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The Lake Cargo Coal Rate Controversy. A Study in Governmental Adjustment of a Sectional Dispute

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of interpretation, have had little effect in the interpretation of treaties, and that the task of interpretation has been, and is, "simply to discover and ascertain, with the aid of various sources of evidence, the sense in which the contracting parties actually employed particular terms in a treaty".

Dr. Chang has made a valuable and scholarly contribution to the literature of this confused subject, and he has, to a certain extent, succeeded in establishing a degree of order. The title of his work is perhaps too inclusive for he has, in fact, largely studied the decisions of The Permanent Court of International Justice and those of certain international arbitral commissions and the Supreme Court of the United States.

—KEENER C. FRAZER.

University of North Carolina.

THE LAKE CARGO COAL RATE CONTROVERSY. A STUDY IN GOVERNMENTAL ADJUSTMENT OF A SECTIONAL DISPUTE. By Harvey C. Mansfield. New York: Columbia University Press. 1932. Pp. 273.

The Lake Cargo Coal Rate Controversy is a significant work. It has a wider application than one might at first suppose. The principles involved in the contest between coal operators of the northern Ohio and Pittsburgh district on the one side and the operators in the southern district comprising the coal fields of West Virginia and Kentucky on the other, underlie the fixing of rates for California fruit or the granting of a differential in favor of New Orleans over other Gulf ports in the export cotton trade. It is an instance of the federal government attempting to settle an economic problem. It shows the difficulties that present themselves when the government undertakes through any of its agencies to readjust economic advantages or disadvantages of one section of the country over another. Incidentally it emphasizes the difficulties of rate-making.

The Lake Cargo controversy arose in 1909. Prior to that time the northern operators had enjoyed a monopoly of the coal market of the northwest. The coal destined for that area is shipped by rail to the lake ports of Ohio and thence carried by vessels used in bringing iron ore from the northwest. Such vessels rather than make the return voyage without cargo make a very low rate to coal shippers. Beginning with 1909 the southern operators through a favorable rail rate and a lower cost of mining, gained by the use of non-union labor, were able to under-sell the northern operators and gradually gained a larger and larger proportion of the business. Mr. Mansfield's account of the litigation that followed during the next twenty years is very interestingly told.

Perhaps the author's most valuable contribution is his description of the personnel of the commission and the part politics has played in their appointment. In fact his account might have the tendency to shake his reader's confidence in our American system of government, if he should not recall that exaltation to high office has tended to make an appointee measure up to the best that is in him.

It is difficult for one to tell the story of a contest as bitterly waged as the Lake Cargo case was with strict impartiality and the author in this instance seems not entirely free from prejudice. Doubtless the source of the major part of his material influenced him. He has many references to the plight of the Pennsylvania coal operators with little or no expressions of sympathy for those in the southern fields. To him the opening up of the coal fields of West Virginia and Kentucky was an "economic blunder". This may be true under our present-day ideas of managed economics, but it all depends upon your point of view. He also tries to place the blame for injecting politics into the controversy upon a Kentucky congressman, Mr. Robsion, whereas the evidence tends to show that Senator Reed of Pennsylvania was the first member of Congress to take an active part in the controversy.

Another impression one gets from reading the book is that the author really thinks railroad rates should be fixed on a mileage basis. This would raise a presumption against the case of the southern operators. This position of course is not sound. There are many elements that enter into rate-making besides the cost of hauling per mile. Terminal costs are just the same for the short haul as for the long and they often make up a large item in the rate. In this particular case the three southern carriers involved had a nearly sea-level route. It is said of much of this part of the Chesapeake & Ohio line the load a locomotive can pull is determined only by the strength of the coupling pins. Furthermore, these roads derive the greater part of their traffic from the

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coal fields and they are able to operate under the "mass production" idea at a lower cost than the northern carriers. It seems obvious then that the rate from the southern fields should not be twice as much as that from the Pennsylvania fields although the distance be twice as far. It is also clear that it should be somewhat higher. How much, of course, has been and still is the question. The present differential in force is thirty-five cents a ton.

The author has presented his story in a dramatic way. He has given his readers the background, then the conflict, and finally has introduced his actors to his audience. It is well done and the work is of real value. All we need is an account of the same controversy written from materials furnished by the attorneys for the southern operators to make the picture complete.

—W. LEWIS ROBERTS.

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