there is necessarily to be implied a power to charge for transacting it. Suppose a company was chartered with power to make gas and sell it to the inhabitants of Harrisburg, would it be pretended that, because no specific power to charge for it was given, the company would have no right to collect its gas bills? or if a lawyer was created a corporation sole, to practice his profession, would it not be its gas bills? Or if a lawyer was created a corpora-tion sole, to practice his profession, would it not be a necessary implication that he had the right to collect fees for his services? Will it be pretended that a hotel company, holding a charter which does not specifically grant the power to charge for board and lodging, has not only no power to discriminate in its charges between the price of a sirloin and a mutton chop, but that any impecunious guest could defeat an action for the price of his board, by asserting that it was an abuse of the charter of the company to attempt to make him pay for what by asserting that it was an abuse of the charter of the company to attempt to make him pay for what he had eaten? Surely, then, both upon reason and authority. I am justified in asserting that the Reading Railroad Company has in no manner violated its charter in establishing or collecting its present rates for tolls and transportation.

The rights of the other companies are all to be determined by the eighteenth section of the general railroad law, for though some of their charters were obtained before the passage of that law, they have subsequently been placed within its provisions.

Under the act of 1849, railroad companies are Under the act of 1849, failroad companies are restricted to the following charges in cars of others: Three cents per 2000 pounds per mile, with an additional charge of two cents per mile per car, every four wheels being counted as one car. Now, three cents per 2000 pounds per mile is equal to 3,36 cents for 2240 pounds per mile; two cents per mile each way equals four cents per mile one way for the car: way equals four cents per mile one way for the car divide this four cents by the cargo, five tons, and it will make eight mills per ton per mile, which, added to the 3 36 cents, makes 4.16 cents per ton of 2240 pounds per mile as the maximum rate which railroad companies are permitted to charge, under the act of 1849, for transportation in cars of others. It is always to be borne in mind that, even under the act of 1849, there is no limit imposed upon the charges when the railroad companies furnish their own cars. But it has not been shown that any one of the several railroad companies who are re-stricted by the act of 1849 has ever made a charge

stricted by the act of 1849 has ever made a charge of more than 4.16 cents per ton per mile for transportation of freight in cars of others, and therefore not one of them has violated its charter.

Our friends upon the other side have singled out the case of a charge made by the Lackawanna and Bloomsburg Railroad Company of \$1.25 for transporting a four-wheeled car load of limestone six miles, and, drowning amid the waves of testimony which overwhelm them, selze upon it to save themselves. This limestone, it appears, was transported in the cars of the consignor, and hence the limit of 4.16 cents per mile applies. This charge per ton multiplied by six miles would give 24.96 cents as the maximum charge per ton allowed by law. Assuming the car to have contained exactly five tons, the rate paid was 25 cents per ton—just four hundredths of a cent. more than was strictly lawful. I presume that with you, gentlemen, the maxim dreaths of a cent. more than was strictly lawful.

I presume that with you, gentiemen, the maxim
de minimis non curat lex will relieve us from the
weight of this grievous offence; and if the Workingmen's Benevolent Association are not satisfied,
and want to get hold of this four hundredths part
of a cent, I will discharge the amount on behalf
of the Lackawanna and Bloomsburg Railroad Comof the Lackawanna and Bloomsburg Railroad Company whenever I can find in my pocket any change small enough to meet the demand. But, if I recollect the testimony, it was proved that each car contained five and one-quarter tons; so that, really, the railroad company had the legal right to charge \$1.31.4-160 per car instead of \$1.25; and our friends take nothing by their motion. I cannot help, however, expressing some surprise that in this coal investigation, in which exorbitant and illegal charges for the transportation of coal were made the burden of complaint, and the wrongs of the suffering miners and laborers of the coal region were to be redressed, our friends should have changed base so suddenly and brought up this limestone reserve to cover their retreat. cover their retreat.

cover their retreat.

I now invite your attention to the acts of 1856 and 1865, relative to the Delaware, Lackawanna and Western Railroad Company. By the former it was, inter alia, enacted that the company should not have the power to purchase coal during such time as their charges for transportation were over two cents per ton per mile. We claim that the act of 1865 repeals this provision of the act of 1856; but admitting, for the purposes of the argument, that it does not, what follows?—not that the company cannot charge more than two cents per ton per ore than two cents per ton pe cannot charge more than two cents per ton per mile, but only that when it does charge more, it cannot purchase coal; and where, I ask, is there any evidence that the company has purchased coal when its tolls were more than two cents per ton per mile? There is none, and if there was, what has the purchase of coal to do with the question to be discussed before you?

The only remaining statute is the act of 1870, supplementary to the charter of the Lackawanna and Bloomsburg Ballsoad Company. This act pro-

The only remaining statute is the act of 1870, supplementary to the charter of the Lackawanna and Bloomsburg Railroad Company. This act provides that for any distances under ten miles the company shall have the right to charge twenty outs per ton, whenever by the act of 1849, they would not have had the right to charge so much as twenty cents. This act has been cited as restricting the company to a charge of twenty cents for any distance under ten miles; but it only requires to be read to see that, instead of restricting, it enlarges the power of the company—it enables them to charge more than they otherwise could have done. Thus for two miles they would have been restricted by the act of 1849 to a charge of 8.32 cents per ton; but, by the act of 1870, they can now charge 20 cents. The privilege of charging 20 cents is to apply to such distances under ten miles for which under the general law they would have had no power to charge that much.

I have thus attempted to show that, under the proper construction of the several statutes, no illegal charge has been made by any of the several railroad companies. Before leaving the question of violation of charters I should, probably, allude to that part of Mr. Brockway's argument referring to the quantity of land held by the Delaware and Lackawanna Railroad Company. It is said this company has too much land, and that no anthority has been shown to hold it. I really do not know what this has to do with the case now before you. I do know, however, that when General Brisbin, of the Delaware, Lackawanna and Western Railroad Company, was upon the stand, and an inquiry was made as to the power to hold land, he

bin, of the Delaware, Lackawanna and Western Railroad Company, was upon the stand, and an inquiry was made as to the power to hold land, he offered to produce a memorandum of the several statutes if they were required; and Mr. Hall stated that, as it had nothing to do with the subject of the investigation, he would not require them. We are prepared, if necessary, to show that the company has legal authority to hold all its land; but I apprehend that you will be obliged to us for not accumulating a mass of testimony upon an entirely irrelelating a mass of testimony upon an entirely irrele

And now as to the second question-have any of

And now as to the second question—have any of these railroad companies misused or abused their franchises?

I have shown how large an equipment and organization we are always obliged to keep up. I have shown that this equipment and organization are to all of us almost as expensive when we are doing nothing as when roads are taxed to their fullest capacity. We are all anxious for trade; have always been willing to do the largest possible amount of business at the lowest possible prices. But when we are thus fully prepared for trade, an order of the Workingmen's Benevolent Association suddenly deprives us of our business. Upon the Reading Railread the tonnage falls from 150,000 tons a week to 10,000 tons, but the expenses remain nearly the same. The coal which cost us but \$1 50 to move when we were transporting 150,000 tons a week, now costs us from \$6 to \$8 ton. Must we continue to carry it for \$2 when it costs us \$6; or is it not a perfectly reasonable exercise of the discretionary power vested in our board of managers to increase the charges for transportation, so that the receipts of the road shall in some measure approximate to its expenses? Can it be possible that we are so entirely subject to the dominion of the Workingmen's Benevolent Association, that we must tamely submit to bankruptoy, and not strike one blow for the defence of the property which is committed to our charge? The laboring classes have been reduced to starvation; the coal operators are trembling on the verge of insolvency; the iron trade has been completely paralyzed, and, looking over the ruin and havoc they have made, the leaders of this association see one other interest which they have not yet completely subdued. Because this interest which I now represent adopts means of self-defence, it is represented as a grasping monopoly whose existence is injurious to the welfare of society and detrimental to the best interests of the State. Is it an abuse of our charter to attempt, by the legitimate exercise of a discretion vested in us by the these railroad companies misused or abused their franchises?

It is said that our charges are prohibitory; but where is the evidence that one single ton has been prohibited from being transported? Is not the evidence uncontroverted, that the Authracite Board of Trade, comprising nearly all the coal operators

Continued on the Third Page,