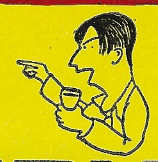
SIXTY CENTS/DECEMBER 1961

Harper's magazine

THURBER 
THE FUTURE OF COMEDY

THE STRANGE ROMANCE BETWEEN JOHN L. LEWIS AND CYRUS EATON

WHAT CHICAGO COULD BE PROUD OF

THE CULT OF PERSONALITY COMES TO THE WHITE HOUSE

PLUS: ARTHUR C. CLARKE, OGDEN NASH, KUSUM NAIR, AND NIGEL DENNIS

BURT GOLDBLATT

Harper's
MAGAZINE

THE STRANGE ROMANCE BETWEEN JOHN L. LEWIS AND CYRUS EATON

NAT CALDWELL AND
GENE S. GRAHAM

The first full report on a case revealing a conspiracy in which a big union and a big capitalist got together to force little coal mines out of business and thousands of miners out of work.

ALMOST unnoticed by the rest of the country, the story of an amazing conspiracy in the coal industry has been unfolded in a federal court in Tennessee.* The trial record and the verdict have incalculable implications—for business, for union members, for every taxpayer, and perhaps even for the future of American law and politics. It is too early to say whether the consequences will be good, evil, or a mixture of both. But testimony at the trial discloses, among other things, that:

(1) The United Mine Workers—whose chieftain, John L. Lewis, is an almost mythical hero of American labor—quietly became a big stockholder in some of the nation's largest coal mines.

(2) A union-controlled company broke a strike of the UMW's own members. They worked in small "inefficient" mines which competed with those mechanized through the use of UMW money.

(3) The union was found guilty of conspiring with large coal companies to monopolize the soft-coal industry and drive small firms into bankruptcy.

(4) The union's money was used to finance certain big deals of Cyrus S. Eaton who in return helped mastermind the UMW's financial adventures. (The cozy relationship between Lewis and Eaton looks odd, in the light of Lewis' implacable war against Communists in his union and Eaton's proudly proclaimed friendship with Nikita Khrushchev. In fact, however, this is

* In the United States District Court for the Eastern District of Tennessee. Northern Division. John L. Lewis and Josephine Roche, as Trustees of the United Mine Workers of America Welfare and Retirement Fund, and Henry G. Schmidt, Trustee, Plaintiffs, *vs.* James M. Pennington, Raymond Phillips and Burse Phillips, individually and trading as Phillips Brothers Coal Company, Defendants, *vs.* United Mine Workers of America, Cross-Defendant. Civil Action No. 3431.

Lewis' second unlikely marriage of convenience—Communist stalwarts were numbered among his tools and supporters when he organized the CIO in the 1930s.)

(5) As financier of coal mines, Lewis' union now sits on both sides of the bargaining table—in effect making deals with itself.

(6) The trial disclosed that these manipulations have resulted in a sharp drop in the price of coal to consumers—including the Tennessee Valley Authority, biggest customer of all and long the darling of American liberals.

(7) A companion result is the rapid growth of automation in coal mines, a sharp reduction in the number of miners (and union members), and a steady rise in relief costs for men whose jobs are gone forever.

(8) More surprisingly—the union's bankroll has not dwindled with its membership. Profitable investments pour dividends into the treasury. And the multi-million-dollar Welfare and Retirement Fund still collects forty cents for every ton of soft coal mined—whether it is dug by men or machines.

(9) By drastically cutting production costs the UMW-management combine has apparently revived the dying coal industry and enabled it to compete once more with other fuels.

On balance, does this add up to Good or Bad? An answer is equally difficult for traditional liberals (who grew up in reverence of Lewis, TVA, and low prices for the consumer) and traditional conservatives (who grew up hating Lewis, TVA, unions, and featherbedding). In this unprecedented situation—which may yet become the pattern for other major industries—both liberals and conservatives find it hard to say which side they are on. Maybe both labels have lost their traditional meanings.

For more than five years the men most deeply affected refused to believe what was happening. The story has now been confirmed under oath. And on May 19, 1961, a federal jury in Knoxville found the United Mine Workers guilty of violating the antitrust laws—although hitherto all unions had been exempt from such prosecutions. In effect, the case held that the exemption does not apply when a union becomes part of ownership or conspires with its ancient enemies in restraint of trade.

The final act in this drama is still to be written, for the Knoxville verdict is being appealed. At this point, however, it is possible to present for the first time a complete synopsis of the plot and the cast of characters. Properly the spotlight should focus first on the star performers.

Merging Routes to Power

JOHN L. LEWIS, now eighty-two, is a coal miner's son who battered his way up from an Iowa coal pit to style himself—and truly become—"The roaring lion of labor." Using his fists—or whatever weapon was at hand—he fought his way upward, crushing opponents within and without the house of labor. He reached the top in 1935 when he created, within the AFL, the nation's first great industrial union crossing all craft lines. A year later he imperially led the CIO out of the parent Federation.

Rumor had it in those days that his eyes were on the White House. No one laughed when Huey Long told a reporter, "Old Huey thinks John L. will be the most powerful man in America unless I get there first." Secure in his might, Lewis defied the President and the Supreme Court by calling four major strikes during World War II.

After the mines had been seized by the federal government, Lewis made the Welfare Fund royalty part of his peace terms with the government and the mine owners. The owners agreed to pay ten cents into its treasury for every ton of coal mined. The sum has since been raised to forty cents a ton and the Fund's annual income from royalties and investments is around $125 million—and going up annually with the recovery of the coal industry. Lewis is chairman and chief executive officer of its three-man board of trustees. Last year he exchanged the title of President of the United Mine Workers for that of President Emeritus. His full salary, however, continues for life, as does—it is widely believed—his awesome power over the union's policies*

Nathan G. Caldwell, a staff writer for the "Nashville Tennessean," specializes in regional economic and social problems. He has been both a Nieman and a Rosenwald Fellow. His persistent research on TVA activities over twenty years brought to light much of the information in this article.

Gene S. Graham, an editorial writer, columnist, and cartoonist for the "Tennessean," has covered all government beats, from city to federal. He witnessed the Widow's Creek incident.

* "My friends, I speak in behalf of my associate officers, and Mr. Labor Leader himself, who has so ably guided and directed me in whatever I have done . . ." —John Owens, International Secretary-Treasurer, at the 1960 Convention of the UMW.

and its general funds. These, apart from the Welfare Fund, have assets, according to the union itself, of $104 million.

Lewis was worshiped by his miners—for the high wages he had won them, their retirement allowance of $100 a month, free medical care in ten modern union-run hospitals, and countless other benefits. But in the 1940s it began to appear that he had won too much. Coal was a sick industry, fast losing out in the competitive race with cheaper, more easily transported fuels. Unless he could somehow mount a new offensive, Lewis' days of glory were over.

He was in his seventies now—a very different John L. Lewis from the firebrand of the 1930s. Politically an archconservative but resilient as ever, King Lewis went into his counting house, the National Bank of Washington. Earlier he had bought what is in effect a controlling interest in this, the third-largest bank in the capital. Here were the millions and millions he had won for his men—tax-free and for all practical purposes his to use for the union as his keen intellect dictated. Sound judgment told him however, that he needed a counselor—a man schooled in finance.

Today the men of labor's big time are commonly on easy terms with their counterparts in big business; Lewis was a pioneer in achieving and trading upon a rapport with the enemy. Back in 1937 he had scored his greatest collective-bargaining victory—the unionization of Big Steel—not on the picket line or via sitdown strikes, but by having breakfast with the chairman of the board of U.S. Steel, Myron C. Taylor, at Washington's Mayflower Hotel.

To chaperone his own debut into industrial banking Lewis picked an old friend with a special economic affinity to the coal mines—Cyrus S. Eaton, a magnate not only in coal but also in such interlocking fields as steel, rails, and utilities.

Now seventy-eight, Eaton was born in Nova Scotia, came to this country around the turn of the century, and became a naturalized citizen at thirty. He is one of the nation's wealthiest men and is widely admired for his charming eccentricity. His home is a luxurious farmhouse in Northfield, Ohio, complete with English butler. From his base in Cleveland's Terminal Tower, his tentacles—and his often unorthodox views—reach out to power plants in Kansas and to power politics in the Kremlin.

Some say his flirtation with the Soviets springs from boredom with the repetitive stacking up of millions. Others think he rather relishes public scorn. Still others see him as honest and sincere. Everyone who knows him is agreed that he thrives on—indeed needs—public attention. And the primary key to his personality, it seems to us, is that he is an international financier. His investments know no national boundaries and he is, in any event, always open for possible deals in which Cyrus Eaton could turn a few million.

It was at the feet of John D. Rockefeller that Eaton first learned how fortunes are built; but he has added some twentieth-century refinements to the art. He is, for instance, considered the inventor of the leverage technique in American finance—the skillful use of small minority holdings to control a gigantic firm. He was credited with crashing the Insull Midwest utility empire in this fashion in the early 'thirties and was accused of helping wreck the most serious postwar challenge to the automotive Big Three by selling Kaiser-Frazer shares short.

For a good many years Eaton has served the UMW behind the scenes as a financial adviser. In return Lewis helped Eaton to maintain harmonious relations with the unions in his companies. What was—in union language—a sweetheart relationship blossomed into fiscal matrimony in 1951.

In that year the UMW began acting as Eaton's banker, lending him many millions of union funds. The extraordinary terms and the ramifications of these deals, which were until recently a closely guarded secret, will be discussed presently.

Reciprocally, Eaton taught Lewis the fine art of leverage. An apt pupil, Lewis wound up in a position to speed the mechanization of the coal industry, in control of major transportation lines for the movement of coal by rail and water, and owner of one of the nation's ten largest coal-mining operations. As with other industrial baronies, these gains were not achieved without conflict nor without public attention. The event which brought them first into the limelight was the collision of Eaton and Lewis with an ego to match their own.

Millionaire on the Barricades

JUSTIN POTTER—generally known as Jet—is Tennessee's richest man, with a fortune estimated at $200 million. He was born in Liberty (population 317) where his father presided over a roll-top desk in the town's bank. When he was eight the family moved to Nashville, where they now control two banks—one being the city's third-largest.

Jet, however, had no taste for banking. He took to the mines in the 1920s and for a while, like Lewis, mined coal with his hands. He set up a small coal sales firm in Nashville in 1917, and he plowed back into coal lands in western Kentucky all earnings beyond what his frugal living standard demanded. By 1955 he owned one of America's largest coal-mining and sales operations—Nashville Coal Company.

Jet Potter never recognized Lewis' union. He was among the last of the big holdouts, refusing to fall into step even when the UMW brought the industry's other giants into line. Hating all unions, he welded his fourteen hundred miners into one of the most belligerently anti-union work forces in or out of the coal industry. If Lewis got nasty, Jet hired guns and threw up barricades around his mines. The barricades held. Of all the tough nuts in a tough-nut trade, Jet was the one Lewis could never crack.

Potter is a conservative's conservative. His largest single market was TVA. Yet he despised it. He bought full-page ads in the Chicago *Tribune* to call it a "Communist rathole." He bought a Southern farm journal which still reiterates such charges along with miscellaneous broadsides at all things federal or liberal. Jet hates big, and Lewis and Eaton are two of his biggest hates, with the maximum venom perhaps reserved for the latter.

In 1955 Jet's health failed and he decided to sell his mines. Eaton flew to Nashville in his private plane determined to buy them. In business matters, Jet is as cold as his steel-blue eyes framed by horn-rims beneath a shock of wavy white hair. Temporarily bedridden by a heart attack, he demanded three times what his properties were worth. To anyone else he might have sold out for $7 million. Just what Eaton paid is not known—but it may well have come, all things figured, to as much as $30 million. Until the contract was signed Potter did not allow Eaton

---

TED HUGHES

HER HUSBAND

COMES home dull with coal-dust deliberately
To grime the sink and foul towels and let her
Learn with scrubbing brush and scrubbing board
The stubborn character of money.

And let her learn through what kind of dust
He has earned his thirst and the right to quench it
And what sweat he has exchanged for his money
And the blood-count of money. He'll humble her

With new light on her obligations.
The fried woody chips kept warm two hours in the oven
Are only part of her answer.
Hearing the rest, he claps them to the fire back

And is away round the house-end singing
"Come back to Sorrento" in a voice
Of resounding corrugated iron.
Her back has bunched into a hump as an insult. . . .

For they will have their rights.
Their jurors are to be assembled
From the little crumbs of soot. Their brief
Goes straight up to heaven and nothing more is heard of it.

to glance at his books or to set foot on his land.

Potter, of course, must have suspected the UMW was behind Eaton. This had been rumored since 1951, when Eaton began buying into West Kentucky Coal Company, using, it later developed, money borrowed from UMW. When Eaton obtained working control of West Kentucky Coal Company, one of the first orders of business was recognition of UMW for its approximately three thousand nonunion miners.

Once the Potter deal was closed, Eaton merged the two firms (Nashville Coal, and West Kentucky). Altogether, more than four thousand miners began paying union dues. And for every ton mined from these rich, black veins, forty cents, from that day, dropped into the Welfare treasury.

On Union Street in Nashville—sometimes called the Wall Street of the South—a transaction of this magnitude involving the state's best-known capitalist does not pass unnoticed. And the *Nashville Tennessean* does not cover such a story by printing a routine handout. Several days of reportorial digging uncovered an unimpeachable—and still undisclosed—source. He said that the UMW had put up the more than $7-million cash down payment that enabled Eaton to buy out Potter. Lewis was sought unsuccessfully for comment. But a high UMW spokesman issued a flat denial. Eaton, his usual good-humored self, laughed it off. "Young man, you are intelligent," he told the persistent reporter. "Why do you persist in that ridiculous rumor? There's not a word of truth in that story."

But the newspaper, confident of its source, published the story. Five years were required to confirm it. Among the last to face the truth were the men of the UMW.

Wildcat at Widow's Creek

GEORGE GILBERT is a union man—first and always. In his fifties, ham-fisted and barrel-chested, George is the UMW district man in Sequatchie Valley, which lies southeast of Nashville and spills into northern Alabama. The high hogback ridges here are honeycombed with thin-seamed veins of coal. It is a higher-quality fuel, but harder to mine than that in western Kentucky.

In the heart of Sequatchie Valley is TVA's Widow's Creek steam plant. To grasp the magnitude of TVA's coal consumption one must realize that the great dams with which TVA's name is associated are no longer its chief source of electricity. In 1952, to meet the necessities of the Korean War, it began to build steam plants, fueled by coal. Today such plants generate 75 per cent of TVA's electric power; this year they will burn 21 million tons of coal. The Widow's Creek plant clings to the west bank of the Tennessee River. Until 1955 the small mines in the nearby coal fields of Tennessee were its chief fuel sources, though some also came by rail or river from western Kentucky, 200 miles away.

In the autumn of 1955, Sequatchie miners sought higher wages. The union strategy—quite naturally—was to cut off all other coal sources from TVA's Widow's Creek steam plant. The Tennessee mine operators, anxious to raise their prices, were not unhappy when their men took a walk. Gilbert said it was a lockout while the owners called it a wildcat protest against TVA. Lewis rumbled that TVA was violating the Walsh-Healey Act by its failure as a federal agency to require that its suppliers pay prevailing wage scales. TVA denied it, claiming, quite correctly, that no prevailing wage had been established for the area, as required by the Act. In any event, the mines in the Valley closed down; the steam plant's coal pile dwindled, and its operations slowed.

Just short of a complete shutdown, the fuel valve flew open as long trains began to roll in loaded with coal from western Kentucky—most of it from the mines Eaton had purchased from Jet Potter, and, earlier, from the former owners of the West Kentucky Coal Company. Tremendous tow-barges plied upstream to the steam plant's dock. The steam-plant coal pile stopped shrinking and the success of the strike was threatened. George Gilbert went to work.

He clustered his miners along the railroad tracks, where their railway brothers gave friendly aid. Only an occasional engineer refused to honor their picket lines. At such times, the pickets persuaded while the loaded trains stood idle. It was a peaceful operation, patrolled by a lone man in overalls who walked alongside the parked coal cars to make sure none moved.

At the river front, however, the scene was different. Barges sailed past Gilbert's landlocked pickets. So the miners rustled up outboard motors and boats. They set up tents at the river's edge downstream from Widow's Creek. Putt-putting to midstream, they pulled alongside coal-pushing diesels, urged—without success—that the crews turn back.

Angry miners brought arms to the river banks. And in the night rifle fire rattled the bluffs beneath the picket's campfires, shotgun blasts roared through the bottoms, and pinpoints of light spat from both sides of the stream. But the barges kept coming. And in Congress, Senator Albert Gore, considered a moderate labor supporter, denounced the miners' bushwhacking tactics.

George Gilbert tried hard to buoy up his men as they squatted in the mud by the river and drank coffee brewed on sputtering campfires in lard cans while a drizzling rain sogged their tents and their spirits. He joked and said there was nothing to the story the *Tennessean* had published about the UMW buying into West Kentucky Coal Company. And when reporters suggested that the barges running past his picket lines were carrying union coal, he was unruffled. "You don't believe that stuff?" he asked in his friendly way. "That's just propaganda put out by the union haters."

But eventually the barge shipments beat him. His Tennessee men filtered back to the mines—to work for $2 a day less than the wages in Kentucky and the northeast Tennessee fields. But even so, the Sequatchie Valley coal fields never fully recovered. Slowly the big, mechanized mines to the west captured larger and larger slices of the Widow's Creek contracts. There was nothing George Gilbert could do about it as he watched one mine after another close down and his men line up for handouts of government lard. A few of the small mine owners, however, fought a stubborn rear-guard action. Had they not done so, the story here being told might still be an unproved rumor.

Counterattack by Law

RAYMOND PHILLIPS and James Pennington were joint owners of the now defunct Phillips Brothers Coal Company. It operated a small mine in a coal field running from Tennessee's Campbell County across the heart of "bloody Harlan," Kentucky, where a strike was viciously crushed in the 1930s after years of intermittent strong-armism by company police. This is rugged country whose people are not afraid of hard labor or a hard fight.

Phillips miners were all union members. "The UMW man came by," Pennington has explained, "and told us to sign up or he'd bankrupt us." The company signed up but it went broke anyhow, squeezed on one side by its economy-minded chief customer, TVA, on the other by UMW's forty-cents-a-ton Welfare Fund royalty.

As profits thinned, the partners talked things over and decided to quit paying the royalty. UMW officials visited them but they wer adamant. So, in January 1958 the union's Wel fare Fund trustees brought suit for back royaltie

Faced with "union trouble," Phillips and Pen nington drove into Knoxville and got them a lawyer. The man they selected, John Rowntree has a razor-keen mind which he effectively hi behind a deliberately bumbling courtroom manner during Lewis' testimony. For as long a he could, he fought a delaying action, then launched a counteroffensive. He filed a crossbil charging the UMW and the Welfare Fund trustees (of whom Lewis is one) with conspiring with the great coal combines to drive Phillips Brothers into bankruptcy.

Rowntree had little to go on beyond the *Tennessean*'s allegation in 1955 that UMW funds had financed Eaton's purchase of Jet Potter's mines. The union's fiscal affairs were a legally safeguarded secret.

Then, on September 14, 1959, the Landrum-Griffin Act was passed. The lid was off—at least in part—when UMW, in early 1960, filed its first Landrum-Griffin-required financial report.

The *Tennessean* remained the only newspaper in the country deeply interested. On June 12, 1960, it published the first full account of this report by UMW. Remaining gaps in the story were filled in by union officers—and by Lewis and Eaton—on the witness stand or in sworn depositions. What has come to light is this:

Eaton's borrowings from the UMW amount to more than $35 million. It seems that these loans were made on uniquely favorable terms. If the stocks Eaton puts up as collateral rise in value, he can withdraw some of them; on the other hand, if they go down, he suffers no loss; he need put up no more collateral.*

Clearly, as a result of these loans and its own investments, the UMW—jointly with its associates—has a controlling interest or is in a position to exercise effective "leverage" in:

The Chesapeake and Ohio Railroad. Eaton put up a large block of C & O stock as collateral for his first loan from the UMW which he used to help the late Robert Young win con-

* Eaton's note, which was exhibited at the trial, stated: "At any time prior to or at the maturity of this note, I shall have the right to tender to the payee the security pledged as collateral for the note in full satisfaction of any amounts due on account of principal or interest. If such tender is made, I shall have no further interest in the collateral or in the excess of the value of the collateral over the amount due under this note, and I shall have no liability for any deficiency in the value of the collateral below the amount due under this note."

trol of the New York Central. The Union also has invested directly in $16 million worth of C & O stock.

The National Bank of Washington. The UMW owns 40 per cent of its stock and holds another large block as collateral for a $16.6-million loan to the bank's president, Barney Colton. Through the bank, the UMW has made loans of more than $15 million to large coal mines to mechanize their operations.

West Kentucky Coal Company. This is one of the nation's ten largest coal companies, purchased by Eaton with UMW funds. The union owns or holds as collateral the company's common and preferred stock valued at $10 million.

American Coal Shipping Company. The union has invested $3.4 million in this major coal-hauling steamship line and thus holds a 33 per cent interest in it.

UMW officials have admitted advancing loans, secured by collateral stocks, in: *Cleveland Electric Illuminating Company; Tampa Electric Company; Union Electric Company of Missouri; Illinois Central Railroad; Tri-Continental Corporation* (Eaton Investment Company). Eaton has used UMW loans to purchase slices of stock in all these companies. (Thanks to the demand for electric power from Florida's burgeoning industries, not to mention Cape Canaveral, Tampa is—after TVA—the country's fastest-growing consumer of bituminous coal.)

There is no longer any doubt that the Sequatchie Valley strike was broken in 1955 by union-owned barges carrying union-owned coal in defiance of the union's own pickets. It is clear too that the union has substantially speeded the events which have at the same time revived the sick coal industry and reduced its own membership rolls from a peak of nearly half a million in the 1930s to an estimated 75,000 today.

Phillips Brothers will be $240,000 richer if the judgment they won is sustained in the higher courts. But by the time the trial ended, their mine was closed. So is the once famous nearby Royal Blue Mine. Campbell County, Tennessee —where 11,000 out of 26,000 residents are chronically unemployed—lies within the nation's Number One Depressed Area: Appalachia.

Phillips and Pennington are still digging coal, stripping it out of the hillsides. Other small operators in the area do the same, working their bulldozers along with a dozen or so men they employ. To get to their strips you drive along a desolate stretch of road where a once-lush valley looks as though it had been bombed out.

"I cannot sorrow for those pallid, underfed, ill-nourished operators of small mines who can't keep up with the economic procession," Lewis said in court. "They can't live under the rule of competition as it now exists in this free-enterprise nation. . . ."

As for the miners—on July 1, 1960, the Welfare Fund trustees announced that those unemployed for more than a year would no longer receive free hospital and medical care. In December of that year they cut retirement pensions from $100 to $75 a month. For men unschooled in the facts of automation and the mysterious ways of John L. Lewis this kind of economic realism is hard to follow.

Hoecake for the Family

ARCHY MACALISTER is a miner who has lived all his forty-six years in the heart of Sequatchie Valley. Archy Macalister is not his real name. He already has trouble enough.

Except for a rare odd job, he is unemployed. He has an unpainted house full of kids. The house hangs on a hillside near a hole which spills a great, gray mound of slate chips to the foot of the ridge. The hole was the mine where Archy used to work—a small "inefficient" operation like that of Phillips and Pennington. Archy's family subsists quite often on a paste of water and government flour, surplus cheese, hoecake mixed of water and federal meal. Lately—since Kennedy got in—they have had some meat.

Archy was one of the Widow's Creek pickets and he was slow a-believin' what they said about Lewis. His father mined coal before him and taught all his boys to revere John L. Archy did, but not any more. He is bitter and disillusioned today.

Archy stuck with the UMW even when the fellows at a nearby mine voted, by 15 to 0, to leave it. He stayed put even when they took up his "hospital card," though he had a hard time buying the union's story about the Welfare Fund deficit. His sixth-grade schooling has given him no mind for high finance but he can't see how Lewis could lend Eaton all that money if the fund was broke.

Still Archy clings to his union card. He figures he'd be a fool not to. It costs him just $1.25 a month to pay his dues and keep himself a member in standing. He figures he's put a lot of his cash in the fund and some day, somehow he'll get his back. He does not, it would seem, quite understand how industrial progress works.

Thirty Little Operators

A SECOND lawsuit is awaiting trial in federal district court in Chattanooga. Thirty small Sequatchie Valley mine operators have banded together. They charge the UMW, Eaton, TVA, and the Louisville and Nashville Railroad with monopoly and are asking $30-million damages under the antitrust laws. Following the Knoxville verdict, the suit was modified, excluding TVA and the L & N. This new complaint seeks $10 million from the remaining defendants—Eaton and the UMW—on the following grounds: The L & N has agreed to ship coal from the highly mechanized fields of western Kentucky to TVA for $1.55 a ton instead of the old rate of $2.69. Ultimately, as a result of a discount based on tonnage, it will drop to $1.40.

"We can't compete," say the thin-seam operators. In fact they have already lost three-quarters of the TVA market to the western Kentucky fields. The complaint also charges that the West Kentucky Coal Company has tidy arrangements with its competitors—Peabody Coal Company and other giants—to carve up the rest of the soft-coal business. The Eaton-UMW-controlled company owns docking facilities in Uniontown, Kentucky, and at New Orleans. These are heavily used by Peabody to ship coal to Tampa, where union cash has been invested by Eaton in Tampa Electric Company.

Peabody, incidentally, owns a mine at Paradise, Kentucky, where a new TVA steam plant is being built, in effect right on top of the coal deposit. Here—by the end of this year—the ultimate in automated mining and efficient consumption will be demonstrated. The "miner" will step inside an electric elevator, press a button, and shoot up five stories to his air-conditioned "office"—the cab of the greatest power shovel ever to tread the earth. Above him the shovel's boom will rise for fifteen stories more, its 200-ton scoop biting out tons of earth and rock with each rise and dip of the boom. Behind this mastodon, two smaller monsters will each lift out five thousand tons of coal a day.

Thus by the work of three men, $4,000 could fall every day into UMW's Welfare and Retirement Fund. They will be doing the work of three hundred miners who no longer pay dues—and who are no longer a burden on the Fund.

What is to become of them? The UMW has sloughed them off onto a government dole. It has not offered one thin new dime to house or feed them. It has advanced no plan—as have for instance the far less opulent meat-packers unions—to retrain and relocate the men displaced by automation. Has Lewis or the UMW no similar responsibility?

And what of the role of TVA—the agency created to develop a region? Today it has become a public power agency, cost-conscious and conservative. It has, so far, resisted even the pleas of President Kennedy to weigh human as well as cost factors in its plans. Certainly it would be hard to picture the TVA of David Lilienthal's day collaborating in the ruthless cutting of costs without regard for the people of the region.

And there are other implications: 50 per cent of TVA's power production goes to vital government operations—among them AEC's Oak Ridge and Paducah gaseous diffusion plants; the Marshall rocket and missile center at Huntsville; and the Valley's growing industrial complex of metals and chemicals.

The union and Eaton and companies with which they have close ties control 75 per cent of the fuel—and much of the rail and barge facilities—serving this crucial area. The power wielded by this group is, to put it in mildest terms, a matter of national concern.*

At very least, it would appear that the country —and union members—are entitled to know more about how the vast funds the UMW manages are being used. Provisions of the Landrum-Griffin Act alone would not have revealed the full story that has been told here—it took a lawsuit to do that. Particularly urgent, it would seem, is a law requiring full disclosure of what is being done with the $48 billion piled up in workers' welfare and pension funds across the nation. The AFL-CIO supports such a disclosure plan. Not surprisingly, the only opponents in labor's ranks are Lewis and James Hoffa, who preside over the only major funds of this kind in which management has no voice.

Legal safeguards are a matter of considerable urgency. For the kind of process we have described here may well be the pattern of the future. To live in the automation age requires vast capital outlays, more than a sick coal industry could find either in its own till or in banker's credit. Such survival fights leave scant room for inhibitions about the image one presents at the country club with a fistful of union dough. The country club, too, is an excellent place to forget about Archy Macalister.

* Following strong and sustained criticism of its policies by the *Tennessean,* TVA this October set up a new coal-buying category tailored to the medium-sized mines which have been hardest hit to date.