

COAL AGE

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R. Dawson Hall
Engineering Editor

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Coal Age To Be Published Monthly

WITH THIS ISSUE *Coal Age* discontinues weekly publication, and with the July number will become a monthly magazine published on the first of each month. Each number of the new monthly will be larger than its weekly predecessor, but its annual cost to the reader will be less. Current subscriptions will be automatically adjusted, as explained elsewhere in this issue.

UNDER NEW EDITORIAL DIRECTION and policy *Coal Age* monthly will be directed particularly to executives, production and operating officials. Problems of fundamental importance to the industry will be treated exhaustively and in the best interests of operating men. To this end the editors will search out, analyze and record the best practices throughout the coal fields and make *Coal Age* the outstanding medium for the discussion of production methods and problems. Modernization, with all that the word means in the application of mechanical energy to the job of mining and preparing coal, will receive special attention. Safety, economical and practical, will be advocated.

IN ADDITION to special articles there will be a section entitled "The Bosses Get Together." This will be in the nature of a foreman's round table. Operating problems will be stated and discussed by practical foremen and superintendents familiar with the decisions these men are called upon to make in their daily work. Suggested solutions will be offered by readers in the field who will participate in the discussion. This feature will interest every operating official in the mining, electrical and mechanical departments.

NEW EQUIPMENT will be presented as rapidly as it is developed. Eight to ten pages of practical pointers showing better and shorter methods for doing day-by-day jobs

will be offered in each issue. Here again the men on the job—operating officials, foremen, superintendents, engineers, safety men and general managers—will participate. In short, *Coal Age* monthly will be a clearing house for ideas which practical coal mining operators can use in their daily tasks. It will receive careful preparation and will warrant thorough reading.

THERE WILL BE OTHER FEATURES. Important personal and trade news will be printed in condensed form. The broad aspects of market movements will be given. A full page of production and market charts in color will enable operating officials to see the current situation at a glance. Mechanically the publication will receive special treatment. Its new type face and original make-up will appeal to readers who will recognize in it a magazine edited in their personal interest.

AT THE SAME TIME the publishers will launch a new enterprise in the field of business papers, and will publish separately *Coal Age News*—a weekly newspaper for the coal industry. It will be given distinctive style and editorial treatment. In convenient newspaper form it will bring to the industry every week the last word in news and market activities.

IT IS the firm belief of the editors and publishers that the new plan and policy will best serve the broad, diverse interests of the coal industry. In *Coal Age*, operating and production officials will find an enlarged monthly magazine devoted to their specific problems. In *Coal Age News*, administrative and sales executives will discover a new weekly medium carrying detailed market information and the news of the industry for operators, wholesalers, retailers and industrial consumers.

No More Dirt Ballast

IN THE EARLY DAYS of railroading every kind of rock was thought to be suitable for ballast. No matter how soon it disintegrated, no matter if it was merely indurated and cemented clay and would soon return as dust to dust, if it looked like rock for the nonce, it was rock and likely looking material for supporting railroad ties.

After a while, the roadmasters began to look further and used sandstone. That also too often had its streaks of clay material, frequently was weak and friable, too often had soluble cements. Incidentally, it filled the journal boxes with an abrasive dust. It soon was abandoned as were the shales and slates. Thereafter, the railroad man favored the use of limestone, wherever it was available, and inspected what sandstone he used with a wary eye.

But the coal man with his underground roads still satisfied himself with shales from the mine roof. He might have known that on the surface they soon broke into die- or tessera-like fragments and then turned slowly into a real clay. After a few years or even months the rock dump that had been full of slabs of slate and "one-man rock" became clay heaps and even began to be soil on which weeds and, before long, trees began to grow.

He still uses these same shales for ballast. They do not pass water to the ditches; they rather hold it under and around the ties, to the shifting of which they interpose no barrier.

Ties thus ballasted soon sink below the floor on which they lie and water is entrapped so that every time a car passes over them, it is driven into the clay, which becomes like puddle and oozes out or spurts out every time the tie descends. Thus the rail lacks support. It goes down whenever it is loaded, lowering the rail and the wheel above it and making on level ground an up-grade that resists travel. The sinking of the track makes down grades also, but only after the car wheel has passed them, so they, only in a measure, compensate for the up grades they create.

Such dirt ballast is as costly on mine roadways as on railroads. It is time that more permanent material be used. On many farms are long lines of stone fences made of the waste stone from the fields. Around many stumps are large piles of stone similarly accumulated. They take up good field space; they serve but ill for preventing the passage of cattle; they fall apart and roll into the field, and many a farmer would be glad to haul them to the mine for the cost of his labor and that of his team and feel well repaid.

The cost of transporting this stone in empties into the mine is relatively small. The loading of the car can be done from the wagon by the teamster; the cost of unloading and placing the stone under and beside the ties has, however, to be added. Once the permanent material is placed, the ties will last longer, the track will hold its level and alignment better, repairs will be less frequent and haulage will be more efficient. The rolling stock also will be subjected to less strain.

Field rock is usually material that belonged to a stratum that has longer been subject to erosional and disintegrating action than the fields on which it lies. It is there because it would not disintegrate. What clay it held is washed away. What soluble and oxidizable cements it contained have been leached out of it. Much iron has been removed. It has met and overcome the ordeal of time, like the pebbles on the beach or in the

bed of a river. It is a selected rock and well suited for mine roads.

The plow of the farmer cuts a furrow through disintegrated slates and shales, products of just such materials as the miner uses for ballast. A heavy growth of grass, weeds and trees flourishes in such dirt; still the superintendent pins his faith in it as ballasting material—but all in vain. Today the shale is rock; tomorrow it is clay, and will hold nothing but water. Why use such a material as ballast?

Thinking in Multiple

MUCH ENCOURAGEMENT should be extended to those anthracite electrical engineers who have recently made it a practice to get together once each week for informal discussion of their various problems. That these men have for a long time realized that an interchange of ideas would result in great savings by their companies is evident, but it is unfortunate that when they finally decided to get together they did so with some doubt whether their managements would be agreeable to such a move.

Big things will surely come out of these meetings. For today the anthracite industry is facing not a few perplexing operating and marketing problems that can be solved most effectively by lower costs and safe operating methods. Under the conditions now existing in the industry the managements would do well to encourage meetings of their engineers because there is a great need for modernization and for such research as will lead to greater prosperity. With such competition as the anthracite operators face, economy in operation is an end to be sought with diligence. Problems like theirs can best be solved by a meeting of minds, by the divergent thinking of a group and not by the chance untested decision of a single individual unaided by the questions and suggestions of others.

IN SOME WAYS Britain's mines have an enviable position. All the European fields are restricted. Great Britain has recently developed some coal areas in Kent and Yorkshire, but both are extremely expensive fields to open, and the owners will not be disposed to sell their coal at prices incommensurate with their investment. Wherever there are no magnificent resources available and wherever the costs of development are nearly or wholly prohibitive, excessive production soon cures itself and the future is assured, provided the political situation does not interfere with the proper prosecution of industrial activity.

Subscriptions to *Coal Age* Will Be Automatically Extended

HAVING decided to publish *Coal Age* monthly instead of weekly, as announced on the first editorial page of this issue, the publishers desire to inform subscribers that their present subscriptions to the weekly magazine at the \$3 rate will be proportionately extended on the monthly magazine at the new rate of \$2 a year.

Budgeting, Management and Sound Sales Practice Hold Limelight at Tenth Annual Convention Of National Coal Association

CLOSER STUDY of costs and management featured the tenth annual convention of the National Coal Association, held at the Edgewater Beach Hotel, Chicago, June 15-17. Budgeting, the functions of modern management and sound sales practices were the major topics discussed in the three general sessions of the convention. Men who have made their mark in other lines of commercial activity were invited to tell the coal operators what leaders in other businesses were doing to meet the problems of present-day operation and how their experiences could be utilized in the bituminous industry.

These speakers outlined the general principles of modern accounting and modern distribution methods and told how they thought these principles applied to the coal business. The delegates then brought the discussions home to their own work by describing what steps they already had taken as individuals or in local associations to place the production and marketing of bituminous coal upon a plane of higher service and greater efficiency.

GROUP MEETINGS HELD

Duplicating the plan which proved so successful last year, each general session of the convention was followed by a group meeting in which particular problems of the industry were given special consideration. The first group meeting took up purchasing functions and practices. The second group meeting was devoted to sales and the final group meeting was given over to practical accounting questions and their relation to good operating practices.

E. C. Mahan, president, Southern Coal & Coke Co., Knoxville, Tenn., was elected president for the ensuing year. He succeeds Walter Barnum, president, Pacific Coast Co., New York; J. B. Pauley, president, J. K. Dering Coal Co., Chicago; P. J. Quealy, president, Gunn-Quealy Coal Co., Kemmerer, Wyo.; G. H. Caper-ton, president, New River Coal Co., Charleston, W. Va., and F. S. Love, president, Union Collieries Co.,

Pittsburgh, Pa., were chosen vice-presidents. C. E. Bockus, chairman of the board, Clinchfield Coal Corporation, New York, was re-elected treasurer and Harry L. Gandy, Washington, D. C., was again chosen as executive secretary.

In a series of resolutions adopted



E. C. Mahan
Newly Elected President

at the closing general session of the convention, the association went on record as favoring the reduction in the federal corporation tax rate and asked for the abolition of the federal estate tax on the ground that all inheritance taxes should be left to the individual states. The association, after expressing sympathy for the Mississippi Valley flood sufferers and commending the relief work undertaken, urged a thorough engineering study of preventive measures and government action in carrying out such measures.

AGAINST FOREIGN CEMENT

The organization also went on record against the use of foreign cement in government construction enterprises. The importation of 10,000,000 barrels in the past three years, said the resolution, represents a loss to the coal industry "of the coal tonnage that would have been required to make said cement had it been produced in this country."

W. L. Robison, vice-president, Youghiogheny & Ohio Coal Co., Cleveland, Ohio, presided over the first general session of the convention. After the roll call of association and individual memberships had been completed, President Walter Barnum announced the appointment of the following committees:

Nominations and Elections: S. A. Scott, Macdonald, W. Va., chairman; George A. Enos, Cleveland, Ohio; C. W. Gibbs, Harwick, Pa.; J. C. Nelms, Cleveland; C. F. Richardson, Sturgis, Ky.; James B. Smith, San Francisco, Cal.; C. F. Spencer, Pittsburg, Kan.

Resolutions: Ezra Van Horn, Cleveland, Ohio, chairman; H. A. Glover, Indianapolis, Ind.; George M. Jones, Toledo, Ohio; Otis Mouser, Philadelphia, Pa.; Charles A. Owens, New York; N. B. Perkins, Williamsburg, Ky.; John H. Thompson, Salt Lake City, Utah.

BARNUM REPORTS PROGRESS

Addressing the delegates as a stockholder in the corporation, President Barnum declared that "on the basis of present results alone I am in a position to state that our organization is worthy of the loyal support you have accorded it through the ten-year period since 1917. The value of its stock is constantly rising and, without any qualm of conscience, which is considerably more than can be said of some stocks, I unreservedly commend it to every bituminous operator in the nation."

WARNS ABOUT REGULATION

After reviewing briefly the committee activities of the association, directed through 15 committees with a combined membership of 117 operators, and the work done in bringing the story of coal and its efficiency in management from the operating side to other industries, Mr. Barnum warned his audience that the fight over regulation was not ended. The controversy which raged in Congress at the last session was not one, he admitted, "of which I can say, with Cæsar, that we came, saw and conquered."



Walter Barnum
Retiring President

"Ours was the victory, but we did not prostrate our opponents in the satisfactory style of Julius. They have lived to fight another day. The conflict with the proponents of government control of the industry is perennial. In this issue we have, however, made encouraging headway of the soundest sort in that we have made a dent on the public mind regarding the efficiency of the industry.

"All industries have so-called problems and as one matter is taken care of another arises. That is the manner in which industrial progress is attained and in one sense does it signify a crisis. I think the public is beginning to understand this and to realize that so-called crises are nothing more than steps in development, which can be handled by the industry better than by the government.

"Our industry, like every other industry, is subject to economic ills. We are endeavoring to cure these ills ourselves, which is the only practical way, as opposed to legislative poultices. I credit the public with sufficient sense to know that it is to their interest that the industry, rather than the government, discover and apply any remedies needed."

GROWING SUPPORT MENTIONED

Both Mr. Barnum and Harry L. Gandy, executive secretary, whose report was the next order of business, called attention to the increased support the organization had received from the industry the past year and how that support had enabled the association to widen and deepen its work. Like his chief, Mr. Gandy was convinced that the Na-

tional Coal Association had been responsible for a more friendly relationship with other industries and that "the public is coming to understand the conscientious effort bituminous operators are making to further improve the efficiency of their industry."

The secretary expressed gratification at the growing interest in statistical work and was sure that "within a relatively short while the great majority of the tonnage" will be covered by reports to local trade associations. In this connection Mr. Gandy pointed out that the *Claire Furnance Co. case*, recently decided by the U. S. Supreme Court, was not on all fours with the *Maynard Coal Co. case* in one important particular. In the latter case injunction proceedings against the Federal Trade



C. E. Bockus
Again Chosen Treasurer

Commission were not started until after the Commission had served a formal notice of default, with its possibility of a cumulative penalty. The question of cumulative penalties was not involved in the *Claire Furnace Co. proceedings*.

DENIES IMPUTED BLINDNESS

Discussing the legislative situation Mr. Gandy denied that the National Coal Association has "blindly turned away from legislative proposals; on the contrary, it has in each instance studiously considered them to determine, first, whether the measures proposed would really be helpful to the industry, and, second, whether there are constitutional grounds therefor." The bills before Congress last spring, however, were characterized as following the usual line of "so-called fact-finding, arbi-

tration and mediation and emergency distribution."

Mr. Gandy reiterated the position of the association to the effect that the facts relating to the industry now are well-known, that arbitration and mediation functions are lodged with the Department of Labor and that emergency distribution powers rest with the Interstate Commerce Commission under the Transportation Act of 1920. On the legal side, said Mr. Gandy, a study of the decisions of the U. S. Supreme Court for the past three-quarters of a century showed the court time and again differentiating between production and commerce.

FINDS NO LEGAL GROUND

"Nowhere did the court leave justification for the belief that primary jurisdiction over the production of coal could be assumed by the federal government with constitutional amendment. I have found no legal grounds for suggesting any change in the position of the association as it has been expressed at various annual meetings which have been held on the question of federal legislative proposals.

"There are those who advocate some provisions for coal such as those which govern the railroads and the public utilities. It seems to me that it would be very helpful if advocates of such proposals would point out the provision or provisions of the federal constitution on which they rely for authority therefor. It is interesting to note in this connection that notwithstanding the tremendous pressure for so-called agricultural relief, the President vetoed the bill passed therefor at the last



Harry L. Gandy
Re-elected Executive Secretary

session of Congress on the ground that it would involve the federal government in commodity price-fixing.

"One needs only to talk to men in other lines of industry to realize that they are faced with the same problems that confront bituminous operators. If the bituminous industry could procure relief from competition, so could other industries, and the end would be a situation such as exists in Italy today, where the state has become the price-fixer and a penal colony has been provided for those who would seek to use prices differing from those authorized by Mussolini or his agents. I am wondering if there are any who think that under this government of granted powers that we enjoy in this country we have a government of sufficient strength to carry any such burden."

CHARGE OBDURACY

The federal tax authorities, said Mr. Gandy, have refused to recognize the difference between upbuilding and wasting industries and have further drawn the line that the cost of articles with a useful life of more than one year always should be capitalized. Coal men contend that expenditures made to maintain tonnage because of the advancing face of the mine or the depth of the workings and which do not decrease costs should be charged to operating expenses rather than to capital account after the mine has reached normal production.

In the *Beech Creek Coal Co. case*, the U. S. District Court upheld the coal industry's contention. The ap-

peal of the Commissioner of Internal Revenue from this decision, unfortunately, does not challenge this opinion. The association, therefore, is studying other cases in the hope of finding such a typical one that it will be able to secure a judicial interpretation of this vexatious question.

DISCUSSES PROGRESS

"One sometimes becomes impatient that progress is not faster," said Mr. Gandy in emphasizing that the association was celebrating its tenth birthday, "and yet, if it were possible for me here today to recount the actual story of the progress of the bituminous industry during the past ten years, I am sure that the story would be interesting, informative and surprising. When one thinks of the methods of production, the field of distribution, car supply, the increase in the percentage of extraction, the better preparation, the research advances, the field of utilization—with improved stokers and the use of powdered coal, the economies in the use of coal that have come because of the improved mechanical devices and equipment, fuel oil competition, improved management, better cost accounting, budgeting, the collection and dissemination of trade information, with more attention to the welfare of employees and with a generally conscientious effort toward the better marketing of bituminous coal, the conclusion is reached and is justified that the record is a worthwhile one.

"As part of the record there should also be mentioned this growing spirit of co-operative effort through

association contact and activities and the slow but sure development of an industry consciousness. Step by step, day after day, month after month and year after year this association has labored in behalf of the bituminous industry. The potential usefulness of the association has not been realized because it has not yet had the unified support of all the operators. I look forward to the day, and I incidentally believe that day is approaching, when practically all bituminous operators will be represented in the National Coal Association."

FINANCES ARE SOUND

The report of the treasurer, C. E. Bockus, showed cash receipts of \$168,482.38 during the past year and disbursements of \$165,091.91 for current expenses. In addition the organization paid out \$6,000 on old indebtedness. The receipts included \$116,606.48 from 1926-27 assessments, \$33,569.04 from past due assessments, \$3,306.86 from other sources and \$10,000.00 from the sale of securities. As of June 14, 1927, Mr. Bockus reported a surplus of \$98,486.54 and cash on hand totaling \$16,987.42.

It was his opinion that an assessment of one mill per ton on the members would carry on the regular work of the organization the ensuing year. Upon motion of Michael Gallagher, president, Northwestern Mining & Exchange Co., Cleveland, Ohio, the association authorized the suggested levy.

A net gain of 62 in the number of members and an increase in tonnage



National Coal Association Makes Merry Around Banquet Tables at Edgewater Beach Hotel, Chicago



Irving S. Paull

Who spoke on folly of selling below cost

representation of over 20,000,000 tons was reported by M. L. Gould, chairman, membership committee. During the year the committee approved 132 applications and received 70 cancellations. The latter, for the most part, were due to consolidations. These figures are exclusive of Southwestern tonnage where membership has been transferred from an association to an individual status with only a slight loss. Reaffiliation of the Central Pennsylvania Coal Producers' Association was the largest single factor in increasing membership and tonnage. Substantial gains also were made in West Virginia. Seven Utah operators have joined the National and a number of individual producers in other states west of the Missouri River.

"On every side," declared Mr. Gould, "there is convincing evidence that the work of the National Coal



M. L. Gould
Chairman Membership Committee

Association has gained such momentum as to insure even more substantial membership increases in future months. I can now see the day when the operators' association of the United States will compare favorably with that of the similar organization in Great Britain which represents 98 per cent of the operators and 94 per cent of the tonnage of that country. Just so long as operators delay affiliation with their national organization, just so long will they make it impossible for that organization to realize all of the potential possibilities of collective effort. Each membership increase means a definite advance in the program of the association. Every additional dollar makes for additional service. Every additional member means additional influence. We believe that there will be many more additions within the next year."

STATISTICS DISCUSSED

The committee on trade information, said C. C. Dickinson, chairman, has devoted its energies the past year to the adoption and expansion of statistical activities on the part of local associations and to the inauguration of one or more consolidated reports by the national based on the reports of the local bodies. In pursuance of the latter aim special effort has been made to secure uniformity of method on the part of local associations in their statistics on subjects particularly suitable for consolidation into national reports.

SUMMARIES STARTED

Following a conference of secretaries of local organizations collecting data on past sales, the national association started the compilation of weekly and monthly summaries of the local reports, but circulation of the consolidated summaries has been confined to the associations furnishing the district reports. Later, however, the national association plans to give general circulation to these statements. Justifying this proposal, Mr. Dickinson stated:

"The bituminous coal mining industry will probably always be characterized by more or less keen competition, but it is difficult to see what advantage any operator can find in competition carried on in the dark. Information about production, past sales and distribution should be of great value to any coal mining company in shaping its production and sales policy, and I venture the statement that any operator who has had

the opportunity to give these reports a fair trial would bear witness to the value of such market information.

"Finally, we still need to carry on educational work among our consumers and the general public. Misapprehension with regard to the conditions in the industry is prevalent,



S. L. Yerkes
Toastmaster at Banquet

and unjustifiable criticism based on such misapprehensions furnishes ammunition to critics of the industry. Without encroaching upon the field of proper business privacy there are numerous lines of information about the industry which, if given general circulation, would largely undermine the unwarranted attacks now made upon it without endangering in any way the interests of the operators."

Every executive is constantly making budgets, announced George E. Frazer, Frazer & Torbet, Chicago, in opening a discussion of "Day-by-Day Uses of Budgets." They make them more or less well—better when they put them down on paper and discuss them with their advisers and boards of directors and more poorly when they make them in the back of their heads by the so-called rule of common sense. They may call it a budget, an estimate, an appropriation scheme or a forecast—the name is immaterial. "In fact," confessed Mr. Frazer, "I don't care whether you call it at all, providing you make a regular and systematic use of your past accounts as a guide for your future operations."

Mr. Frazer found many coal men reluctant to think in terms of budgeting their day-by-day costs. And yet, unless the producer is so circumstanced that he leases his mine on a

royalty basis with the lessor paying all upkeep and furnishing all the equipment, he cannot safely dispense with a forecast of day-by-day charges. That "ideal" condition seldom obtains. Most of the operators are first of all landlords, primarily capitalists. "You operate afterwards, first you own."

It follows, therefore, that the first estimate or budget of importance is a very careful estimate of the constant cost of being in business as an owner. "Here is a field for estimates and forecasts that can be more or less reduced to a scientific statement." The capital cost for the year



J. W. Searles
One of the Directors-at-Large

can be approximated very closely. "You know how much interest ought to be earned, you know what the dividend is, you know what the bond charges are and you know the sinking fund. You can also tell fairly well what the maintenance is going to be, because after everything is said and done, maintenance is a constantly recurring item despite a good deal of fallacy to the contrary. A good many men want us to postpone maintenance costs away from vacation periods on to production periods. It is not likely that a Scotchman can do that. It has to be there or the property goes to the devil."

In addition to these charges, there are fixed costs of administration, including the salaries of the executives and the office help which go on when the mine is idle.

There is, said the speaker, too great a tendency in extractive industries to reduce all costs to a per ton or other unit basis. What is needed badly is a set of national statistics giving the

day-by-day charges that continue whether the mine is operating or not. "Particularly is it important for every board of directors of every mining company to face the music as to what the day-by-day charge is."

RECITES PROBABILITIES

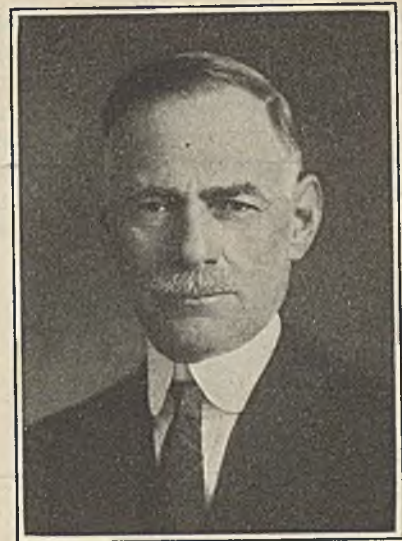
If this were done, if the board of directors on Dec. 1 had to face what the day-by-day charges for the next year would be, "there is many an executive salary in many an operating company that just wouldn't be there; many a maintenance expense that would not be there; many a financial structure that would be instantly revamped—cut down to actualities, because after all there is not much use of artificially maintaining a capital structure which you know in the back of your minds and the bottom of your hearts represents a day-by-day charge that you can't meet. It is far better for a board of directors to face the music as to what day-by-day cost you can meet and to scale down your capital structure to that than it is to wait and have a banking committee do it for you."

Many a capital expenditure has been made that never would have been made if there had been a day-by-day cost in the minds of the executives. "On the other side, there is many a mechanical device that would be immediately installed in mining operations today if a similar accurate consideration was given by experienced men within the industry on the basis of day-by-day costs of doing business."

CAUTIONS ON BUDGETING

Mr. Frazer cautioned the budget-maker against including non-recurring items in this first budget and against loading it down with prospective costs based upon anticipated increases in the volume of business transacted. As a second step in budget-making, however, he urged estimates of sales. This, he insisted, can be done successfully by mine operators and has been done successfully by companies having such varied lines as the Link-Belt Co. and Armour & Co. The Russell-Miller Milling Co. budgets in advance to the fourth decimal point.

To attempt to budget variable expenses a year in advance is to abuse the budget principle. It is possible and desirable to set up expenses factors with relation to cost of produc-



Otis Mouser
Member, Resolutions Committee

tion on a quarterly basis, varying them as volume of output varies.

PREDICTS GRATIFICATION

"If you do that you will find in your own mind an executive control that shows itself in this interesting way. You will actually want to talk to your bookkeeper. If you will set up forecasts on your daily costs, if you will set up forecasts on your output, if you will set up forecasts from quarter to quarter on the expense factors relating to your output, you will be mightily interested to talk to your bookkeeping department about how the forecasts are being met."

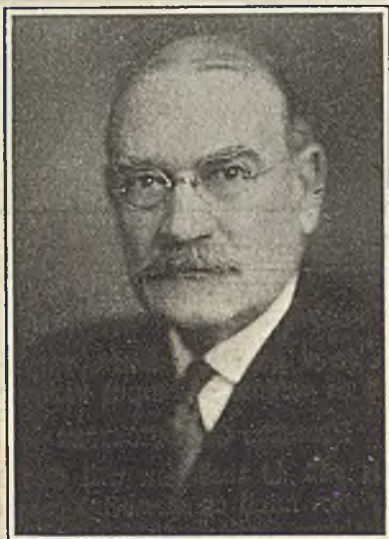
Finally the executive will want a



George E. Frazer
Who opened discussion of day-by-day cost

budget of cash requirements. Each company has so much cash, so many accounts receivable, so many notes receivable and so much estimated sales which will turn into cash, accounts and notes receivable. Against

this are certain fixed and variable expense charges. With that information it should be possible accurately to determine how much cash will be needed to operate the business each quarter. Companies which do not make an accurate, written forecast of cash requirements, he as-



W. M. Wiley
Who presided Thursday morning

sured, "invariably" find themselves without the ready money to take advantage of sudden changes in the prices of commodities purchased.

"The budget plan," said Mr. Frazer is nothing more nor less than a determination by you as an executive of what you want to know at the end of a year, at the end of a quarter. You draw your own form of financial statement if you don't like the kind your outside auditor or your inside auditor gives you. There is no earthly sense in having statistics that you don't want to use. Draw up that statement that you want at the end of the period, and then you sit down as an executive and do your best to guess what it is going to be at the end of the period and put that down on paper. Then you talk about that with your experienced advisers within your own business—and you will have a mighty fine budget system. It can be done and is being done by the best coal operators in America today."

RE-ELECTIONS RECOMMENDED

The report of the committee on nominations and elections, the first order of business at the Thursday morning session presided over by Col. W. W. Wiley, general manager, Boone County Coal Corporation, Sharples, W. Va., recommended the re-election of the following directors-

at-large: G. H. Caperton, president, New River Coal Co., Charleston, W. Va.; Michael Gallagher, president, Northwestern Mining & Exchange Co., Cleveland, Ohio; E. C. Mahan, president, Southern Coal & Coke Co., Knoxville, Tenn.; and J. B. Pauley, president, J. K. Dering Coal Co., Chicago.

OTHER DIRECTORS CHOSEN

The committee also reported the election of the following state and district directors: Moroni Heiner, vice-president, United States Fuel Co., Salt Lake City, Utah, representing southern Wyoming and Utah; V. N. Hacker, president, Pruden Coal & Coke Co., Knoxville, Tenn., representing Tennessee and Georgia; S. H. Robbins, president, Youghiogheny & Ohio Coal Co., Cleveland, Ohio, representing Ohio; W. J. Sampson, president, Witch Hazel Coal Co., Youngstown, Ohio, representing the Tri-State Coal Stripping Association; C. C. Dickinson, president, Dry Branch Coal Co., Charleston, W. Va., and C. H. Jenkins, vice-president, Hutchinson Coal Co., Fairmont, W. Va., representing West Virginia. With the exception of Mr. Heiner, all of these state directors were elected to succeed themselves. Mr. Heiner succeeds L. T. Dee, president, Ideal Coal Co., Ogden, Utah.

The past year has been an epochal one in the field of research, according to the report of George B. Harrington, chairman of the committee on research. The association, the report pointed out, had taken an active part in the International Conference on Bituminous Coal at Pittsburgh last winter. The committee had gone on record in favor of coordinating research efforts and hoped that a conference of interested organizations would be held within the year.

FIELDNER'S WORK PRAISED

Attention was called to the digest on research work prepared for the committee by Dr. A. C. Fieldner of the U. S. Bureau of Mines. This, said the report, "constitutes the first general statement ever presented of bituminous coal research activities" and has had a wide circulation.

On recommendation of the committee, the board of directors has financed the research fellowship at Carnegie Institute of Technology carried on for the past two years to study the composition of tars and oils from low-temperature distillation for another year. The associa-

tion also is assisting in the research work on mine timber treatment. The committee is keeping in touch with the discussions on stream pollution, but for the present opposes a national conference on the ground that at present the subject appears to be only a local question. The committee also is backing joint meetings with other organizations to consider problems growing out of mechanization.

Mr. Pauley, speaking in the absence of the chairman of the committee, emphasized that research work must be undertaken by the industry as a whole and that the burden should not be left to individual operators. John E. McQuade, general superintendent, Ben Franklin Coal Co., Moundsville, W. Va., said that his company had been very successful in its experiments with the Hayes low-temperature process. W. D. Langtry, Commercial Testing & Engineering Co., Chicago, suggested that complete gasification of bituminous coal was a possibility of the future.

The report of the publicity committee, F. S. Love, chairman, called attention to the manner in which the



Phil H. Penna
Chairman, Safety Committee

position of the coal industry had been set before the public in speeches by President Barnum and Executive Secretary Gandy, and said that success in general publicity also was being attained. The committee recommended that individual operators and local associations give more consideration to the question of advertising. The general publicity work of the national organization, remarked the committee, could be materially strengthened by an enlarged budget.

Col. Wiley advised his brother operators to familiarize themselves with newspaper style and treatment of news stories. C. F. Richardson, president, West Kentucky Coal Co., criticized the broadcasting of information on weekly production and complained that general public knowledge of overproduction was an obstacle to sales. W. D. Ord, president, Empire Coal & Coke Co., retorted that the overproduction should be corrected and that the facts should not be obscured. James B. Smith, president, Spring Canyon Coal Co., added that the information reaching the public on coal was insignificant in comparison with the data on supplies published by the oil people. Mr. Robison pointed out that the production figures were published by the U. S. Bureau of Mines and that discontinuance of the association's earlier estimates would not change the situation. He agreed with Col. Ord that what was needed was curtailment of output by the producers.

REVIEWS LEGISLATION FIGHT

Reviewing the battle over coal legislation in 1926-27, Walter H. Cunningham, chairman of the committee on government relations, declared that the fight was not over and that proponents of control were seeking to amend the Constitution so as to remove all doubts on the power of the federal government to interfere with private business. At the same time, he felt that there was a growing disposition on the part of the public to believe that an industry can work its way out of economic difficulties without federal intervention.

CUNNINGHAM AGREES

Mr. Cunningham agreed with Mr. Gandy that the fight against legislation was not the result of unreasoning stubbornness. "We are bituminous coal producers, fully appreciative of the general situation in the industry and alive to the need of taking every possible means to improve its status. We have invited operators to favor us with any and all suggestions on this score." But, he continued, all of the suggestions made have been nebulous, and "outside of whatever merit any of them possessed, the fundamental bases of all are illegal, according to the best legal opinion we were able to secure. Such proposals as have been introduced, outside of the question of constitutionality, have no

compensatory results for the expense and hardship they would bring to the industry."

E. L. Greever, counsel for the Southern producers in the lake cargo rate case, protested against indefinite laws which left wide discretionary powers to federal bureaus and commissions. He urged that business at large present a united front against governmental encroachments. Secretary Gandy drew attention to a recent statement of a prominent Western operator advocating government regulation. This operator, Mr. Gandy said, had suggested that the federal government could fix maximum and minimum prices, control production, supervise financing of coal operations, promote conservation, put mine labor on a much better basis and take away competitive advantages from the buyers of coal.

DENOUNCES CONTROL CLIQUE

Mr. Cunningham remarked that he was glad Mr. Gandy had brought this matter before the convention. One of the greatest difficulties encountered in trying to persuade Congress that legislation was unsound was the attitude of a few men who favored control and were willing to have "a bunch of college professors and ismites run their business." The place for the presentation of such views, he thought, was before the association so that the members might have an opportunity to consider them and take appropriate action.

A large part of the report of the tax and cost accounting committee report presented by Chairman R. C. Tway was taken up with a discussion



R. C. Tway
Chairman, Tax and Cost Accounting Committee

of the principles involved in the Beech Creek Coal Co. case. In spite of the decision in that case, the Board of Tax Appeals is following the ruling it laid down in the Roden Coal Co. case in which the board decided that expenditures which did not increase production must be capitalized if the life of the articles purchased extended beyond the year of purchase. "It is apparent, therefore, that the only hope of immediate relief lies in the chance that the courts will reverse the Board of Tax Appeals and the Commissioner of Internal Revenue.

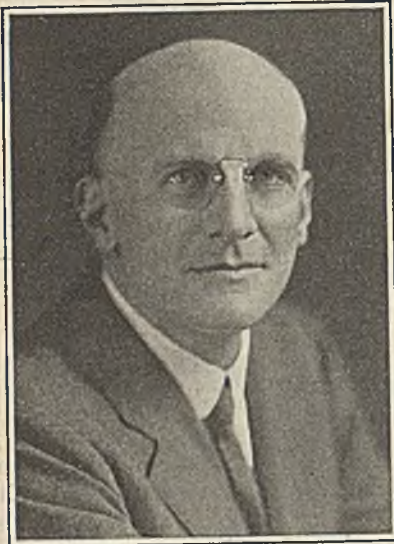
"There is one other source from which relief may be hoped for. The joint committee of Congress, appointed to consider suggested amendments to and simplification of the income tax law and procedure, invited representatives of our association to appear before its division of simplification for the purpose of discussing problems of taxation peculiar to the coal mining industry. On that occasion a strong argument was made for the embodiment in the act itself of such a clear-cut provision with respect to allowable deductions in the case of wasting industries. We have reason to hope that this effort will prove beneficial."

Representations of the association, he announced, are opposed to the plan of engineers of the Treasury Department to set up "standard" rates of depreciation in each industry because conditions vary so widely in each producing district. "No standard or average rate of depreciation of coal mining property could be found which would be fair even as a basis from which to calculate



W. L. Robison
Who presided at first general session

variations from the standard." During the conference with the congressional committee the question of making depletion deductions a percentage of gross income was informally discussed and operators, there-



Henry S. Dennison
Who spoke on management

fore, were urged by the committee to give this matter study.

"The art of management," said Henry S. Dennison, president, Dennison Manufacturing Co., Framingham, Mass., "was not developed for the fun of it and not to gratify an idle curiosity, but because somewhere there have been men sweating because they had to get their costs down or sell more of their goods or make an old plant do more and better work when they couldn't afford a new plant, and because some of these men have had the sense and the grit to dig into the real facts and the patience and ingenuity to invent real ways out. The art of management has truly been born in the throes of necessity."

DECLINING PRICES NOW RULE

Intensification in management has been developed by changing economic trends. From 1898 to 1920 the general price movement was upward; since 1920 the trend has been downward and this decline probably will continue for some years. This movement is at least a partial duplication of what happened in Europe after the Napoleonic Wars and in this country after the Civil War.

Mr. Dennison, however, refused to see this change as a gloomy portent. The other periods of falling prices which he mentioned, were not, he said, years of starvation, hard times and depression. "They were the

years in this country of some of its most rapid and most solid growth. They were the years in England of its finest development. They are years of failure when one can't ride on the tide and get anywhere except into the wrong place. The tide of price is setting against us"—and management can no longer rely upon rising markets to cover up its own mistakes.

In the past, the fate of the world has depended, in turn, upon the warrior, the churchman, the statesman and the inventor. Today it depends upon the business manager, the man who really manages, who combines careful analytical understanding of facts, ingenious and original devising of appropriate methods for using these facts. "At the highest it is the work of the scientist, the inventor and the leader rolled into one."

MANAGEMENT IS A PROFESSION

Systems, rules, authorities, incentives are the tools of the modern manager, but they are effective only in proportion to the manner in which they are used; in and of themselves they are nothing. To do without rules is to refuse mechanical assistance; to let rules manage is to over-mechanize and suffer from inflexibility. So in the matter of authority. What the order-taker is to the real salesmen the order-giver is to the real manager.

Management must be raised to the dignity of a real profession, insisted Mr. Dennison. To have that status management must meet five tests. These tests the speaker defined as: "The employment of expert intelligence; the free and open use of the methods of science; the working out together, as for example by members of an industry or trade, the rules under which their special service to the public can be best performed; a motive of service greater to mankind than the motive of service to oneself and one's own; a consequent public respect and recognition."

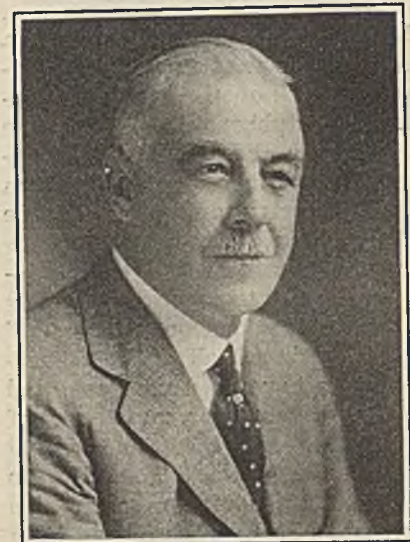
The day of the jack-of-all-trades in management has passed. The wise manager surrounds himself with specialists and calls on them for expert advice. There must be the proper tie-up between different departments and organization to coordinate efforts and improve processes. This calls for co-operation and the maintenance of contacts. Too often this contact is established only when there is conflict. An open door is not enough: management

must go out and meet the men who are handling the day-to-day work. "There must be free intercommunication if we are to have a co-ordinated organization."

To get efficiency each job must be broken down into its component parts and careful analysis made of each part. Through such studies it will be possible to eliminate waste motions and increase productivity. But the right kind of co-operation cannot be won unless the men believe that there is an underlying sense of fairness in the management.

Mr. Dennison, who has recently returned from Europe, in describing his investigations there, spoke of the use of "harmonograms" for analyzing time and motions in the Polish mines. He related how a mine manager using the harmonogram method had reduced the number of men employed in bringing props into the mine from 15 to 8 and finally to 4 "with the mine props always where he wanted them." The harmonogram was illustrated in the preceding issue of *Coal Age*, in an article by Wallace Clark.

The directors-at-large nominated by the committee on nominations and elections were approved by the convention in the closing minutes of the Thursday session. J. H. Bowling, president, Crawford Coal Co., Lexington, Ky.; T. B. Davis, president, Island Creek Coal Co., New York; W. D. Ord, president, Empire Coal & Coke Co., Landgraf, W. Va.; Robert E. Lee, president, Consolidated Indiana Coal Co., Chicago; J. W. Searles, president, Pennsylvania Coal & Coke Corporation, New York, and A. B. Stewart, president, Davis Coal & Coke Co., Baltimore, Md. were



R. H. Aishton
Who spoke against government interference

added to the list of state and district directors.

At the annual banquet held Thursday evening, a barrage against government interference in business was laid down by R. H. Aishton, American Railway Association; B. J. Mullaney, American Gas Association; William M. Kinney, Portland Cement Association; M. G. Truman, Railway Business Men's Association, and E. B. Leigh, National Association of Manufacturers. Walter Barnum, retiring president, responded on behalf of the National Coal Association. S. L. Yerkes, vice-president, Grider Coal Sales Co., Birmingham, Ala., was toastmaster.

SAFETY REPORT MADE

The best approach to accident prevention, according to the report of Phil H. Penna, chairman of the safety committee, read at the last general session of the convention on June 17, presided over by M. Searles, "is training of employees in self-protection. Regulations imposed by the state are mechanical and inelastic and at best are capable of very imperfect enforcement. The only adequate enforcement of safe practices on the part of miners lies in training those miners to adopt such practices themselves and to enforce them upon their fellow employees. That method of attack is not only the most promising, but also has the merit of keeping at a minimum the interference of the state in bituminous coal mining affairs."

CARELESSNESS BLAMED

More than half the accidents in mines, declared the report, are directly attributable to lack of care on the part of the workers. "The 50 per cent of our accidents which occur at the face largely through falls of roof and coal can nearly all be eliminated by proper care on the part of the miner." The committee strongly indorsed the co-operative studies of accidents now being carried on by the U. S. Bureau of Mines and the State Department of Mines in West Virginia and recommended that such studies be undertaken in other producing states.

The only difference in treatment accorded the man who stands on the street corner and tosses his money to the scrambling throng and the man who persistently sells his goods below cost is that the first is taken to court to have his sanity tested and the other is left to his own destruction in the name of "business,"

stated Irving S. Paull, former chief of the division of domestic commerce of the U. S. Department of Commerce, in an address attacking the so-called business men who are willing to buy net losses

"It matters little whether you are endeavoring to secure an order so that your competitor may not have it or whether you have pressing commitments that compel you to secure ready money for their liquidation, the result of your effort is a net loss on your books. The act of disposing of goods below cost is an act of desperation—and no industry should permit its price structure to rest upon any such uneconomic thing as the emotional impulse of a desperate man."

The issue, insisted Mr. Paull, is not one to be dodged. When an in-



Allan T. Willett
Chief of the N. C. A. Bureau of Coal Economics

dustry as a whole shows little or no profit, it is a reflection on those who conduct the industry. Practically every industry today has a greater productive capacity than the market will support. Concerns unable to operate at a profit and meet the pressure of competition must be eliminated. There must be a more intensive and intelligent study of distribution, less leaning upon tradition and more reliance upon facts. Self-education must first be undertaken and acquired and the knowledge thus gained can then be imparted to the public.

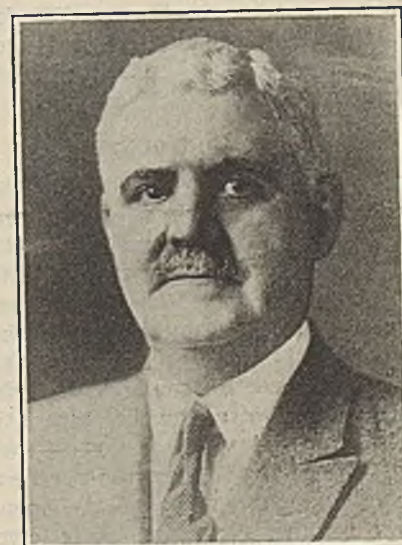
"No one can solve your problems for you. Your business cannot be intelligently guided by any super-imposed agency of government. There is a vast difference between government regulation and self-gov-



Ezra Van Horn
Chairman, Resolutions Committee

ernment." The Sherman law and the Clayton act "were not designed to estop the application of intelligence to the problems of business, nor do they. They were designed to prevent unfair competition and restraint of opportunity in trade. What one practice is more unfair in competition than that of disposing of goods below cost? What one thing more definitely is in restraint of trade than the practice of digging down into your capital assets and giving part of your substance to the purchaser of your goods?"

"Is there any greater folly than that of disposing of your goods below cost? There is. There is greater folly in knowing that situation exists and complaining of it without doing anything about it. That is the greatest folly any industry can commit."



Michael Gallagher
President, Northwestern Mining & Exchange Co., re-elected a Director-at-Large

Purchasing Agents at Convention Find Scientific Buying Is Cutting Inventories Nearly 50 per Cent

HOW scientific purchasing is reducing mine-supplies inventories 33½ to 50 per cent and is effecting notable economies in other directions was developed at a group meeting of bituminous coal operators, purchasing agents, held in connection with the tenth annual convention of the National Coal Association at the Edgewater Beach Hotel, Chicago, June 15.

Speakers from the National Association of Purchasing Agents discussed buying as an executive function and a key to profits. Establishment of purchasing committees made up of representatives from different departments to consider and adopt major buying policies, leaving the purchasing agent a more or less free hand in the matter of price and in the sources of supply which he might select, was advocated as an essential step in placing purchasing on a successful plane.

When J. E. Butler, general manager of the Stearns Coal & Lumber Co., Stearns, Ky., and president of the Southern Appalachian Coal Operators' Association, who presided over the meeting, invited discussion from the floor quick attack was made upon the statements of the formal speakers that the lowest price might not necessarily be the price which would get the business. Manufacturers, insisted the producers, might maintain a one-price policy in selling to the mines, but when these same manufacturers were in the market for fuel they shopped around to induce one operator to underbid his neighbor.

CRITICS CONFOUNDED

The tables were turned on the critics, however, when one of the speakers, who said the condemnation of industry's fuel-buying habits "stuck in his crop," asked the coal men to give their opinion as to the proper basis upon which to make coal purchases. Personally he upheld the evaporative test as the fairest to both buyer and seller. This test was generally approved. In the running fire of comment, some of the operators began to analyze their own shortcomings in selling and argued that the buyer hardly could be blamed if he took advantage of the failure

of the seller to demand a reasonable price for his product.

Since 1920, stated Harold V. Coes, vice-president and general manager of the Belden Manufacturing Co., it has been forcibly impressed upon industry that, if purchasing policies are wrong, the business is headed for trouble.

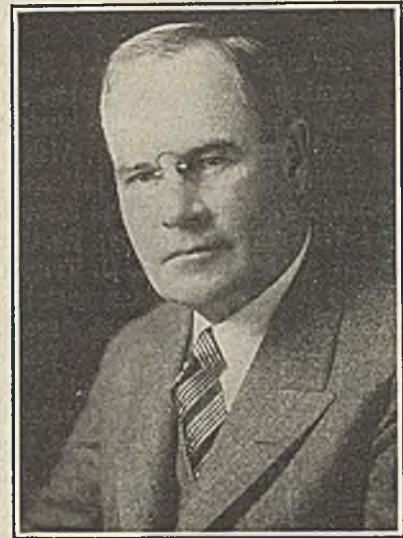
PURCHASING CODE

Intelligent purchasing, according to Mr. Coes, calls for:

- (1) Technical knowledge of the material to be bought;
- (2) Knowledge of price movements both for the individual commodity and for industry as a whole;
- (3) Knowledge of how the goods to be purchased are to be used;
- (4) Knowledge of sales demand;
- (5) Accurate information on the methods to be used in financing both purchases and sales;
- (6) Knowledge of the manufacturing processes of the industry;
- (7) Knowledge of the purchasing methods employed by competing companies;
- (8) Information on general business trends;
- (9) Study of long and short price swings correlated with data on the rate of turnover;
- (10) Intimate acquaintance with sources of supply and maintenance of friendly relations with such sources;
- (11) Realization that price is only one element in buying—and not the governing factor.

Both Mr. Coes and John R. Whitehead, Fairbanks Morse Co., the other formal speaker at the meeting, emphasized the desirability of setting up a purchasing committee. Mr. Whitehead also pointed out the advantages to be gained in volume buying. For example, said Mr. Whitehead, there were cases where large lots of steel pipe could be purchased at 60 per cent from list price, while small lots were billed at list. Mill orders of steel had been placed at figures 50 per cent under those asked on warehouse shipments.

E. C. Mahan, president, Southern Coal & Coke Co., said that group purchasing of machinery made possible reductions in unit costs. Dr. F. C. Honnold, Honnold Coal Bureau, pointed out the advantages accru-



J. E. Butler
Presiding officer at meeting

ing through the maintenance of a common stock of parts by mines in the same district. Maintenance of such a stock from which each individual operator might draw, he said, had reduced the reserve stock carried 50 per cent under what was necessary when each individual producer carried his own stock.

STANDARDIZATION STRESSED

Standardization of equipment within the mine, remarked R. C. Tway, president, R. C. Tway Coal Co., had not been given the attention it deserved. Where a number of different types of locomotives, or cutting machines, for example, are used, the mine is compelled to have more money tied up in spare parts than would be the case if it standardized on one type of equipment. Moreover, lack of standardization often deprived a mine of a market for discarded equipment. As an illustration Chairman Butler cited the case of a mine with 30-in. track which had purchased some dump cars which later it found it could not use and could not sell to neighboring mines because the neighboring mines had standardized on 42-in. gage.

Records of turnover of stock also had helped materially to reduce the amount of money tied up in spare parts. For example, the West Kentucky Coal Co., explained C. F. Richardson, president, uses a card record system showing the quantity of parts ordered and the dates when orders are placed. Through this record the mine has been able to determine just how large a stock of each particular part must be carried to forestall interruptions to operations. With these data available it has been pos-

sible to reduce the stock carried 33 1/2 per cent.

In the case of Madeira, Hill & Co., said J. H. Hug of that company, a centralized ledger stock record of the same general character has cut stock inventories 50 per cent. Where the company, buying on the hit-and-miss plan formerly had \$200,000 tied up in supplies, today this investment has been cut to \$100,000, representing an annual saving in interest charges of \$6,000.

What was needed, said E. A. Mann, Sackett Fuel Co., was plain dealing upon the part of the seller. It was better to deal frankly with the consumer, even at the risk of losing a sale than to misrepresent and receive "a black eye" as the result of misrepresentation. A great many producers, however, now have one or more combustion engineers upon their sales staff and so are in a position really to advise the consumer intelligently on coal purchases.

Operators frankly recognized, stated H. C. Booth, general manager, Roach Creek Coal Mines, Inc., that the responsibility of educating the buyer rested upon them. It was their duty to acquaint themselves with the consumer's needs and recommend to him the fuel best suited to his purposes. If the operators do not thoroughly understand their own product and its possibilities, it is hardly fair to blame the purchasing agent for their own shortcomings in this respect.

W. D. Langtry, fuel engineer, indorsing the evaporation test as the best check, said that the formula for determining evaporation costs was simple. This formula was as follows:

$$\frac{\text{Cost of coal per ton}}{2,000} \times \frac{1,000}{\text{Evaporation}}$$

The only drawback to this formula was that only 1 to 2 per cent of the buyers used it. But, added Lute Hornickel, president, Anchor Coal Co., where it is used, it is a great help. Mr. Hornickel recited an experience where a buyer had condemned his coal on a chemical analysis but when induced to make an evaporation test had placed a contract for the same fuel at a good price.

James B. Smith, president, Spring Canyon Coal Co., brought out the importance of proper preparation as a factor in the competitive sale of coal.

This conviction was the outgrowth of forty-three years' experience as retailer, wholesaler and producer.

Co-ordination of Sales Program With Production Urged at N.C.A. Meeting by Bituminous Salesmen

SALES PROGRAMS definitely planned and co-ordinated with the production programs of the mine operator were urged at the meeting of bituminous coal sales managers and agents held in connection with the tenth annual convention of the National Coal Association at the Edgewater Beach Hotel, Chicago, June 16. Campaigns based upon careful forecasts and backed up by adequate information must replace the too common drifting policy which depends upon accidents and unusual occurrences to make a market for coal if bituminous merchandising is to be conducted with an eye to long-term business success, declared the sales managers who are applying engineering skill to fuel distribution.

The meeting, presided over by A. J. Maloney, vice-president in charge of sales, Chicago, Wilmington & Franklin Coal Co., Chicago, duplicated the group conference of last year in interest and attendance. Particular stress was laid upon annual and monthly sales budgets as a means of reducing distribution to a more orderly process. One operator, while approving the idea of the development of more detailed data, objected to the broadcasting of information with respect to production. This objection, however, was not supported by the other coal men who participated in the conference.

RATES NEWS HIGHLY

"The value of trade information as a help to chart the course of the coal industry," said W. J. Magee, vice-president, Carbon Fuel Co., Cincinnati, Ohio, who read a paper entitled "As Necessary as the Mariner's Compass," "can be likened to the compass which Lindbergh carried on his successful flight across the North Atlantic. Regardless of the forces which operated to sweep him from his course, the compass was a constant guide to his objective."

Publicity covering accurate and timely trade information, declared Mr. Magee, is a necessary basis of permanent stability in competitive business and industry. The coal industry has suffered severely in the past because of misunderstanding and false rumors. It is now recog-

nized that the best relations are possible only if the industry and the consuming public understand each other's viewpoint and problems and this can best be attained by a common co-operative effort in gathering and disseminating statistics of production, sales and consumption.

"The law of supply and demand has not yet been repealed. It continues to determine the volume of production and the measure of consumption. If wise buying and selling policies are to prevail, there must be access to information concerning both supply and demand. On the supply side of the equation are statistics of production, stocks, costs and shipments. On the demand side are statistics of orders, credits, purchases and consumption. With the expansion of a well organized statistical program there is developed increased opportunity for accurate judgment as to supply and demand and an undoubted lessening of the speculative character of the business."

PRODUCTION STUDY VALUABLE

Study of production curves, Mr. Magee pointed out, will often suggest a course to avoid glutting the market. Uniform cost accounting as a check upon waste and comparative cost reports have been the means of the correction of wasteful practices. In studying shipments as an index of consumption, a correction should be



J. B. Pauley
Elected a vice-president



P. J. Quealy
Elected a vice-president

made for "no bill" and consignment coal. The campaign to bring about the current publication of data on consigned shipments should be prosecuted vigorously.

"Statistics of past sales are necessary in the correct anticipation of production. Such statistics, fluctuating still more widely than those of production, forecast in a measure the volume of output. Past sales are probably the best business barometer because they reflect business sentiment exactly. Orders register immediately the judgment of consumers and buyers. Past sales are of vital importance to the executive as showing the pulse of the demand and indicating what policy should be pursued as to his buying and selling methods.

"Statistics of unfilled orders may indicate to the sales manager whether or not he is getting his share of business and approximately the quantity of coal which would be available on the open market under normal conditions. A report of unfilled orders and their relation to normal production of an industry can be used most advantageously by the individual shipper in determining his status with that of the industry at large.

STATISTICS VALUED HIGHLY

"Distribution statistics are valuable in that they represent both the demand of the consumers and its fulfillment. They indicate the trade channels into which the various kinds of coal move and the uses to which they are put, and also provide a measure of the development of new markets."

It is apparent, asserted Mr. Magee,

that there are no dependable data on stocks in the hands of the consumers although the value of such information is great. Figures now put out by certain government bureaus and trade bodies are, in the opinion of Mr. Magee, "mere guesses and generally speaking not very good guesses. Whether or not fairly accurate estimates of consumer stocks may be obtained without too great expense is a question for our statistical brethren to answer."

EXCHANGE ADVOCATED

Another statistical activity recommended was that embodying the interchange of credit information showing the number of past-due accounts on the books of the producers. "The value of statistical reports in the credit field as an index of the general financial situation of the industry and of the status of the individual," remarked the speaker, "is obvious."

The great weakness in the present statistical set-up, said Chairman Maloney, is that most of the data deal with the past instead of anticipating the future. How many sales managers, he asked, sometime between Nov. 1 and Dec. 31, make an estimate of sales and production for the coming year? How many make up a forecast which they are willing to submit to the board of directors of their companies? There is too great a disposition to rely upon unusual circumstances—a strike in Great Britain, a car shortage, a suspension in the unionized bituminous fields in this country, a tie-up in the anthracite regions—to move the coal produced.



G. H. Caperton
Chosen a vice-president

A question from the floor as to the value of reports on unfilled orders brought the statement from Dr. F. C. Honnold, Honnold Coal Bureau, that such reports have a very definite value in throwing light upon demand and the extent to which orders may be duplicated. Data on the number of "no bills" at the mines also will be found of considerable value in studying demand if the data shows unbilled loads by sizes. Such segregation makes it possible to correlate the figures with seasonal trends and check misinterpretation which might flow from the mere statement that there was so much unsold tonnage in gross on wheels.

C. F. Richardson, president, West Kentucky Coal Co., questioned the advisability of interchanging information on unfilled orders. It was his feeling that such data should be considered private. He praised highly the idea of trying to forecast sales.

His company, he explained, has been making six-months' forecasts for several years. These forecasts cover costs, sales and prospective profits or losses by months. The operating department contributes the estimate of production and the sales department figures on monthly sales and realizations.

ESTIMATES ARE ACCURATE

"While we don't hit our estimates every month, at the end of the six-months' period," declared Mr. Richardson, "it is uncanny how close the actual figures are to our estimates."

One of the advantages of trying to live up to a forecast lies in the efforts to effect economies in operation when markets go wrong. For example, the West Kentucky company will concentrate its production at certain low-cost mines and switch from one mine to another in order to keep costs and realizations in line with estimates previously made.

The consignment evil, he continued, may often be traced to the small mine with insufficient working capital. Such an operation, faced with the necessity of meeting a payroll, will ship coal to some broker with instructions to sell at the best price possible. The result, of course, is a general weakening which affects all shippers. Mr. Richardson suggested that brother producers in a friendly way try to show the consignment shippers the error of their ways.

While disclaiming any desire to put obstacles in the way of the man

who wanted to open up a small mine, Mr. Richardson did think that the railroads were unfair to other and older established mines when the carriers favored such newer and smaller operations with a share of the railroad fuel business. Most of these smaller mines, he maintained, are not equipped to ship any size but mine-run so that they are not in a position to furnish the railroads with any substantial revenue tonnage.

BAUSEWINE DISAGREES

George Bausewine, Jr., secretary, Operators' Association of the Williamson Field, took issue with Mr. Richardson on the question of reports on unfilled orders. His field, he said, sold in competition with a number of other districts producing coal of similar quality. If the operators knew the volume of unfilled orders carried this month as compared with last month and with last year, they would be in a better position to gauge future demand.

Discussing the subject of past sales reports, Mr. Bausewine pointed out that there are many producers who sell their output through sales agencies. These producers are not always in close touch with market developments and do not always know what they have received for their coal until the middle of the month following its sale. He advocated closer contact between the producing and the sales divisions of the industry. The executive head of the company ought to have daily reports covering the cost of production and the sales realization.

MORIARTY LAUDS REPORTS

C. E. Moriarty, sales manager, Cabin Creek Consolidated Coal Co., said that he knew of no information which was received with greater interest or had greater value than the weekly reports on past sales. These reports acted as a spur to the salesmen and were of material assistance in marketing coal. Although some operators might do a little "cheating" in the matter of reporting prices, Col. Moriarty did not believe there was enough of that to really affect the general accuracy of the figures embodied in the reports.

"Uniform vs. Staggered Dates for Coal Contracts" was the next subject considered by the conference. Oscar M. Deyerle, president, Flat Top Fuel Co., opened the discussion. "Is April the best date?" he asked. He was not sure. Originally, he said, keen

buyers tried to have their contracts expire in mid-summer and keen sellers wanted them to expire in mid-winter. Except as the date was influenced by wage contracts in the union fields, he thought April 1 had been adopted as a compromise between midsummer and midwinter.

Mr. Deyerle favored more uniformity in expiration dates. A number of the smokeless shippers, according to the speaker, would like to see contracts dated Jan. 1, although there were several others in the field who leaned toward the plan of staggering expiration dates. Making contracts on April 1 catches the industry in a depressed condition. With so many business institutions setting up their fiscal year on a calendar year basis, he saw certain justification for dating contracts Jan. 1. After all, however, the most important question in connection with contracts was not their date, but the prices at which the coal was sold.

MALONEY MENTIONS HABIT

In the opinion of Chairman Maloney, habit played a large part in fixing expiration dates. In moving, May 1 and Oct. 1 had become established. In coal contracts the size of the coal involved was a factor. To the extent that the United Mine Workers was responsible for fixing the date of contract expirations at April 1, he could conceive of nothing more unfriendly to the public than to advance the date to Jan. 1 and have wage agreements expire simultaneously.

"I don't think that the coal year has had much to do with the matter," he remarked. When coal is well merchandised, the contract dates will be a minor matter and actual distribution will be the most important factor. Until that time is reached, however, Mr. Maloney thought that staggered dates of expiration would be the most advantageous.

In the absence of H. E. Booth, manager of bituminous sales, M. A. Hanna Co., his paper on "The Responsibility of a Salesman to His Industry" was read by Harry L. Gandy, executive secretary of the National Coal Association. "The matter of good selling and good buying," declared Mr. Booth, "rests upon fundamental economics of which both sides should be well informed. A seller should be satisfied if he gets as much for his product as his competitors.

"Likewise the buyer should be satisfied if he is able to buy his fuel as

cheaply as his neighbors. It is, perhaps, the fear that he is paying more than his neighbors that actuates a purchasing agent in using well-known methods to force down the price of coal below safe levels. A purchasing agent is at the same time a salesman, or at least he represents a concern that has something



Frank S. Love
Elected a vice-president

to sell. The methods he uses to obtain low prices on the supplies he buys are copied by the purchasing agents who buy the product of his concern. The practice in general has the effect of depressing prices and reducing return on invested capital. A practice of buying on the basis of living or liberal prices would stimulate cordial relationship and reciprocal liberality when the seller purchases his supplies."

BOOTH HITS RAILROADS

Railroad fuel purchasing policies were sharply, if inferentially, condemned by Mr. Booth. Present railroad earnings, he said, indicate that transportation is being sold at liberal rates, but coal companies are receiving little on their investments. "There is no doubt," he added, "that if coal were in a prosperous condition it would stand squarely behind the railroads when the inevitable attack on freight rates comes. On the other hand, who can blame coal for imagining that it can profit by joining others in seeking reductions in freight rates?"

When the country was suffering from inadequate transportation service, due to inadequate railroad earnings, business paid a high price in delays and was compelled to waste capital in overdevelopment designed

to compensate for the slow movement of freight. With public realization that railroad service must be paid for, transportation charges were increased "to a point where railroads now have not only enough money to maintain property and equipment for giving excellent service, but also to partly compensate them for previous losses." Had rates been adequate at all times, however, the total net cost to the public would have been lower.

CALLS PRICES TOO LOW

"Just so is it with coal," Mr. Booth maintained. "Present prices are too low. New capital is certainly not seeking investment in the coal industry and while the coal industry is advancing in the direction of improved scientific mining methods, such methods are adopted as a means of self-preservation and, therefore, may be termed outlays in protection of previous investments. Shorn of its ability to attract capital, coal will surely trend toward the same bankrupt state in which the railroads found themselves during the period of inadequate rates. Sooner or later will come a higher range of prices for coal and the general public will then pay back losses and rehabilitation expenses and the profit for invested capital, just as was the case in transportation."

This contingency, however, can be avoided, in the opinion of Mr. Booth, if large consumers—particularly the railroads and the public utilities—will recognize and accept their public responsibilities in the matter and give serious consideration to the economic results "arising from the competition between them in their efforts to buy coal as cheaply as possible instead of as wisely as possible. One obvious result of cheap coal buying will be the reduction of rail and public utilities schedules."

These rates at the present time are such that the railroad and public utility executives "are not only justified in paying a living price for coal but, as a matter involving the health of their own business, they should be criticized for paying less. They have it largely within their power to stabilize the coal industry as well as their own enterprises by wise buying, or to project far into the future the present unfortunate coal situation and make uncertain their own by permitting their purchasing agents to continue their present methods of buying coal too cheaply."

With the large share of production absorbed by the railroad and utility groups the buying control rests in the hands of a very few individuals. Nevertheless there is an obligation resting upon the coal seller if the sounder buying policy is to become effective. "Just suppose," stated Mr. Booth, "that the purchaser should become all that the seller might ask of him. Would the salesman be willing to co-operate? Would he be willing to sell a reasonable part of his output at a profitable price and then stop? Or would he continue the old army game of taking the other fellow's business at losing prices just for the sake of running full and thus seriously embarrass the purchaser who is willing to co-operate with the coal industry along sound economic lines?"

"Just so long as coal production is in excess of consumption," concluded Mr. Booth, "somewhere a reduction in tonnage must be made. It is clearly as much the responsibility of each coal salesman to sell wisely

as it is for the purchaser to buy wisely. He must study and understand the effect, the far-reaching effect, of cheap sales. He has a greater responsibility to his industry than salesmen of other industries because on the continued failure of his industry hinges very largely the prosperity of the country. He must realize that sooner or later somebody will have to pay—either he himself, his company or his industry."

That curtailment of production was the only workable solution for depressed, uneconomic prices, was strongly indorsed by W. R. Kernohan, general manager, Houston Coal Co., who also expressed general approval of the principles laid down by Mr. Booth. John Callahan, general manager of sales, Southern Coal & Coke Co., was another speaker in sympathy with the demand for more scientific salesmanship. He was particularly interested in the proposal for reports on unfilled orders and the possible effect of such reports upon marketing.

Cost Accounting as Powerful Aid In Profitable Operation, Accorded High Rating at N.C.A. Convention

COST ACCOUNTING as an active aid to profitable operation rather than a historical record of past facts was held up before a group meeting of bituminous coal operators' cost accountants and auditors at the Edgewater Beach Hotel, Chicago, June 17. The meeting, which was presided over by W. D. Ord, president and general manager of the Empire Coal & Coke Co., Landgraf, W. Va., was one of the three special group meetings arranged as part of the general program of the tenth annual convention of the National Coal Association.

The value of setting up standard costs, broken down into estimates for specific operations in coal mining, as a check upon the actual expenses was sharply stressed by H. G. Crockett, resident engineering partner, Scovill, Wellington & Co., New York, and a member of the National Association of Cost Accountants. Mr. Crockett thought that most of the cost data now recorded in the coal industry were probably nothing more nor less than statistics upon past performances and that the operators were not using these data in

any effective way to control the costs of current production.

The uniform system of accounts worked out by the National Coal Association a few years ago under the direction of Former Secretary W. B. Reed, said Mr. Crockett, was a good system. The trouble was that few of the operating companies followed it. Why? Because many of the operators had not been educated up to it. In many cases, producers had worked up from the ranks without general business training or knowledge of accounting practices. They did not understand modern cost allocation and usually excused their lack of interest with the old plea that the coal mining business was "different."

That, remarked the speaker, is the plea made by every industry. As a matter of fact, the problem in coal-mining accounting was much simpler than in many manufacturing lines turning out a wide range of highly diversified products. Nevertheless questions of standard costs and of budgeting were attracting great interest in manufacturing industry.

While standard costs involved a

predetermination of what the cost of a specific operation ought to be, they did not, insisted Mr. Crockett, have much direct influence upon prices. Competition was the controlling factor in fixing prices. Setting up standard costs, however, would contribute materially to profitable operation. Inasmuch as such standards permitted a quick check against actual expenses, the moment reports began to show that the predetermined standards were being exceeded, steps to reduce costs could be taken without delay.

A uniform system of accounts offered great possibilities where the companies employing it were banded together in an association. Under such circumstances the association can compile consolidated reports for the group as a whole which the individual company can compare with its own costs to see if it is in line with its competitors. But Mr. Crockett warned his audience that such comparative figures would be of



H. G. Crockett
Who discussed some practical problems in operating costs

little practical value and might even be misleading unless it was established that every company reporting was working on the same basis. Cases had cropped up, he said, where the comparative value of such data had been seriously impaired because some companies, on what they considered inconsequential details, had not revised their accounting to conform absolutely with the prescribed uniform system.

Drawing on his experience in investigating other enterprises, Mr. Crockett declared that many companies which boasted that their operations were conducted on a plane of high efficiency were victims of

self-delusion. He cited the case of a large, unnamed company that objected to furnishing data on inventory turnover and the management of which stoutly contended that its turnover was as rapid as could be expected. When the management finally was persuaded to report its figures it was found that the company was turning over its stock only twice a year while some competitors were turning over stocks four times annually.

By breaking down costs into particular items and making group comparisons the way frequently is opened to worth-while improvements and economies in operation. For example, said Mr. Crockett, a comparative cost study of unit power costs would throw considerable light upon the vexatious question of isolated-plant vs. purchased power costs. But in this, as in other phases of cost accounting work, the big job which must be first undertaken is that of educating the company or the individual that is not sold on the value of uniform systems and predetermined standards.

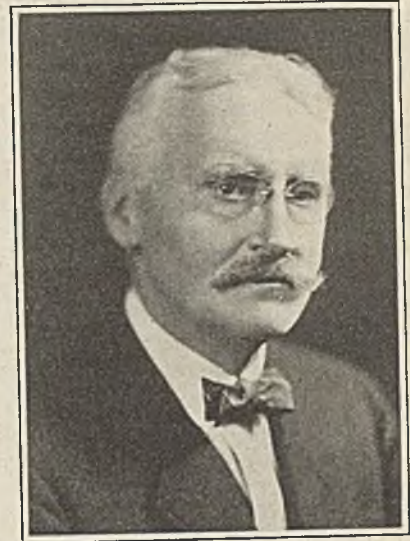
WORKING DATA EMPHASIZED

The importance of working, as distinguished from historical, cost data also was emphasized by the second speaker who came from the National Association of Cost Accountants, H. B. Fernald of Loomis, Suffern & Fernald, New York. He saw no reason why the compilation of actual cost figures should be delayed and insisted that the executives of a company should be furnished promptly with daily and cumulative data so that out-of-line conditions could be remedied as they occurred.

The major part of his address was devoted to a discussion of depreciation allowances. While costs and taxes were not synonymous terms, it was impossible to eliminate a consideration of taxes from any talk on depreciation. Treasury Regulations 69, he said, embody not so much differences of theory and principle as differences in opinion on the question of application. The definition laid down by Associate Justice Brandeis of the U. S. Supreme Court that depreciation represents the charge necessary to return the cost of the plant investment less salvage was one which could be accepted in its broad aspects.

Depreciation, continued Mr. Fernald, is a fact to be measured by the best judgment of the men setting it up and not by arbitrary

formulas. The charge should, if possible, also embrace obsolescence. But, he emphasized, the capital value



Col. W. D. Ord
Who presided at session

for which provision is made in depreciation charges can be recovered only when the operations of the company have been carried on at a profit. If this rule were always observed, he confessed, and depreciation figured on this sane basis there would be many companies engaged in mining that would not have any depreciation account on their books.

SUMMARIZES DEPRECIATION PRINCIPLES

After giving a number of illustrations of the different theories of how depreciation allowances should be determined and what the application of these theories meant, Mr. Fernald summarized his discussion as follows:

"(1) Depreciation is a fact not to be ignored even though we must use estimated in lieu of exact figures.

"(2) Depreciation charges should be based upon evidence and judgment rather than upon mathematics or formulas.

"(3) Depreciation is intended to provide and should provide for the recovery from the proceeds of operation of expenditures which are not in themselves or in their entirety chargeable against the production of the period when the money is expended.

"(4) The use of the time basis in fixing depreciation charges assumes uniform production—and this is rarely the fact.

"(5) Tonnage offers a better measure, but only such tonnage as can reasonably be counted upon to yield such recovery.

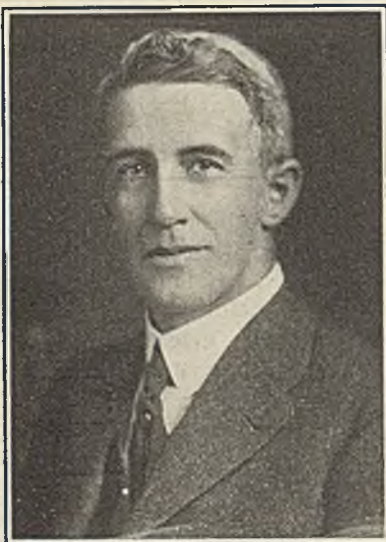
"(6) Costs are not necessarily limited to the expenditures made for the benefit of a particular block or tonnage mined, but we may properly consider as a part of our costs the expenditures necessary to restore our assets position.

"(7) In trying to determine the charges necessary to make good our capital expenditures we cannot trust to arbitrary rulings or statements of principles, but must give some hard and honest thought to our particular problems and get the best judgment of our practical operating men and our engineering staffs as to how we each in our own particular cases are going to recover from the proceeds of operations those capital expenditures which, if not so recovered, will mean ultimate loss.

"In conclusion just let me say that if I have not here adequately referred to the subject of obsolescence it has only been because of limitations of time. I know of no feature of the plant's operations as to which practical men are more acutely conscious than this factor of obsolescence and, if we have their best, sound judgment applied to this subject, obsolescence is not going to be ignored."

HOW TO ALLOCATE COSTS

The correct allocation of cost items, said G. H. Nowlin, Jr., president, Killarney Smokeless Coal Co.,



George E. Fernald

Who explained the importance of working data as differentiated from historical matter

Lynchburg, Va., "will assure us of danger signals when our cost begins to mount too high and will free us from the economic sin of selling our product below its true cost." Many times the producer is not aware that he is sinning in this regard until it is too late.

If the operator is to have these danger signals, however, he must start out with a uniform basis of distribution for his cost items "so that when comparisons are made of costs by a number of the mines in your organization, or of certain districts, they may be of statistical value. Of what value are cost figures if your operating officials, either through ignorance or carelessness, charge the wages paid for the same class of work one time to mining, the next time to yardage and deadwork and the third time to drainage?"

ALLOCATION CASES CITED

Illustrative of the varying practices in allocation, Mr. Nowlin asserted that there are many mines which charge the mine timber cut from owned or leased lands to labor instead of supplies while other mines which purchase mine timbers from mills or dealers charge the cost, including freight and unloading, to mine timber or track. Some mines use steel to support the roof and also use steel ties. How, he asked, would it be possible to make a fair comparison of costs between mines in these three groups?

Another illustration of variation in allocation was in the pay of payroll clerks who, in addition to making up mine payrolls, also issue scrip to men buying at company stores. Some mines charge such a clerk's salary to the cost of store operation; others, to mine office salaries. Mr. Nowlin thought the latter allocation the proper one.

WHY CHARGE TO STORE?

"If you did not operate a store in connection with your mine and any advance you would make to your employees would be made in cash so that they might make their purchases in neighboring towns, would not the salary of the clerk keeping the payroll and charging these advances against the employees necessarily have to be charged to labor? Are you not primarily engaged in operating a mine and is not the store department only an adjunct to keep your employees satisfied and help furnish additional income to the company?"

While it is true that the payroll figures and the total invoices paid will give a picture of the cost of labor and supplies in bulk, fluctuations in total costs, when the tonnage is approximately the same month by month, can be located quickly only



G. H. Nowlin, Jr.

Who emphasized value of correct allocation of cost items

if detailed figures are available. "The proper knowledge of the detail of your labor and supply costs, daily and monthly, is a symptom by means of which you have a guide that will keep your business off the rocks if you heed the warnings that are sent out from the lighthouse of your cost sheet. A mine without accurate cost data is like a ship trying to sail without compass or chart."

Without a common system of allocation, comparisons of costs between different mines are valueless. Moreover detailed and accurate cost data are essential if the coal industry is to be on a profitable basis and is to receive proper public recognition.

ANSWER TO GOVERNMENT

"The government tells you that you must not do anything to control prices. Your answer is that the competition of the companies that are selling their product below cost and are not aware of it is slowly, though surely, wrecking a basic industry; that agreements to control production and prices are necessary. You are then asked for proof of your statement. Can you show the correct picture if your cost figures are not accurate?"

In order to establish a uniform basis for the allocation of accounts, particularly the items included under labor and supply, Mr. Nowlin recommended the compilation and adoption of a standard distribution guide. "This guide should be used in connection with the cost sheets as suggested by the committee on a standard system of accounting and analysis of cost of production of the National Coal Association," he said.

Viewpoints Of Our Readers

Is the "Burden" as Heavy as Implied?

I have read very carefully the article in your March 17 issue entitled "Coal Mining in India is White Man's Burden," by George Cecil, and I trust that you will permit me to say that it conveys an entirely erroneous impression of the conditions existing in the Indian coal fields. Not only this, but the figures of coal production and facts about the coal fields are entirely inaccurate.

The writer spends considerable time in the Indian mines and is familiar with practically all of them and with most of the men who run them. The mines are on the whole well run and the men are as a rule of a very high class. The last also applies to the Government mine inspectors. In its general tone, the article referred to gives an exactly opposite impression and it is therefore, unjust to a very large number of good men who are working under extreme difficulties.

Regarding the facts and figures at the beginning of the article, the coal output in India has varied from about 18 to 23 million long tons per year. The smallest output since 1914 occurred in 1920 and was 17,966,114 long tons. The 1924 output was 21,174,000 tons and for 1925 the production was 20,504,000 long tons. The statement in Mr. Cecil's article that the output was about 8½ million tons per annum seems to indicate that he knows little of his subject. This is further borne out by his implication that the Raneegeunge field in Bengal is the principal coal producer. As a matter of fact, the Bihar and Orissa province produces more coal than any other, the tonnage in 1924 and 1925 was about 14,000,000 long tons in each year. Bengal is second in production with approximately 5 million tons per year.

That part of the article dealing with the character of the labor and telling of instances of bribery and other malpractice is much more sensational than the actual facts warrant. In any backward country where native labor is employed difficulties are encountered which are practically unknown in this country. Scattered instances of managers having been beaten with brass headed lathies have occurred in India but they are comparatively rare. The native labor can as a rule, be properly controlled. The impression given of the management and inspection department is not in accordance with facts. In India, as in our own country, there is and has been a certain amount of graft. It is entirely unjust, however, to imply that all are grafters. As a matter of fact, the European staff, both in the employ of Government departments and private concerns, are uniformly high class.

Most of the mines are very well run and some of them are well equipped. Others are buying the latest improved machinery and are modernizing their plants in every respect. The safety rules in force are more strict than those applied in certain of our state mine inspection departments here, particularly in regard to the use of electric equipment.

I should be glad if you would publish this letter in order to do justice to a large number of worthy men

who are doing the best they can to improve the conditions in the Indian coal fields.

Very truly yours,
F. S. MOTT,
Foreign Representative,
Goodman Manufacturing Co.

Kilburn & Co.,
Managing Agents.
Colliery Department
Post Box No. 61.
Calcutta.

The Tata Iron & Steel Company, Ltd.
Chief Mining Engineer's Office
Jamadoba.
Post Box No. 111.
P. O. Jealgora (Manbhum.) India.
India. Dated the 27th. April 1927.

Editor, *Coal Age*,
Tenth Avenue at 36th Street,
New York, N. Y., U. S. America.

Dear Sir,

With reference to the article on "Indian Coal Mining" published in your paper of the 17th of March, 1927, I must take exception to many misleading statements made in reference to the conduct of business generally in reference to Indian coal mines.

The Mines Department from the highest to the lowest officials have been known to me for the last 19 years, and I have always found their actions entirely above reproach. The whole tone of the article is nothing more than a bunch of insinuations of which I am certain the party who wrote the article has not the slightest evidence.

Yours faithfully,
JOHN KIRK, Esqr.

Three Thoughts by Gandy

THOSE PERSONS who advocate a czar for the coal industry are wont to say: "The industry needs a Moses to lead it," and more often than not they forthwith propose a "Moses" who mayhap has never seen a coal mine and whose closest relationship with the bituminous industry may be through the anthracite in his cellar or the fuel oil tank in his back yard. They lose sight of the historical fact that Moses was a member of the tribe that he led.

THE DAY of mere order-takers, in the broad as well as in the narrow sense, has passed for all time. Never before was the need for associational contacts and activities, including commercial research and organization of ideas, so compelling. Those who are suffering from the disease of "not listening," with which Shakespeare said his famous Falstaff was afflicted, are doomed to extinction at least from the ranks of those who make a profit out of business.

SURELY we can all profit by a development of business friendships. I think that visits of operators to retail yards, on the one hand, and wholesalers and retailers to mines, on the other hand, would promote a better understanding of each other's business. Our hopes are all hitched to the same star. Let's have perfect team-work. When the operators learn more about the problems of the retail yards and the wholesalers and retailers know more about the mines whence their product comes, business will be conducted on a more efficient basis.



News Of the Industry



Negotiations for New Wage Agreement Resumed in Central Pennsylvania and Illinois; More Pittsburgh Mines to Open

Philadelphia, Pa., June 21. — Union operators and miners of the central Pennsylvania field resumed negotiations for a new wage agreement at the Bellevue-Stratford Hotel here this afternoon. The meeting, which lasted nearly two hours and a half, was productive of little in the way of actual progress, as most of the afternoon was taken up with statements of the case for each side, punctuated with occasional bursts of oratory.

Thomas Kennedy, international secretary-treasurer of the United Mine Workers, was spokesman for the union. The presentation of the operators' side was made by Charles O'Neill, president of the operators' association and secretary of the Central Pennsylvania Coal Producers' Association.

Much hope is felt on both sides, however, that a real start toward a settlement will be made to-morrow, when the subscale committee is to meet at 10 a.m. to begin detailed consideration of wages and working conditions.

The chief reason for the hopeful attitude of some of the operators was the assurance of the union representatives that they would give fair consideration to the difficulties under which the producers are laboring, in the effort to negotiate a new agreement.

The parties to the conference are the Association of Bituminous Coal Producers of Central Pennsylvania and district 2 of the union. J. W. Searles, president, Pennsylvania Coal & Coke Corporation, was elected permanent chairman of the conference at the first meeting May 23. W. A. Jones, statistician for the operators, and Richard Gilbert, secretary of the district union, were chosen secretaries. The operators' scale committee is headed by Mr. O'Neill. James Mark, president of district 2, heads the miners' scale committee.

A meeting of the same conferees was held in Philadelphia May 23-27, and when they failed to reach an agreement a recess was taken until June 15. Shortly before the latter date, however, the miners asked a postponement of six days.

Hocking Valley Miners Rebel

Rebellion broke out in the United Mine Workers' ranks in the Hocking Valley north of Nelsonville, O., Friday with a public meeting of coal miners to discuss formation of a new Hocking

district union. Emmet Searles, president of the union local composed of employees of the Nelsonville Mine & Coal Co., was the leader of the insurgent group. Announcement was made that a meeting to organize the new union would be called early this week.

Last week's meeting was held at Brush Fork Jct., in a section where miners have been living in extreme poverty the last three or four years. Social agencies have been assisting many of the miners of the vicinity since the suspension of some of the properties following the Jacksonville agreement.

Searles' proposal to start an independent organization was greeted with heckling and jeers. One group separated from the other and two meetings were held. Searles announced that five formerly union mines would start this week and he named three: The Nelsonville Murray Mining Co., the Green & Schultz Coal Co., and the Duncan Coal Co.

G. W. Savage, secretary-treasurer of the Ohio district of the United Mine Workers, gave out a statement in Columbus Sunday that "there won't be any independent union" and that Searles would not be president of the Brush Fork local very long.

Some operators in the eastern Ohio district believe that a movement similar to that in the Hocking field will develop in their section presently.

Twenty-four mines are now operating open shop in the Pomeroy district of Ohio, south of Hocking, where Pittsburgh Coal Co. mines have been running non-union since 1924.

Call for Troops Imminent

Use of state troops to protect the Robyville mine of the Pittsburgh Coal Co. at Adena, O., seemed to be impending at one time last week when several hundred strikers held a demonstration in the vicinity of the mine. An agreement was reached, however, between village officers and mine union officials whereby the village would refrain from enforcing strictly its ordinance forbidding public assemblages in return for efforts on the part of union men to restrain further demonstrations.

Col. Robert Haubrick of the Ohio National Guard visited Adena and reported to Gov. A. V. Donahey that the situation was not as dangerous as it had been pictured in news reports.

Union miners have leased a ten-acre

Coal Age Subscriptions Will Be Extended

As announced on the first editorial page of this issue, *Coal Age* will hereafter be published as a monthly magazine on the first of each month. Subscribers who have paid for the weekly at the rate of \$3 a year will have their subscriptions extended proportionately at the new rate of \$2 a year. Thus if a subscription still has 6 months to run, it will be extended to 9 months; if 1 year, to 18 months, and likewise for other periods.

For those who are particularly interested in the news and markets of the coal industry, McGraw-Hill will publish separately *Coal Age News*, the first weekly newspaper in the coal industry. The subscription price is \$3 a year. The first issue of the new weekly news service will be sent gratis to all *Coal Age* subscribers in order that they may familiarize themselves with the new plan.

field opposite the Robyville mine for picketing purposes. The mine is in Jefferson County, the field in Harrison County. U. S. District Judge Benson W. Hough in Columbus granted the coal company a restraining order preventing miners from interfering with mine employees.

Ask Hall to Explain

Representatives of the Ohio operators are insisting that President Hall of district 6 explain statements attributed to him at a meeting at Gloucester on June 9, when he is alleged to have denied that the union officials were estopped from negotiating on any other basis than the Jacksonville scale. Mr. Hall denied he made the statements in question. Union officials also are being queried on the report that International President Lewis asserted that the Hocking Valley district must permanently retire from coal mining.

In western Pennsylvania, where President Lewis addressed several meetings of union miners last week, the open-shop movement is gaining headway. It is now reported that the Vesta mines, where a \$6 scale was recently posted, probably will attempt to reopen about July 1. Officers of the Washington Gas Coal Co. have announced that their Tyler mine will start up non-union in a few days. About 500 men are normally employed at this mine.

Illinois Negotiations Resumed

CHICAGO, June 21. — "No backward step" was again put forward by the miners when joint negotiations between the Illinois operators and the state union were resumed at the Auditorium Hotel this morning. Despite the insistence of spokesmen for the union that they could not recede from the program laid down at the international convention of the United Mine Workers last January and reiterated by the policy committee at its meeting in Miami, Fla., both sides appeared confident that progress would be made in the present deliberations.

After the meeting today certain operators definitely declared that the negotiations would be pro-

longed in a genuine effort to arrive at some agreement which would end the suspension of mining in Illinois. Anything threatening an early sine die adjournment will be vigorously opposed by coal men anxious to see peace re-established.

The joint conference was in session today about one hour and a quarter. Harry Fishwick, president of district 12, United Mine Workers, made the principal address upon behalf of the miners. Following the joint session each side held separate meetings.

The joint conference will reconvene at 10 a.m. tomorrow morning. There is a possibility that the conference will decide to open the sessions to representatives of the public.

Mr. Lewis, in a series of addresses at Charleroi, McDonald, Bridgeville, and New Kensington, attacked the Pittsburgh Coal Co. and the Pittsburgh Terminal Coal Corporation. These companies, he declared, were making "a miserable showing" in their attempts to produce coal under non-union conditions. Vice-president Murray scouted the declaration from operating sources that the Pittsburgh district had definitely swung into the open-shop column. In his talk at McDonald, Mr. Lewis said that the struggle had reached a critical stage and desertions on the part of the men would mean the breakdown of the union.

The fan house of the Kinloch mine of the Valley Camp Coal Co., near New Kensington, was wrecked by an explosion early Sunday morning. State police reported that a wire had been laid across the valley to the fan house and the explosives touched off from the opposite hillside. An unsuccessful attempt to bomb this fan house was made on May 11.

British Parliament Tempers Anti-Strike Bill

In response to labor criticism and to suggestions from supporters of the government, the British Parliament last week concluded its efforts in moderating the terms of the bill to prevent illegal strikes and regulate trade unions. The bill has been made clearer in definition and somewhat narrower in scope as a result of Parliament's labors in committee, which were completed last week.

Failure attended the attempt of two Conservatives to incorporate in the bill a statute, which they said had been successful in Canada, forbidding strikes or lockouts in essential industries until an inquiry had been held on the dispute. The Socialists were united in refusing to consent to what they termed a combination of a policy of conciliation, embodied in the amendment, and one of hostility, embodied in the bill itself. They expressed themselves as ready to support the former, but only after the latter was withdrawn. They

were deaf to an appeal by David Lloyd George to reconsider.

Sir Arthur Ramsey-Steel-Maitland, Minister of Labor, then killed the amendment's chances by stating that the government, aside from outlawing the general strike, wished to leave the general right to strike untouched. He promised, however, to set up a committee of inquiry to consider improving the existing British machinery for conciliation.

Lignite Rates Advanced

The Interstate Commerce Commission has issued an order revising freight rates on North Dakota lignite. Short hauls receive a sharp increase up to 49c. a ton, which advance is scaled on longer distances up to 440 miles when the new rate is the same as the old, and above that distance the new rates are less than the old. The rates for the greater distances, however, are of only academic interest on the whole, for lignite does not enter into distance hauling readily because of its tendency to crumble in transit if moved any distance. Hence the net effect has been to advance the rates in the distances where most of the traffic would move.

The order affects interstate traffic only, but the Commission has been found to have power upon intrastate rates if they conflict with interstate rates. The new rates become effective July 1.

Maynard Argument Oct. 3

Argument will be heard by the District of Columbia Court of Appeals on Oct. 3 in the long pending suit of the Maynard Coal Co. to restrain the Federal Trade Commission from collecting cost data. The coal company won in the lower court and the case was on appeal by the Trade Commission, which has not previously pressed the case because it involved other issues than those in the Claire Furance case, recently decided by the U. S. Supreme Court. The coal case involves the question of war control of fuel.

Coal Output in Mexico Drops Sharply in 1926

There was marked decline in coal output in the Sabinas district of Mexico in 1926, according to the American Chamber of Commerce of Mexico. The 1926 output of the Sabinas mines is estimated at 800,000 tons, as against the 1,302,000 tons during the preceding year. A large percentage of the 1926 production was converted into coke.

The decreased output was attributable to local labor troubles, the closing down of a large number of smelters because of unsettled conditions and the low market price for silver, and the decreased demand by the railroads because of the use of petroleum products for fuel.

The Sabinas district is in the State of Coahuila, about seventy-six miles southwest of Piedras Negras and about sixty-five miles from Monclova. Other fields in the region include those at Muzquiz, Rosita, Agujita, Cloete and Las Esperanzas, all in the State of Coahuila.

The Sabinas coal is sold to the National Railways and to smelters throughout the republic.

Belgian Queen Provides For Mine-Blast Orphan

One of the many examples of the charity and kindness of Queen Elizabeth of Belgium recently came to light, according to the New York *Herald-Tribune*, following an explosion in a coal mine at Estinnes which resulted in the death of several miners, all of whom were married and the fathers of numerous children. On learning of the accident, Queen Elizabeth went to visit the wounded miners and the families of the dead. While going the rounds of the miners' homes the Queen was told that a certain cottage, before which she had paused, contained two children whose fathers were among the victims.

She insisted on seeing both children though the local authorities explained that one child was illegitimate. One official explained that "according to the law as it now reads, such a child cannot benefit by the provisions made for the orphans of mine accident victims."

"Then Parliament ought to modify that law as soon as possible," declared Queen Elizabeth. "I will ask the Minister of Industry to see to it. This child cannot be held responsible for an error of one of its parents. In the mean time, I will take charge of this child personally."

Queen Elizabeth immediately made provision for the fatherless infant. Before leaving she asked to be kept informed of its welfare and health. In the mining districts, whose population is largely Socialistic, this incident is being repeated with much gratification.



J. G. Bradley

Bradley and Cunningham Retain Offices

For the eleventh consecutive year, Joseph G. Bradley, of Dundon, president of the Elk River Coal & Lumber Co., has been elected president of the West Virginia Coal Association. Walter H. Cunningham, of Huntington, vice-president of the West Virginia Southern Coal Co., has been re-elected secretary of the association, having served continuously since the organization of the association more than a dozen years ago.

The election of the officers was made at the annual meeting of the association held in Washington recently following the adjournment of a meeting of Southern coal shippers called to formulate a policy with reference to a continuation of their protest against increased differentials accorded by the Interstate Commerce Commission to the coal operators of the Pittsburg and Ohio No. 8 districts on shipments to the lakes.

Secretary Cunningham made a report at the meeting of the recent session of the Legislature in the enactment of legislation affecting the mining industry of the state.



General Guy E. Tripp

Stockholm Congress to Study Remedy for Trade Barriers

Owen D. Young, head of the American delegation which sailed June 14 to attend the Stockholm Congress of the International Chamber of Commerce, June 27 to July 2, confidently believes that this world gathering of business leaders will be able to suggest means for solving some of the post-war problems which still hinder the full development of international trade. The American delegation, composed of more than 150 representative business men, sailed on the steamship *George Washington*.

In a statement made before sailing, Mr. Young declared that "the major problems of the world at the present moment are economic and no one can do more to help in their correct solution than the business men of the world."

"The Stockholm Congress," he said, "is a business man's meeting. It is not a diplomatic conference. It is not a political convention. It will bring together a thousand business men of the forty-three countries represented in the Chamber. They will discuss international business and economic problems with frankness and entire freedom. They will suggest solutions based on practical knowledge and practical experience."

"It is on the subject of 'Trade Barriers' that the Stockholm meeting will center its work. That subject was chosen before the Geneva Economic Conference was called. It is a big subject in which American business is keenly and directly interested. It groups such important questions as the free movement of raw materials, import and export restrictions, discriminatory treatment of foreign nationals, companies and capital, obstacles to transportation, international cartels and complicated and wasteful customs procedure.

"The major problems of the world at the present moment are economic and no one can do more to help in their correct solution than the business man of the world."

W. H. Williams to Leave Hudson Coal Co.?

Removal of the offices of the Hudson Coal Co. from New York to Scranton is said to be in contemplation as an aftermath of the approaching segregation from the railroad properties. At the same time, according to reports current in Scranton, it is expected that W. H. Williams, vice-president and operating head of the company, will retire from the coal company and devote his attention to railroad affairs.

In this event it is considered likely that Charles Dorrance, former vice-president and general manager of the company, who resigned three years ago because of ill-health, will return to the executive personnel of the organization. His health completely restored, Mr. Dorrance has been engaged recently in engineering work for both the Glen Alden and Hudson companies.

Coal Age News Next Week

Coal Age News—the weekly newspaper of the coal industry—will make its first appearance next week.

Coal Age News will be an eight-page tabloid in size. In addition to covering all the news and market features heretofore incorporated in the weekly edition of *Coal Age* (which, incidentally becomes a monthly on a much enlarged scale July 1), *Coal Age News* will expand its service to meet the growing needs of the industry for prompt and accurate information on the latest developments in distribution and the broader phases of coal economics.

The subscription price will be \$3 per year.

General Guy E. Tripp Dies After Long Illness

Guy Eastman Tripp, chairman of the board of directors of the Westinghouse Electric & Manufacturing Co., died June 14 in the New York Hospital, New York City, as the result of complications following an intestinal operation performed three months ago. He was 62 years old.

Born in Wells, Maine he was educated at South Berwick Academy. In 1897 he became associated with Stone & Webster, construction engineers and operators of public utilities, occupying successively important positions until he was elected vice-president.

He became chairman of the board of the Westinghouse company in 1912. During the World War he was selected as chief of the production division of the ordnance department of the U. S. Army and was made a brigadier general. President Wilson awarded him the Distinguished Service Medal for "particularly meritorious service."

In the past few years Mr. Tripp had manifested an especially keen interest in the future of electrical development in America. His war-time experience convinced him that power was an essential factor in our prosperity and he made an exhaustive study of the American power situation in order to determine the best and most efficient methods of power generation, transmission and distribution. His articles and addresses on power development attracted wide attention.

Want Detroit-Windsor Rate Cut

The transportation committee of the Detroit Chamber of Commerce, comprising representatives of 19 district firms, met June 14 and planned an appeal to the federal railway commissioners of Canada and the United States Interstate Commerce Commission for lower rates on coal shipped from the United States to Canada.

The present rate from Detroit to Windsor is 75c. a ton. The firms will file their briefs within a month and the boards then will set a date for their respective hearings.

Indifference in Washington to Strike In Marked Contrast to Five Years Ago; No Sign of Upset for Several Months

By Paul Wooton

Washington Correspondent of *Coal Age*

The coal strike of 1927 differs diametrically in almost every particular from that of 1922. If there were no strike the coal market could not show less disturbance or the public less interest. Spot prices have been declining ever since the strike began and are even less than at the same season of 1925 and 1926. This is in marked contrast with the conditions which existed in 1922.

Five years ago at this time developments in the coal strike were a front-page story in the newspapers. The secretaries of Commerce, of Labor and of the Interior were wrestling with the representatives of the two belligerent factions. The influence of the White House was being brought to bear in an effort to effect a settlement. Prices had started sharply upward.

In this strike coal not only is off the front page but hardly finds a corner in the least conspicuous place in the paper.

Newspapers Give Scant Attention

The reason why the coal situation does not appeal to the newspapers is very apparent. Production has averaged 8,300,000 tons per week since the strike began. This average is more than double that of the corresponding period of the strike of 1922. Current production is thought to be nearly equal to consumption, but accurate information as to the rate of consumption is not available. From general reports on the condition of business and from what is known as to consumption in former years it is thought certain that less than 10,000,000 tons of coal is being burned weekly. Some think the total is less than 9,000,000 tons, while other estimates place it at 8,000,000 tons.

At this rate the draft on stocks upon which the miners must rely to win the strike is very slow. The stock report just issued by the National Association of Purchasing Agents shows a total of 72,000,000 tons of coal on hand May 1, as against 77,000,000 tons April 1. The figures of this association have been questioned frequently by coal interests, but, at least, they show the trend. The loss of stock during the first month of the strike, according to the purchasing agents, was 5,000,000 tons. At this rate the strike could last until Nov. 1 before stocks would be eaten away to 40,000,000 tons. Even 40,000,000 tons is a rather comfortable supply under ordinary circumstances,

so that it would be New Year's Day before it would be reduced to 30,000,000 tons. With even that reserve the situation would not be highly acute, as stocks have been down to 20,000,000 tons at least twice before.

This reckoning is based on the assumption that there would be no increase in production. Should a market materialize mines now at work could produce another million tons. It is clear that as a class consumers have avoided drawing heavily on their stocks and have continued to purchase for their current need. This course doubtless is prompted by the fact that the consumer realizes that if he lets his stockpile dwindle his reserve will be gone about the time the reserves of others are exhausted. This would mean that he would have to enter the market and buy heavily at a time when prices are likely to be highest.

The general policy seems to be to maintain a reserve above the average until a settlement of the strike has been reached. Consumers generally seem to have reached the opinion that their best interests are served by steady purchases sufficient to cover current requirements. Some buyers of lake coal may contemplate waiting until the new freight rates become effective, Aug. 10, but others regard it as probable that the saving on freight will be offset by some increase in price by that time. By that time the present strike will have lasted practically as long as that of 1922, which was settled by the Cleveland agreement on Aug. 16.

Large as are the present stocks it is the opinion of observers outside the government that there must be some increase in prices before that date.

Corporation Income Tax Cut Sought by Business

A specific demand for the reduction of the corporation income tax backed by the business interests represented in the 1,500 member organizations of the Chamber of Commerce of the United States, will be made upon the new Congress when it assembles next December. This move was decided upon at a meeting of the special committee on taxation of the Chamber, meeting in Washington.

A reduction of the corporation income tax rate to 10 per cent from the 13½ per cent rate now in force will constitute the main item on the business program for tax revision. Such a reduction, it was asserted, should be made even if it were to involve a deficit at the end of the fiscal year, on the ground that the imposition of so heavy a burden upon productive enterprise is wrong in principle and retards the economic development of the country.

According to the present outlook, the committee believes, a lowering of the rate will not lead to a shortage in the government's income. It is expected that the Treasury's books on June 30 will show a surplus of \$450,000,000, while the 3½ per cent reduction in the corporation income tax would amount to approximately only \$325,000,000, leaving a margin of \$125,000,000 for reductions in other directions such as the repeal of the federal estate tax and the war excise taxes on particular business.

"The United States Government," said Felix M. McWhirter, expressing the consensus of the committee, "has adopted the principle in the present revenue act of taxing most heavily productive enterprise. The bulk of the business of the country is done by corporations which have blazed the way of economic development, but they have been singled out to pay a tax out of all proportion to the tax levied upon other sources of revenue. The burden is put not upon wealth or capital but upon business management."



Part of the Inundated Region in the Hazard Coal Field

The flood in eastern Kentucky following the cloudburst of May 29 and 30 not only covered up streets, roads and railroad tracks but submerged whole trains. A string of open tops is under water in the above picture. The tipple in the background belongs to the old Hazard-Blue Grass Coal Co., Hazard, now controlled by the Wakenva Coal Co., Inc.

EDITOR'S NOTE—The foregoing Washington letter reflects certain views of official Washington. Due to the fact that policy as a rule prevents government officials from permitting their views being quoted directly, the authority for these reports is necessarily somewhat vaguely referred to. The views reflected are not those of any one group of officials, but of different men, in the legislative and executive departments. There is no necessary connection between their views and COAL AGE editorial policy; neither do they necessarily represent Mr. Wooton's personal views.

Lackawanna Segregation Plan May Be Disapproved

Disapproval of one step in the proposal of the Delaware, Lackawanna & Western R.R. for segregation of various treasury assets into the Lackawanna Securities Co. was advised June 20 in a tentative report by Examiner Bowles of the Interstate Commerce Commission.

The railroad organized the securities company primarily to take over securities representing its ownership of \$58,500,000 of Glen Alden Coal Co. bonds.

The Commission was asked to allow the road to turn over \$13,635,000 of 5 per cent bonds of the New York, Lackawanna & Western and \$11,582,000 of 5 per cent bonds of the Morris & Essex R.R., two of its subsidiaries. The examiner suggested that the latter proposal be rejected because it would leave the road with very small holdings of the securities of its two subsidiaries. The only plausible argument advanced, according to the examiner, was that such a distribution would make its stock more attractive as an investment. While such results might follow, the examiner stated, the distribution of such treasury assets as the \$58,500,000 of Glen Alden Coal Co. bonds, reducing corporate surplus by increasing funded debt and interest charges of the system, might well be expected to result contrary to intentions.

It was intimated that if the Commission does refuse to allow the road to transfer the bonds in question, court action will be undertaken by the Lackawanna to prevent interference with the transference of the securities.

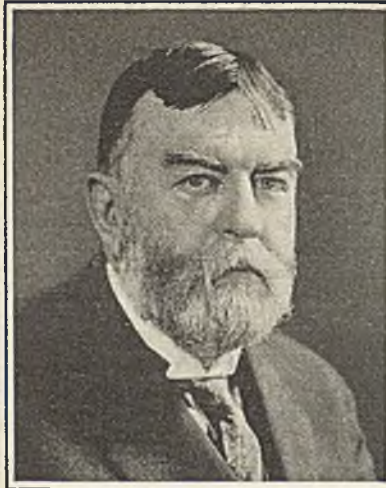
Improvements for C. & O. To Cost \$12,000,000

The Chesapeake & Ohio Ry. contemplates an expenditure of approximately \$12,000,000 in separating grades at Covington, Ky., and for rebuilding the bridge across the Ohio River between Covington and Cincinnati. This, it is explained, is in line with an improvement program inaugurated by the C. & O. some time ago. One of the features of the program is the enlargement of freight and passenger facilities at Cincinnati.

The new bridge will consist of two 450-ft. shore spans and one 576-ft. channel span. The present bridge will be converted into a highway bridge. Tracks will be removed, according to present plans, and concrete slabs placed between the trusses, thus providing a three-way driveway.

Tracks between 15th St., Covington, and the south bank of the river will be raised on fill, so that the grade will be 0.3 per cent, compared with 1 per cent at present. Four tracks will be added between 12th St. and 8th St., making six tracks between these points.

On the Ohio side of the river the present viaduct approach from the south bank of the Ohio River to Mill St. will be replaced with a modern structure, and from Mill St. to the Big Four tracks the present single-track viaduct will be replaced by a double-track steel viaduct.



Leonor F. Loree
President, Delaware & Hudson Co.

600 at New England Dealers' Meeting at New London

More than 600 persons attended the twenty-fifth annual convention of the New England Coal Dealers' Association, at New London, Conn., June 15 and 16. Among the addresses were "Meeting Competition from Other Fuels," by A. F. Beumler, engineer of the Anthracite Coal Service; "Preparation of Anthracite at the Mines," by J. B. Warriner, general manager Lehigh Coal & Navigation Co., and "Cost Accounting for You," by John H. Thompson, New York efficiency expert.

President W. A. Clark reported on the activities of the executive officers during the past year, and addresses were made by R. N. Gross, president of the New River Coal Co., and H. A. Smith, vice-president of the D., L. & W. Coal Co.

W. A. Clark, Boston, president; G. A. Sheldon, Greenfield, Mass., treasurer; C. R. Elder, Amherst, Mass., secretary, and E. I. Clark, Melrose, Mass., executive secretary, were re-elected.

Anthracite Mine Strike Due to Lindbergh

A mine strike on June 15 at the Nottingham colliery of the Lehigh & Wilkes-Barre Coal Co., Wilkes-Barre, Pa., was indirectly due to the reception to Colonel Charles A. Lindbergh in New York City on the preceding day.

Several drivers employed in the mine took the trip to New York to witness the welcome to the transatlantic flyer, which left the company short-handed. One driver, who stayed at work, was ordered to take another job in the emergency. He refused and was discharged.

When his absent associates returned and learned of his dismissal they entered a protest and demanded his reinstatement. When this was refused they went on strike.

Loree Brief Assails Foes Of B. R. & P. Plan

A brief assailing opponents of the Leonor F. Loree's project to acquire the Buffalo, Rochester & Pittsburgh Ry. was filed June 18 with the Interstate Commerce Commission by counsel for the Delaware & Hudson Co., of which Mr. Loree is president. The brief was signed by Charles E. Hughes, Alexander B. Siegel, R. E. Quirk and H. T. Newcomb.

In criticising the opposition of the New York Central R.R. and the Baltimore & Ohio R.R. to the merger, counsel for the D. & H. asserted that the opposing roads had risen to their present eminence by the very methods which Mr. Loree proposed to use in acquiring the B., R. & P.

"The record discloses no opposition on the part of any state, municipality, commission, board, commercial organization, shipper or traveler," the document stated. "No public authority, no producer or consumer of commodities, no user of railway facilities appeared, either on hearing or rehearing, to object in any way to the approval of either application. This is more significant in that positive testimony of shippers and representatives, favoring the lease, was received at the hearing, and the opposing interveners were, thereafter, on notice that public disposition and sentiment in favor of the pending application had been established—unless they should adduce proof of contrary sentiment."

The brief then said no B., R. & P. or Pennsylvania security holders or minority interest had opposed the desired trackage agreement. It continued:

"But there is opposition. It is interested opposition and comes from two great railways, both of which developed mightily by the processes of buying, acquiring stock control and leasing, before the Commission received power to control such expansion. Both these railways, the New York Central and the Baltimore & Ohio, had opportunity to acquire the Buffalo, Rochester & Pittsburgh, as the record shows. Yet they united in opposing its lease to the applicant and each indicates desire to possess at least a portion of the property.

"All arguments based upon volume of traffic interchanges, extent of 'established relations,' etc., are essentially arguments based on size—i. e., mileage. Pressed to a logical conclusion, their result would be that only the largest railroads could become larger; no smaller railroad could have any accretions. These interveners appear to have considered that their preponderating size confers prior rights in regard to any railway property that they may care to acquire, either jointly or severally."

Coal Strike Settled

A strike in the coal field of New South Wales, Australia, which lasted several weeks, has been settled, according to a cable from Sydney. About 12,000 workers were affected by the suspension.



News Items From Field and Trade



ALABAMA

New River Mine Working.—With 20,000,000 to 25,000,000 tons of coal in sight in a comparatively new field which holds out bright prospects, the Brookside-Pratt Mining Co. has begun mining and shipping coal from its New River mine, in Marion County, Brilliant Station, 80 miles west of Birmingham. The coal is in the Black Creek seam.

The Juliana Coal Co. of Birmingham, has acquired 2,500 acres of coal lands in Grundy County near Tracey City and will operate.

Expanding Alta Plant.—Plans are being made by the Alta Coal Co. to construct a new tippie and a 400-ton washery at its Summit mine, and make other necessary improvements to increase production. The Black Creek seam is being worked. R. T. Daniel, Birmingham, is operating and selling agent for the company, which is a subsidiary of the Southern Cotton Oil Co.

ARKANSAS

Bates Mines to Operate.—Coal mines have been opened at Bates, in Scott County. There is coal in more or less paying quantities in Yell, Logan and Scott counties, but the mines at Bates are said to be the most valuable thus far developed. For some time these mines have been in litigation but a recent decision of the federal court cleared up the title and now owners of the Bates mines will have them in operation and a three-shift system of working will be used.

COLORADO

Absolve Victor-American Co.—The Victor-American Fuel Co. was held blameless by a coroner's jury for the mine explosion at Delagua on May 27 in which six miners were killed.

ILLINOIS

Plans Extensive Strip Operation.—Plans are being completed for opening in the territory southwest and southeast of Sparta a strip-mining field. Options are being taken on approximately 2,100 acres southwest of Sparta and 40,000 acres southeast of Sparta. The promotion work is being done by the Mississippi Coal Corporation, a \$30,000,000 Delaware corporation, with financial headquarters in New York City and operation headquarters in Danville, Ill. W. C. Swallow, vice-president of the corporation, has moved to Sparta. Swallow has a number of

men southeast of Sparta taking additional options at the rate of 1,000 acres a day.

The wash house of the Gladstone mine, in Pike County, operated by the receiver of the Central West Mining Co., was destroyed by fire on the afternoon of June 16. The fire was of unknown origin. The mine, which had been operating full time, was temporarily shut down.

Owing to hard rains in southwestern Indiana during the last few weeks many of the wagon mines are having a hard time making their deliveries because of the bad condition of the country roads in many counties.

KENTUCKY

Coal Trains Moving Again.—The first coal train to leave Blackey, following flood damage in the Hazard fields moved out on June 9. The Louisville & Nashville R.R. reported that on June 14 it had 635 cars of coal loaded on the lines, and on June 15 supplied 775 cars, as against a normal movement of 850 to 900 cars a day and a record, on April 23, 1923, of 1,079 cars. All branch lines are again open with the exception of the Rock House Creek line, which will be opened by the close of the week, and after that time there should be no further difficulty over cars. The Kentucky & West Virginia Power Co., is again rendering good power service over the district, telephone and telegraph connections are again available, and conditions are rapidly resuming normal.

Still Breaking Records.—The western Kentucky coal fields, which have broken loading records several times in the past few weeks, again smashed all pre-

vious loading marks by 57 cars during the week ending June 11, when a total of 8,319 cars were loaded. Capacity hasn't been reached and with better orders, which appear to be in prospect, the field should establish some more records before long. Cars are in good supply and labor conditions as a whole are easy.

Thirty-five Pass Foreman Quiz.—Five persons successfully passed the recent examination for a first-class mine foreman's certificate, and thirty made the required mark for a second-class certificate, W. H. Jones, chief inspector of mines for the state, announced last week.

Large Coal Tract on Market.—One of the largest coal, oil and timber tracts to be found in one piece in the state is being offered by a creditors' committee. This is the old Bauer Cooperage Co. property, on the Cumberland River, below Somerset, in southern Kentucky. The property lies eight miles along the river, has twelve miles of railroad connecting to the Southern Ry., and a new survey for the Southern goes through the property, which contains fine coal, over 20,000,000 ft. of timber, and is in the Cumberland oil belt. The Bauer interests merely cut off a small lot of the oak timber along the railroad for cooperage and never prospected the oil or mined for coal.

PENNSYLVANIA

Mines Cut Working Time.—All the mines of the Lehigh Valley Coal Co. on the Hazleton and Mahanoy Division of the Lehigh Valley R.R., except the Continental and Springdale collieries, were idle last Thursday, Friday and Saturday. The mines also were closed Mon-



**High Splint Village
from Top of Incline**

This view, looking down Clover Fork of the Cumberland River is perhaps the finest in the Harlan field. The distant mountains, partly obscured by clouds, are about 3,400 ft. high.

day, giving the men but two days for the week. Approximately 20,000 employees were affected. Cause of the suspension was given as slack condition of the hard-coal trade. This was the first suspension of any length since the last week of March.

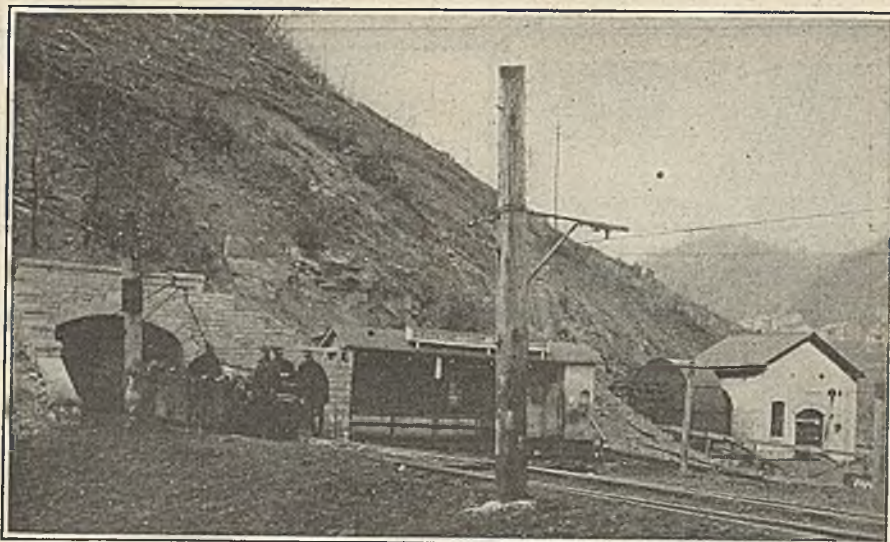
Woodward Fire Nearly Out.—Attachés of the U. S. Department of Mines, arrived at the Woodward colliery, Edwardsville, last week and began training fifty Glen Alden employees for special helmet work in order that a start could be made to recover the five bodies buried in the Baltimore seam. The men were entombed by the gigantic squeeze May 26 and rescue work had to be given up following a subsequent explosion and mine fire. Test made June 14 of air taken from the workings of No. 3 shaft and analyzed by chemists indicated that the fire has been almost smothered by the carbon dioxide gases flooded into the mine. These tests indicated that within a few days a search could be made for the bodies.

Mocanaqua Colliery Resumes.—After being idle for almost a month, first because of an outlaw strike and then by the refusal of the company to reopen the mines when the workers voted to return, the West End Coal Co. mine at Mocanaqua, Luzerne County, resumed operations June 14. Approximately 1,100 miners will return to the pits. Decision by the company to reopen the mine followed a series of conferences between Floyd Wilcox, president of the company, and President Rinaldo Cappellini and John B. Gallagher, traveling auditor in District No. 1, United Mine Workers. The company agreed to reopen the mine with the understanding that the mine workers must fully comply with all provisions of the agreement between miners and operators.

Pittsburgh Coal to List Stock.—The Pittsburgh Coal Co. has applied to the board of governors of the New York Stock Exchange to have listed on the exchange 78,308 shares of common stock, par value \$100, which has been held in the treasury of the company since it was formed. This would put into the market all of the 400,000 shares of common stock authorized. It was reported that the proceeds of the sale of the stock will be used to reimburse working capital for expenditures on the workings and will not be used for the acquisition of new property.

Sherman Conveyor Installed.—Built in co-operation with the city government the Sherman Coal Co. of Pottsville has about completed a coal conveyor and loader above the Reading R.R. tracks in that city. The new conveyor is driven by electricity. The company intends to retain the old conveyor for use in emergencies. With the new loading machinery the company expects to increase its daily shipment of coal.

Governor Fisher in a recent conference with the referees of the State Workmen's Compensation Board, urged them to dispose of their work as promptly as possible. The Governor told the referees that he had increased their personnel with a view to having the work of the board as nearly as possible up to date. The referees also



No. 10 Mine of the U. S. Coal & Coke Co., Gary, W. Va.

Between the pit mouth and the fan is the daily accident report board. Colonel O'Toole, general superintendent of the mines, has the faculty of convincing each man that he is an important cog in the organization. The proper responsibilities are delegated to the foreman.

conferred with the members of the board for the purpose of outlining the work for the year and of devising methods of expediting the work without impairing it.

Urge Equal Division of Work.—Members of the Hudson Coal Co. general grievance committee, at a meeting last Saturday, requested Rinaldo Cappellini, district president, to again confer with A. M. Fine, vice-president of the company, in an effort to adjust the equalization of work among mines in Lackawanna and Luzerne counties. The committee recommended operation of all collieries when business warrants it and a shutdown of every mine in slack times.

District 1 Convenes July 18.—The biennial convention of District 1, United Mine Workers, will open July 18 at Town Hall, Scranton, and will continue for a week. The call will be issued to locals this week by Enoch Williams, secretary-treasurer. Official results of the election will be announced at the sessions and officers installed on the closing day. The entire Cappellini slate has been re-elected.

WEST VIRGINIA

To Ban Visitors in Mines.—If the wishes of R. M. Lambie, head of the State Department of Mines, are followed, tourists will not be granted permission by mine owners to inspect their mines. Chief Lambie made this suggestion following the receipt of a letter from a man in New who desired permission to take a party of five or six people, including two women into a mine. The danger would be too great, declared Mr. Lambie, stating that even experienced men are in constant danger in the mines.

Only five new coal companies were ushered into existence in West Virginia during May. The new concerns have an aggregate capitalization of \$441,000. In the list of the corporations so formed were the following: Smokeless Coal Co. of Elk Garden, with an author-

ized capital stock of \$15,000; Bethlehem Fairmont Coal Co. of Fairmont, with an authorized capital stock of \$350,000; Merryman Coal Sales Co. of Charleston, with a capital stock of \$5,000; Sycamore Fuel Co. of Grantsville with a capital stock of \$21,000; Champion Coal Co. of Wellsburg with a capital stock of \$50,000.

Island Creek Output High.—The Island Creek Coal Co. produced 708,000 tons during May at its mines in Logan County. This exceeded the company's best previous record for a month, made in March of this year, when 685,000 tons was mined. The total output of the company for the first five months of 1927 was approximately 3,000,000 tons, compared with 2,400,000 tons produced in the corresponding period of last year.

CANADA

British Columbia Output Up.—Statistics published by the British Columbia Department of Mines show that the output of the coal mines in the province for the first four months of the year totaled 854,236 gross tons as compared with 699,307 tons in the period of last year, an increase of 154,929 tons.

The Toronto Board of Harbor Commissioners has offered to take care of the British American Fuel Co. by providing other dockage if the government cancels the lease of its dock to that corporation at the foot of Spadina Avenue.

To Develop Lignite Beds.—Arrangements are now being made with British capitalists for developing Saskatchewan's great lignite beds. Thomas L. Molloy, Commissioner of the Saskatchewan Bureau of Labor, has sailed for England, where he will continue negotiations already started with a British syndicate for taking over the board's lignite briquetting plant at Bienfait, as well as one of the big lignite deposits of the district. News of the consummation of the deal is expected while Mr. Molloy is in England.

Arc-Welding Makes Steady Progress in Great Britain

By C. H. S. Tupholme

London, England

ENGINEERS in Great Britain have recently shown much interest in the possibilities of electric welding, in place of riveting, on all forms of iron and steel construction work. Nor have mine operators been slow to adopt the process which promises better, as well as cheaper, results than are possible with riveting.

The value of welding in large-scale construction has been proven by the Metropolitan Gas Co. of Melbourne, Australia. To date, this company has erected five gas-holders and other gas-plant apparatus all of which was welded. Accounts of this work have been published in the technical press and need not be detailed here. However, it may be noted that two of these all-welded gas-holders have capacities of 3,000,000 cu.ft. each, one holds 2,750,000 cu.ft., another 1,000,000 cu.ft., and one 500,000 cu.ft. The total weight of welded steelwork on these holders exceeds 2,600 gross tons. In addition to these structures the same company has erected two welded steel vertical retort houses. These are 86 ft. high and the framework of each weighs 500 tons. Each supports 1,800 tons of brickwork and 600 tons of coal in bunkers at the top of the building. All of this work was arc-welded, using quasi-arc electrodes.

Arc-welding with these special electrodes also has been extensively used in other industrial construction, including bridges and a wide variety of special apparatus. The possibilities of repairing plant equipment by this method have also been recognized and it has had several unusually interesting applications.

WELDING MENDS CRACKED CYLINDERS

In one instance the cylinder of a large hoisting engine was badly cracked as a result of a broken piston ring. The two principal cracks were 30 in. and 18 in. long respectively. Although it appeared that the mine would be closed until a new cylinder could be obtained, it was decided to try arc-welding. Using 100 ft. of mild steel, and 150 ft. of cast iron, quasi-arc electrode an entirely successful weld was completed in 20 hr. The cylinder was immediately assembled and the engine running next morning. It has since been giving satisfactory service.

In another case a 6,000-volt generator, while being transported across a river on an aerial tramway, was dropped from a height of 150 ft. One side of the casing was completely broken, it was cracked in other places and the entire housing was sprung $\frac{1}{2}$ in. To save delay and the cost of obtaining a new casing, electric welding was employed. The weld required seven days and 935 ft. of cast iron, and 450 ft. of mild steel electrode. It was entirely successful and no trouble has since been experienced with the machine.

Colliery engineers also find the arc-weld process valuable for various odd repairs. For example, replacing defective sections of back-end plate in boilers; repairing mine cars; reinforcing worn crossovers and switches; repairing a cracked web on a triple-expansion 1,150-hp. steam engine; a 12-in. Diesel engine shaft as well as a 12-ton flywheel. Many other repairs, all of which would otherwise have necessitated replacement and consequent delay, have been made by this means.

The particular feature of the quasi-arc electrodes pre-

viously mentioned is the coating of mineral flux, of low melting point, which flows in a continuous stream from the electrode to the work. This incloses the arc and so protects the deposited metal from oxidation; that the completed joint is composed of practically pure, homogeneous material. When cold, the slag is easily chipped off. I have examined several typical welds made in this way and found the metal to be well diffused with no defects. In each instance, the crystalline structure of the weld showed that little or no thermal disturbance had occurred.

Mont-Cenis Ammonia-Making Process Based on Hydrogen Reclamation

The Mont-Cenis process of manufacturing ammonia is based on the recovery of hydrogen from waste gases of byproduct coke plants. This gas contains about 50 per cent of hydrogen and the recovery is made under high pressure which liquefies the other constituents and leaves the hydrogen in its gaseous form. After purification by a special process, the hydrogen is combined with nitrogen to form ammonia. The nitrogen is obtained from liquid air.

It is not positively established at this time that this waste hydrogen can be cheaply utilized in this manner. However, it is believed that the cost of production is lower than that of the Haber-Bosch process of direct ammonia synthesis operated by the Badische Aniline Co.

The Mont-Cenis process seems to offer the advantage that it can be operated on a small scale in connection with coke plants. If a large number of German coke plants should be so equipped, production of ammonia would increase and prices decline.

Value of Products of Carbonization

The yield per ton of coal carbonized under the high-temperature processes is higher than under the low-temperature system. Based upon coke at \$7 per ton, gas at 30c. per M cu.ft. under high temperature and 55c. under low-temperature carbonization, light oil at 15c. per gal., tar at 5c. per gal. and ammonium sulphate at 3c. per lb., the return per ton of coal treated by high-temperature carbonization will be \$10.37 and under low-temperature, \$9.04.

THERE is a school of economic thought embracing not a small minority of our people which believes that our natural resources should be either controlled or operated by the government. It is in this field that American business must scrupulously carry on its operations in such a manner that this minority cannot justifiably claim that business is not operated in the public interest. Coal, oil, water power and lumber are all subject to attacks from this group, and the progress of the trade associations representing these industries is vital to the fundamental principles of the right of individual initiative on which this government was founded.—*John W. O'Leary, president of the U. S. Chamber of Commerce.*

Among the Coal Men

Joseph T. O'Neal, Jr., and his brother Emmet O'Neal, of the Emmet O'Neal Coal Co., who ran for Mayor and Sheriff at Louisville, Ky., in the fall of 1925, and were defeated by a small majority through alleged irregularities, have been upheld by the Kentucky Court of Appeals. On June 14 the court threw out the election because of fraud. It is believed that the two O'Neals will be seated, as they ran on the Democratic ticket, which elected the Governor and also the majority in the Court of Appeals. The O'Neal boys have been active as lawyers and business men for years. They were behind the establishment of a Bussey coal process plant at Louisville and also organized the coal company some years ago. Their father, the late Joseph T. O'Neal, Sr., coal man and attorney, was defeated for Mayor of Louisville in 1905 in an election which also was thrown out by the Court of Appeals, but the elder O'Neal was not given the post. Men appointed now will serve until November, when there will be a fresh election, in which the O'Neals probably will be nominees.



Ralph H. Knode

Ralph H. Knode, president of the General Coal Co., Philadelphia, Pa., was a conspicuous absentee from the National Coal Association convention, last week. He was suddenly called to Europe on business.

John Glazer, vice-president and general manager of the Midland Coal Sales Co., Cincinnati, Ohio, has been elected director of the American Wholesale Coal Association.

Fred Moss, former superintendent at the Nyota and South Carbon operations of Moss & McCormack, in Jefferson County, Alabama, has been made superintendent of the mines at Howard, Fayette County, near Carbon Hill, where two new slopes recently were placed in operation.

F. M. Miller, who recently succeeded E. R. Robertson as Western manager of the Raleigh Smokeless Fuel Co., with

offices at Cincinnati, has been promoted to more extended activity in the general offices of the company at Norfolk, Va.

A. B. Spencer has been appointed as mine inspector in the Elkins district of West Virginia as successor to C. W. Stuart, resigned, according to an announcement made by Robert M. Lambie, chief of the State Department of Mines. Mr. Spencer has heretofore made his headquarters at Junior, in Barbour County, where he has been superintendent of the Gage Coal & Coke Co. for the last ten years. C. W. Stuart resigned following the transfer of his office from Thomas, in Tucker County, to the City of Elkins, which the department believes is more centrally located for inspection purposes. The Elkins station is well equipped, having a modern mine rescue truck which is available for use in answering calls from mines in the district.

H. Newhall, formerly the head of the Newhall Coal Co., Cincinnati, Ohio, has joined the forces of the Central Poca-hontas Coal Co. with headquarters in Indianapolis and with southern Indiana as his territory.

W. L. Affelder, assistant to the president of the Hillman Coal & Coke Co., Pittsburgh, Pa., recently was elected a trustee of Pennsylvania State College. He was graduated from the School of Mines at Penn State in 1899.

Thomas F. Jennings, superintendent of the Utah Copper Co.'s foundry, has been elected president of the new Fleming Coal & Coke Co., which has 1,800 acres of coal lands in Emery County, Utah. The company has opened offices in the Walker Bank Building, Salt Lake City. An official of the company said that they expect to market coal in 90 days. Later they hope to do a big coke business. The company's property is but six miles from the coking-coal mine of the Columbia Steel Corporation.

Colonel C. W. Watson, president of the Consolidation Coal Co., on a recent visit to the Fairmont, (W. Va.) offices of the company indicated that progress was being made with the plans calling for the concentration of production activities of the Consolidation company in Fairmont, in conformity with the decision of the board of directors last year. At the time the board took its action last year it was indicated that most of the departments of the corporation now located in New York and Baltimore would be transferred to Fairmont.

Harold S. Kinney has been appointed general sales manager of the O'Gara Coal Co., Chicago. Mr. Kinney's most recent connection was with the Chicago, Wilmington & Franklin Coal Co., with which he was associated for nine years. E. W. Broeckl, who has been with the O'Gara company for several years, will continue as assistant sales manager. J. G. Bently, formerly with the Peabody Coal Co., has been appointed fuel and service engineer.

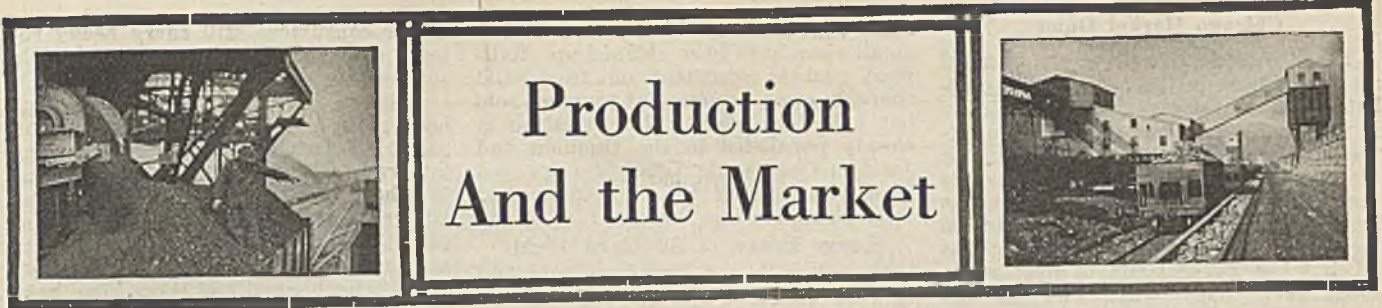
Obituary

Sam McLaughlin, assistant sales manager for the Virginia Fuel Co. and known to most mining men in the West Virginia and Kentucky fields, was found dead in bed in the Hotel Gibson, Cincinnati, Ohio, June 12. While heart trouble was given as the immediate cause of death, further investigation showed that he had been in a battle only a few hours before and had received wounds that necessitated treatment by a surgeon. It later developed at a coroner's hearing that he had won a large sum of money at the races and that he had a dispute with some men later in gaming that followed and in which he had been badly handled. Coroner Swing later in the week reversed his original decision regarding McLaughlin's death and said that he would open an inquest. McLaughlin had a spectacular career on the Cincinnati market, beginning about fifteen years ago when he joined the forces of the Consolidation Coal Co. During the war he operated his own company and was very successful, but his predisposition to be a good fellow resulted in his seeking employment successively with the Hutchinson Coal Co., and the Central Fuel Co. About six years ago he became assistant sales manager for the Virginia Fuel Co.



W. H. Clingerman

The late president of the H. C. Frick Coke Co., Pittsburgh, Pa., whose unexpected death occurred June 13, was buried with simple ceremonies attended by a host of sorrowing friends. He was president of the United States Coal & Coke Co., Connellsville & Monongahela Ry., Cumberland Coal Co., Franklin Township Water Co., Hostetter Connellsville Coke Co., Mingo Coal Co., Mount Pleasant Water Co., National Mining Co., Republic Connellsville Coal & Coke Co., Sewickley Water Co., Sharon Coal & Limestone Co., Standard Water Co., Trotter Water Co., United States Fuel Co., United States Steel Pension Fund and the Youghioheny Northern Ry.



Midsummer Indifference Still Grips Soft Coal; Buying Interest in Anthracite Wanes

Midsummer indifference still grips the bituminous coal markets of the country. Despite the fact that current production is running behind that of a year ago, the buying public refuses to be alarmed by the labor situation in the unionized fields and feels secure in the belief that present output plus stockpiles, which even now are above the seasonal average, will take care of industrial and domestic fuel requirements of the country.

The Head of the Lakes alone presents evidence of buying activity. Elsewhere the producer is exerting sharp pressure to induce consumers to take in coal—and spot prices suffer in the process. The heart of the region where the suspension of union operations has been most effective exhibits less concern over the situation than communities adjacent to strong non-union producing fields. And Duluth and Superior confess that current business in that vicinity is somewhat below what is usual for May.

Spot Prices Receding

Spot prices have weakened all along the line during the past week. Possibly the most striking change has been in the Pittsburgh district where the average has declined 10c. Whether this is due to the increase of non-union operations in western Pennsylvania or anticipated benefits from the recent decision of the Interstate Commerce Commission in the lake cargo case, or

merely the pressure from West Virginia, is not clear.

Both high- and low-volatile prices are slightly off in West Virginia and the wide spread between maximum and minimum quotations in the high-volatile fields gives evidence of the unsettled conditions in those areas. Nominally Kentucky quotations show no great change, but there is an undercurrent of weakness which may become more marked with the resumption of production in districts recently cut off by floods. Coal Age Index of spot bituminous prices was 152 on June 20 and the corresponding weighted average price was \$1.84. This was a decline of 2 points and 2c. from the tentative figures for June 13.

Production Well Maintained

All things considered, production is well maintained. The U. S. Bureau of Mines estimates the output for the week ended June 11 at 8,522,000 net tons, as compared with 7,379,000 tons the preceding week and 9,624,000 tons a year ago. Preliminary estimates for the first two days of last week pointed to a slight gain in tonnage. Pennsylvania production is only a few thousand tons under the figures for 1926 and 1925 and West Virginia continues to go ahead, while extraordinary increases are registered by western Kentucky.

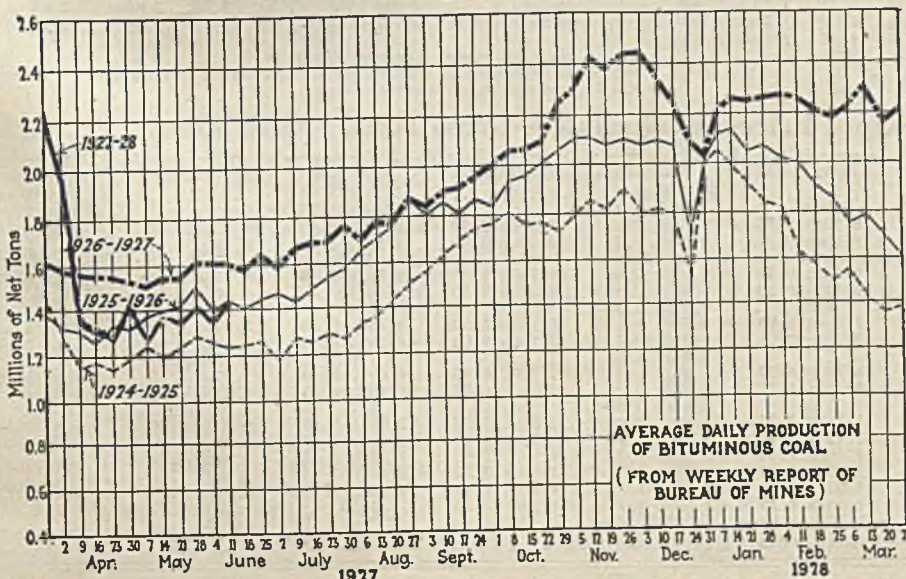
Lake dumpings for the week ended at 7 a.m. June 20 showed a small decline when compared with the preceding

week—1,189,065 tons against 1,229,347 tons. During the week ended Monday morning cargo dumpings totaled 1,140,422 tons and vessel fuel, 48,643 tons. The seasonal movement to date, however, is over 4,200,000 tons greater than it was at this time last year, when opening of navigation was delayed for several weeks.

Anthracite Consumers Not Buying

Consumer interest in anthracite purchases is temporarily at least on the wane. Stove and egg still retain something of their former strength, but nut and pea are in disfavor and independent prices on these sizes are weaker. Steam sizes too are dragging. Many operators are curtailing production to bring it in line with current buying and reports from the region indicate a disinclination on the part of a number of producers to put coal into storage.

Although there has been a recovery in the spot market on furnace coke in the Connellsville region, the general position of the trade is weak. Independent ovens find buyers reluctant to enter into third-quarter contracts at \$3.50 and some business has been closed at 25c. less. In the meantime production is steadily declining. A more cheerful picture, both from the standpoint of current demand and contract renewals is presented in the Birmingham district, where contract foundry coke is firm at \$5.50 and spot at \$6.



Estimates of Production

(Net Tons)

BITUMINOUS

	1926	1927
May 28.....	9,683,000	8,476,000
June 4 (a).....	8,660,000	7,379,000
June 11 (b).....	9,624,000	8,522,000
Daily average.....	1,604,000	1,420,000
Cal. yr. to date (c)	241,208,000	253,862,000
Daily av. to date.....	1,757,000	1,849,000

ANTHRACITE

May 28.....	2,089,000	1,844,000
June 4 (a).....	1,678,000	1,571,000
June 11 (b).....	2,083,000	1,732,000
Cal. yr. to date (c)	31,056,000	38,456,000

BEEHIVE COKE

May 28.....	194,000	125,000
June 4 (a).....	195,000	148,000
June 11 (b).....	196,000	139,000
Cal. yr. to date (c)	6,119,000	4,078,000

(a) Revised since last report. (b) Subject to revision. (c) Adjusted to equalize number of days in the two years.

Chicago Market Quiet

There is little to relieve the general air of dullness in the Midwestern market. Demand for steam coal in Chicago is fair, it is true, but prices are unaffected. West Kentucky screenings can be had at \$1.25@\$.1.40 and domestic lump from the same field is offered as low as \$1.75 for best prepared. Eastern Kentucky fancy block sells as high as \$3, but the general run of first grade block from both West Virginia and eastern Kentucky is \$2.25@\$.2.50.

West Virginia smokeless is holding up reasonably well, with mine-run at \$1.75@\$.2.25 and prepared sizes at \$3.25@\$.3.75. The demand for anthracite is slightly better than for several weeks and coke shows signs of improvement. Retailers are not worrying over the strike and show no inclination to stock Illinois coal to an unusual extent because of the labor situation.

In the southern Illinois mining field tonnage is moving very slowly. Domestic lump is still plentiful, though

some egg, most of the nut and all the small sizes have been cleaned up. Railroad coal is abundant on track and there is some commercial tonnage sold but held for orders. This situation is closely paralleled in the Duquoin and Jackson County districts. Storage coal is moving out of the Mt. Olive field with disappointing slowness.

Lump Drags in Standard Field

Operators in the Standard field find it hard to move storage piles of domestic lump at present asking prices, and all mines have a large supply. The price situation is unchanged. Aside from moderate orders for storage, all branches of the trade are quiet in St. Louis. Dealers' yards are well filled with the better grades of coal.

Rumors that Kentucky prices will be advanced on July 1 are current in the Louisville market. Whether buyers will place orders for tonnage at higher figures, however, is problematical. Retail demand is easier. Steam trade inquiries are on the increase, but most of the

larger consumers still carry heavy reserve stocks so that there is no tangible support for a broader market.

Western Kentucky production has been going along at a high rate. The eastern fields have recovered from the interruptions which followed the floods in that section a few weeks ago. Hazard and Elkhorn shipments are increasing and the Harlan County mines are active. The general price list, however, is unchanged and there have been some concessions in quotations on western Kentucky prepared sizes.

Head of the Lakes Steady

Docks at the Head of the Lakes are gratified with the way in which business is moving. Industrial consumers and public utilities have displayed increasing interest in the market and many are showing more willingness to contract for substantial tonnages at current prices. Despite this favorable situation, however, the shipments from the docks have been slightly below the May averages.

Current Quotations—Spot Prices, Bituminous Coal—Net Tons, F.O.B. Mines

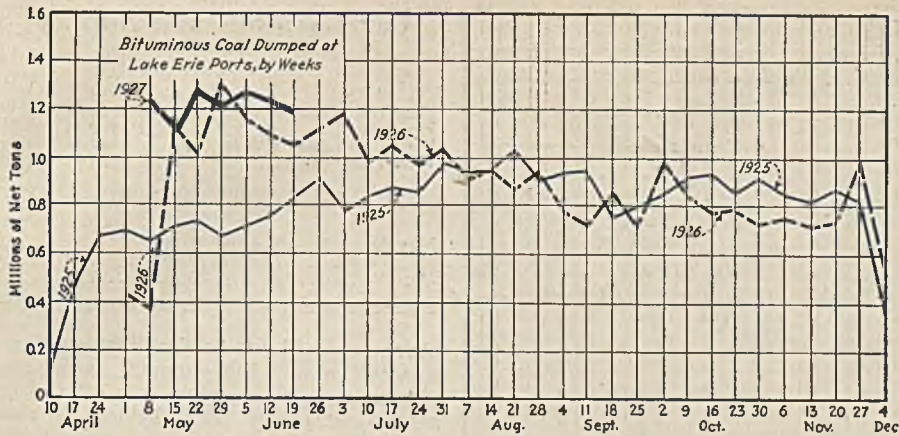
Table with multiple columns: Low-Volatile, Eastern; High-Volatile, Eastern; Midwest; South and Southwest. Columns include Market Quoted, and dates June 21, 1926; June 6, 1927; June 13, 1927; June 20, 1927. Lists various coal types and prices.

*Gross tons, f.o.b. vessel, Hampton Roads. †Advances over previous week shown in heavy type; declines in italics. ‡Quotations withdrawn because of strike.

Current Quotations—Spot Prices, Anthracite—Gross Tons, F.O.B. Mines

Table with columns: Market Quoted, Freight Rates, and dates June 21, 1926; June 13, 1927; June 20, 1927. Lists anthracite coal types and prices.

*Net tons, f.o.b. mines. †Advances over previous week shown in heavy type; declines in italics. ‡Domestic buckwheat (D. L. & W.), \$3.50



quoted at \$1.75@\$2 and at the other end, \$2.50@\$2.75. Egg is stronger, but slack and mine-run are softer.

Coal movement through the Cincinnati gateway last week totaled 14,288 cars, an increase of 1,928 cars over the preceding week, but 56 cars less than a year ago. The greatest gain—1,568 cars—was made by the Louisville & Nashville. The total included 3,364 cars en route to the lakes. The number of empties en route to the mines increased from 14,053 to 14,712 cars.

Ohio Situation Unchanged

There has been no material change in the market situation in northern and central Ohio during the past week. Bargain prices on both steam and domestic grades have had little effect upon sluggish buying at Columbus. Retailers are well stocked up and now buy sparingly. Steam buying is slow and the market in industrial coals featureless. Better control of lake movement, however, is keeping distress coal off the Columbus market. The Cleveland market is quiet and coal is plentiful.

Prices are weaker in the Pittsburgh district and there is nothing in sight to indicate an early improvement in

There has been such a liberal run of cargoes from the lower ports that the docks at Duluth and Superior have been building up stockpiles. Supplies on hand as of June 1 were estimated at 3,255,000 net tons of bituminous coal and 511,000 tons of anthracite. During the second week of June 56 cargoes of coal were unloaded and 26 vessels were reported en route. Prices are firm.

Cool weather has stimulated domestic buying at the Twin Cities—but only to a moderate degree. Anthracite demand lags and the volume of movement of substitute fuels gains. Steam buying is irregular, but prices are steady. Trade at Milwaukee is quiet, but retailers are pushing for orders. Prices on Pocahontas to the domestic consumer have been advanced 50c.

Southwestern Market Stronger

The market for Kansas coal continued firm last week with one operator reporting as high as \$4.25 for shaft-mined lump—an increase of 25c. over the quotations for the preceding week. Shaft-mined screenings were firm at \$2.75, with strip-pit crushed mine-run and screenings at \$2.60@\$2.65. June prices in other Southwestern fields remained unchanged, with domestic inquiry moderate and steam demand reasonably active.

Little, if any improvement, is noticeable in domestic demand in the Colorado market despite cooler weather. Steam buying also is light. Mines are not averaging over 2½ days per week. "No bills" of the larger domestic sizes are increasing, but there is no real accumulation of nut or steam sizes. Wyoming coals are enjoying a fair demand.

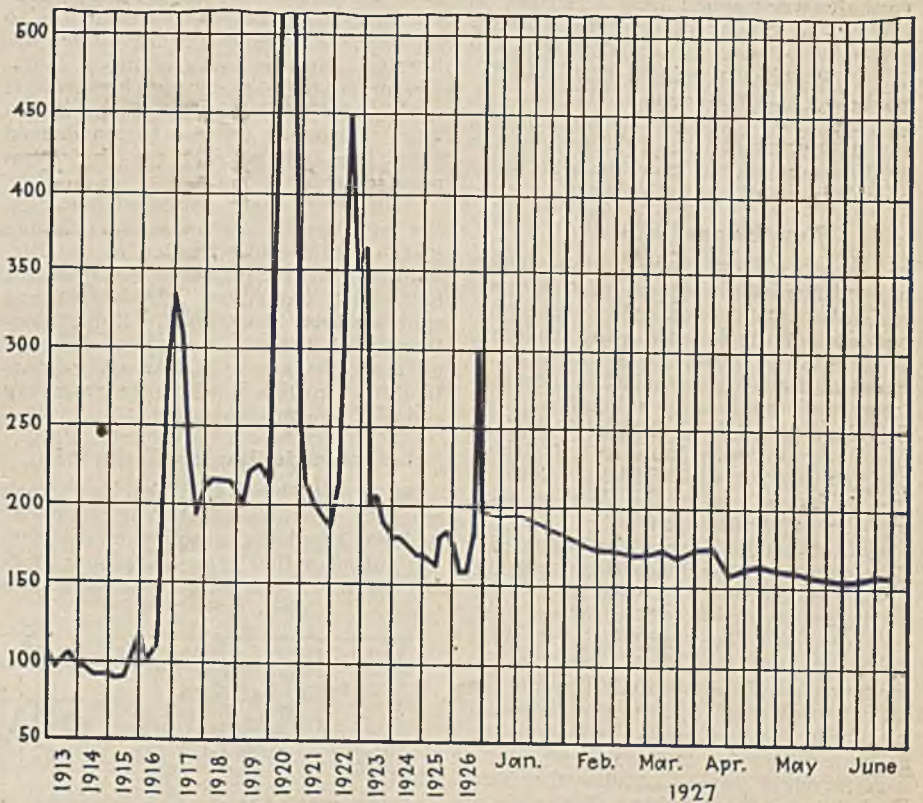
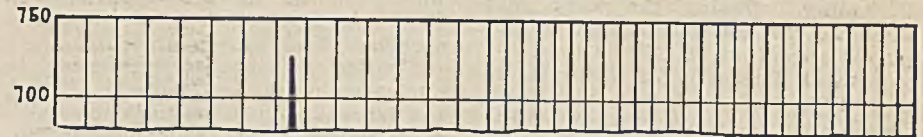
There is no change in the Utah situation. Mines are working less than half-time, but this does not keep down the surplus of slack coal. What business there is in the larger sizes is for storage. The steam movement is below the seasonal average, but there has been no real slump outside of slack and prices have not broken. The labor situation is satisfactory.

Listlessness in Cincinnati

Listlessness has fallen upon the Cincinnati market and there is a dearth of new orders and of inquiries. Outside pressure is exerted to further depress prices, with lake buyers offering 10@25c. per ton less for slack than is quoted on all-rail tonnage. Smokeless mine-run sold down to \$2 last week and there was some shading in prices on

lump and egg. Slack, after slipping fast, made some recovery; at the end of the week the minimum had worked back to \$1.75.

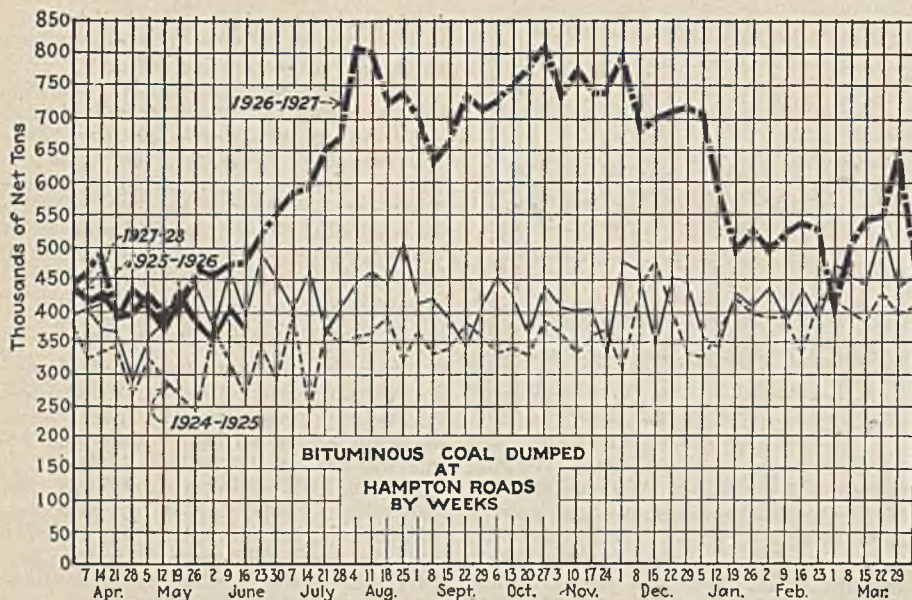
The spread in prices in the high-volatile fields continues wide. Some shippers, comfortably fixed with high-grade tonnage, are holding out for maximum figures, but other less fortunately circumstanced cut sharply, particularly on domestic sizes, to move coal. As a result at one end of the string 4- and 6-in. lump and block are



Coal Age Index of Spot Prices of Bituminous Coal F.O.B. Mines

	1927				1926	1925
	June 20	June 13	June 6*	May 30*	June 21	June 22
Weighted average price.....	\$1.84	\$1.86	\$1.85	\$1.86	\$1.92	\$1.95
Index	152	154	153	154	158	161

This diagram normally shows the relative, not the actual, price on fourteen coals, representative of nearly 90 per cent of the bituminous output of the United States, weighted first with respect to the proportion each of slack, prepared and run of mine normally shipped, and second, with respect to the tonnage of each normally produced. The average thus obtained was compared with the average for the twelve months ended June, 1914, as 100, after the manner adopted in the report on "Prices of Coal and Coke: 1913-1918," published by the Geological Survey and the War Industries Board. Owing to the suspension of operations in certain unionized fields the figures since April 2 have been reweighted to cover present-day tonnage. Figures for June 6, 13 and 20 are tentative only. *Revised.



demand. Inquiry for Pittsburgh and Fairmont coal for lake shipment after Aug. 10 apparently has not developed any actual orders. The open-shop movement in western Pennsylvania is spreading. During the week ended June 11 the Pittsburgh Coal Co. reported an output of 133,468 tons.

Central Pennsylvania loadings the second week of the month increased to 13,288 cars as compared with 10,517 cars the week ended June 4. Prices on the better grades of coal are slightly stronger. Pool 1 is \$2.45@2.60; pool 71, \$2.30@2.45; pool 9, \$2.15@2.25; pool 10, \$1.85@2; pools 11 and 18, \$1.75@1.80. Neither prices nor demand have shown improvement in the Buffalo market, but there is practically no consignment coal offering.

New England Still Dull

The story from New England is one of continued dullness. A few shippers try to force coal upon reluctant buyers, but most of the factors in the trade are co-ordinating output and current demand so that less is heard of accumulations at the Southern loading piers. Standard pool 1 is held at \$4.50@4.60, f.o.b. vessels, with some less desirable coal selling at \$4.30@4.40. Demand for smokeless coal in the West is helping the price situation.

Quotations f.o.b. cars for inland deliveries from Providence, Portland and Boston fluctuate with the necessities of the supply depots. Most of the coal, however, has been moving at \$5.50@5.75 per net ton, f.o.b. cars at the loading port. There is little demand for all-rail coal from central Pennsylvania although some shippers continue an active canvass for business.

A stronger tone pervades the New York bituminous market. Optimism is more common and indications of heavier buying are bright. Purchasing agents are making inquiries with greater frequency and there is a feeling that definite improvement will be a fact before the end of July. Contract coals are moving steadily, but spot buying is slow and uncertain. Spot quotations, however, are well maintained.

Shippers find it very difficult to create any action in the Philadelphia bituminous trade. Stockpiles are diminish-

ing, but the total tonnage in reserve, of course, is still above the average and this militates against forward buying. Public utilities continue to take on supplies, but railroad fuel agents show less interest in the market—apparently in the hope that indifference will mean sacrifice offers by the producers.

Despite a moderate tightening in quotations on the better grades of fuel, the general level of prices in the Baltimore market is low. The slight stiffening in certain classes has been due to an increase in inquiries for future deliveries. Nothing suggesting a shortage or scarcity in supply, however, is visible and the majority of the industrial consumers are content to depend upon the spot market for their fuel requirements.

Aside from more scattered inquiries, the past week has witnessed no change in the steam-coal situation in the Birmingham district. Few of the inquiries have been translated into orders and spot business is extremely light. Contract movement is low. Free tonnage of domestic sizes is increasing—particularly in lump, which is worrying some of the producers.

Anthracite Buying Backward

Anthracite buying in the New York market is backward. Operators appear to have adopted the policy of restricting output rather than increasing storage to meet this situation. Egg and

Car Loadings and Supply

	—Cars Loaded—		—Car Shortages—	
	All Cars	Coal Cars	All Cars	Coal Cars
Week ended June 4, 1927.....	911,298	139,572		
Week ended May 28, 1927.....	1,026,397	165,723		
Week ended June 3, 1926.....	944,864	154,550		
Week ended May 29, 1926.....	1,081,164	177,600		
	—Surplus Cars—			
	All Cars	Coal Cars		
May 31, 1927... ..	256,488	78,148		
May 23, 1927... ..	248,771	77,304		
May 31, 1926... ..	257,926	75,253		

stove are still active, but less so than a week ago. Independent coals are sluggish and concessions are offered in some quarters on straight lots of nut and pea. Steam sizes are easy, with independent quotations much lower than company circulars.

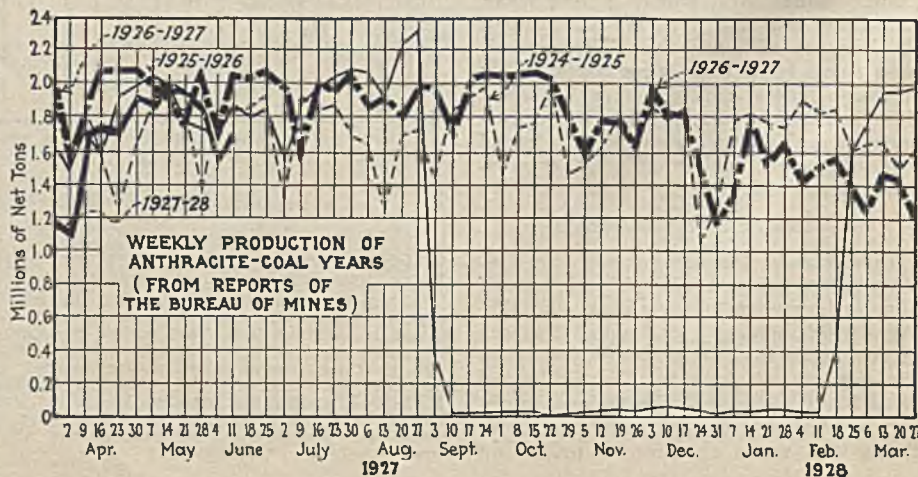
Philadelphia demand also is receding. Retail yards are well stocked and the retail distributors show no inclination to take on further commitments. Nevertheless there are few cut-price offers made to move tonnage. As at New York, stove and egg retain an appearance of strength, but other sizes are easy. Reduced running time is helping the steam sizes, but the movement is draggy.

Most Baltimore dealers report a normal trade in anthracite for this season of the year. Buffalo buying is backward and no immediate change in the situation is anticipated. Lake shipments, however, are increasing. During the week ended June 16 the dumpings totaled 45,900 tons. About half of this tonnage was cleared for Milwaukee. The Toronto domestic trade is quiet.

Stronger Tone in Furnace Coke

Decrease in the amount of coke on track in the Connellsville region has stiffened spot furnace quotations following the recent slump. The market now is fairly steady at \$2.85@3, with little coke to be had under \$2.85. Some third-quarter business has been closed at \$3.25, but most ovens are holding out for \$3.50, although some would be willing, it is said, to close for the half-year at \$3.25.

Production of beehive coke in the Connellsville and Lower Connellsville region during the week ended June 11 was 96,900 net tons, according to the Connellsville Courier. Furnace-oven output was 60,700 tons, a decrease of 6,700 tons when compared with the pre-



Bituminous Coal Loaded Into Vessels at Lake Erie Ports During Season to End of May

(In Net Tons)

Ports	Railroads	1927			1926			1925		
		Cargo	Fuel	Total	Cargo	Fuel	Total	Cargo	Fuel	Total
Toledo.....	Hocking Valley.....	2,439,940	67,584	2,507,524	1,650,366	46,881	1,697,247	1,867,930	56,230	1,924,160
	Big Four.....	566,361	1,082	567,443	303,911	1,377	305,288	310,425	330	310,755
	N. Y. C.-Ohio Central Lines.....	793,167	36,286	829,453	371,958	18,461	390,419	138,659	12,991	151,650
	Baltimore & Ohio.....	813,893	24,066	837,959	519,927	13,848	533,775	536,564	17,385	553,949
Sandusky.....	Pennsylvania.....	1,993,799	56,574	2,050,373	1,071,060	30,065	1,101,125	920,309	28,507	948,816
Huron.....	Wheeling & Lake Erie.....	156,103	5,235	161,338	188,461	7,980	196,441	200,977	9,763	210,740
Lorain.....	Baltimore & Ohio.....	633,179	34,871	668,050	244,386	22,274	266,660	41,645	25,588	67,233
Cleveland.....	Pennsylvania.....	222,241	22,416	244,657	62,301	17,475	79,776	13,261	27,501	40,762
	Erie.....	17,519	572	18,091	18,138	1,252	19,390
Fairport.....	Baltimore & Ohio.....	389,251	23,587	412,838	48,668	10,917	59,585	44,497	18,239	62,736
	New York Central.....	420,540	21,968	442,508	21,946	8,313	30,259	89,583	22,899	112,482
Ashtabula.....	Pennsylvania.....	148,085	7,474	155,559	183,192	10,922	194,114	85,704	10,773	96,477
	Bessemer & Lake Erie.....	174,805	33,094	207,899	233,597	29,117	262,714	202,381	47,569	249,950
Conneaut.....	Pennsylvania.....	176,821	17,533	194,354	32,441	9,561	42,002	23,554	12,187	35,741
	Totals.....	8,945,704	352,342	9,298,046	4,932,214	227,191	5,159,405	4,493,627	291,214	4,784,841
Storage Loading.....		*126,460	2,654	129,114	*60,142	774	60,916	*33,017	1,048	34,065

*Coal loaded into vessels in December of previous year, after close of navigation, and forwarded from Lake Erie ports during year indicated. Compiled by Ore & Coal Exchange, Cleveland, Ohio; H. M. Griggs, manager.

ceding week. Merchant-oven output was 36,200 tons, a decrease of 1,090 tons.

Third-quarter contracts on foundry coke in the Birmingham district are being closed at the second-quarter figure of \$5.50 per ton. Spot foundry coke is firm at \$6. There is a fair demand for domestic coke at \$4.50 for egg, \$4.20 for stove and \$3.70 for nut, f.o.b. ovens. Domestic coke is easy in Buffalo.

Byproduct Coke Production Shatters May Record

Output of byproduct coke in the United States during May amounted to 3,792,000 net tons, an increase of 85,000 tons, or 2.2 per cent, when compared with the April production. It was the

largest output ever shown for May, being 1.4 per cent and 15.6 per cent higher than 1926 and 1925, respectively. The daily rate for the 31 working days in May was 122,323 tons, 1 per cent less than the rate of 123,567 tons for the 30 days in April. The 77 active plants produced about 84 per cent of their capacity.

Production of beehive coke during May shows a decided drop in comparison with April, the total being estimated at 630,000 tons, a decrease of 150,000 tons, or 19 per cent. The daily rate of 24,231 tons also was 19 per cent lower than the rate for April.

Output of all coke was 4,422,000 tons, of which 86 per cent was produced in byproduct ovens and 14 per cent in beehive ovens.

Byproduct and Beehive Coke Output In the United States by Months*

	(In Thousands of Net Tons)		
	Byproduct	Beehive	Total
1924 monthly average..	2,833	806	3,639
1925 monthly average..	3,326	946	4,272
1926 monthly average..	3,712	957	4,669
February, 1927.....	3,435	754	4,189
March, 1927.....	3,879	890	4,769
April, 1927.....	3,707	780	4,487
May, 1927.....	3,792	630	4,422

*Excludes screenings and breeze.

The total quantity of coal consumed at coke plants during May was about 6,442,000 tons, of which 5,448,000 tons was charged in byproduct ovens and 994,000 tons in beehive ovens.

Estimated Coal Consumed Monthly In Manufacture of Coke

	(In Thousands of Net Tons)		
	Byproduct	Beehive	Total
1924 monthly average..	4,060	1,272	5,332
1925 monthly average..	4,759	1,452	6,211
1926 monthly average..	5,334	1,509	6,843
February, 1927.....	4,935	1,189	6,124
March, 1927.....	5,573	1,404	6,977
April, 1927.....	5,327	1,230	6,557
May, 1927.....	5,448	994	6,442

Of the total production of byproduct coke during May, 3,133,000 tons, or 82.6 per cent, was made in plants associated with iron furnaces, and 659,000 tons, or 17.4 per cent, was made at merchant or other plants.

May Lease Virginian Ry. to Chesapeake & Ohio

An offer by common stockholders of the Virginian Ry. to lease their road for a 12 per cent rental is reported to be under consideration by the Chesapeake & Ohio to add another seaport, Hampton Roads, to the lines of the C. & O. system, now being discussed before the Interstate Commerce Commission.

Two years ago the Norfolk & Western, presumably inspired by its largest stockholder, the Pennsylvania, tried to lease the Virginian, but the plan was rejected by the I. C. C. President W. J. Harahan of the C. & O. testified during one of the hearings on the Chesapeake merger that control of the Virginian was under consideration. Earnings of the Virginian have shown large gains in the past four months, April revenues showing an increase of 71 per cent over a year ago and the first four months an increase of 46 per cent.

Green Opposes Government Control of Power; Says Labor Welcomes Electrification

Government control of public utilities is strongly opposed by organized labor in this country, William Green, president of the American Federation of Labor, declared last week before the National Electric Light Association at its convention in Atlantic City, N. J. He also announced that organized labor welcomes the electrification movement, which it believes inures to the benefit of the wage earner.

Mr. Green said that industrial freedom is as essential as political freedom, and that the former can be retained only by leaving industry to private initiative.

"Let us hope," he said, "that our nation will always remain free from governmental, autocratic and dictatorial control of its industries and its workers. The workers prize these blessings and benefits very highly because they mean more to them than to other classes of our citizenship. They cherish them as priceless rights and they are determined to transmit them as a heritage to their children and to succeeding generations.

"There is no industry in America which occupies a more strategic position than the electric power industry. With all the advancement it has made there is still a great and ever-broadening opportunity in the homes, in the factories and in the transportation systems of all countries for its further extension and use. The comforts of home life, the heat, light and service supplied the communities and the commercial, scientific and educational use, all mean that the electric power industry will succeed, even though other industries may be affected by economic or industrial changes.

"American labor welcomes the extended use and development of electric power and electric service. We wish to be helpful in promoting the success of this great industry. Labor offers its service, its skill and its constructive effort in building up and in extending the industry which you represent, so that the human race may enjoy in full measure the advantages and opportunities of our modern civilization."

Foreign Market And Export News

British Trade More Hopeful; French Licenses Liberal

Prospects of larger coal shipments to France is restoring the confidence of the British export trade, according to cabled advices to the Department of Commerce from its representative at London. The general outlook is considered much more favorable.

It is officially reported that French import licenses have been granted for 2,800,000 tons of British coal for June, July and August delivery, which represent a higher monthly average than for any previous month in 1927.

May exports of coal were 4,800,000 gross tons, an increase of 16 per cent over April. Output for the week ended June 4 was 5,102,900 gross tons. Employment decreased slightly during the week.

Sir Burton Chadwick, Parliamentary Secretary to the Board of Trade, stated recently, in reply to a question by Commander Bellairs, that the Board of Trade estimated that in 1913 exports of coal accounted for 80 per cent of the weight of the total exports of goods the produce and manufacture of the United Kingdom. Corresponding estimates have not been made by the Board of Trade for recent years, but according to estimates made by the Liverpool Steam Ship Owners' Association, the corresponding proportions would be as follows: 1923, 82 per cent; 1924, 79 per cent; 1925, 76 per cent; 1926, 62 per cent.

Belgian Market Maintains Favorable Position

Brussels, Belgium, June 9.—Business in the Belgian coal market maintains a favorable basis. Semi-bituminous is much favored among industrial grades. Coking smalls, too, are in more active demand, with quotations 137@142 fr. for good qualities. The call for smalls for brick and lime plants is relatively favorable for this time of the year. Many collieries are drawing upon stocks.

Household coals are generally in good position. Prices remain steady, especially for anthracite grades. There have been no new developments in the coke market. While it is argued that some of the consuming industries are

not yet on a stable basis demand is growing, mainly from France. The situation in patent fuels is uneven, but ovoids continue to enjoy favor.

Coal output by Belgian mines in April was 2,280,380 tons, against 2,277,400 tons in March. Stocks in May totaled 1,275,020 tons, compared with 1,105,020 tons a month earlier. Coke production in April was 440,100 tons, against 432,800 in the preceding month and a monthly average of 293,580 tons in 1913. Patent-fuel output in April totaled 121,700 tons, compared with 141,590 tons in March and a monthly average in 1913 of 217,220 tons.

French Market Sluggish; Mine Stocks Heavy

Paris, France, June 9.—Effort to stimulate coal distribution have proved of little effect; the market continues dull and featureless. Stockpiles at the mines in all fields are uncomfortably large.

There has been scarcely any cessation of the storm of protests by interests affected by the decree establishing a license system regulating coal imports. It is generally understood, however, that authorizations will be liberally granted whenever French coal is not adversely affected by dumping practices. The purpose of the measure is to compel the French to buy native coal and so help the French mining industry, which is threatened seriously by unemployment. It probably also is to insure a more favorable trade balance.

In conformity with a recently announced plan of shipping Nord and Pas-de-Calais coal by steamer from Dunkirk to French Atlantic ports the mines of the Courrières have received an order from the Bordeaux Gas Co. for 1,500 tons of unscreened coal at about 140 fr. c.i.f. Bordeaux, which represents about 95 fr. at the pithead. Operators in the Center and South have protested against this arrangement, being unable to take advantage of it and claiming this business as rightfully theirs.

Receipts of indemnity fuel through Strasbourg during May totaled 147,500 tons, of which 900 tons was coke and the remainder raw coal.

Production of coal, coke, and patent fuel in the Nord and Pas-de-Calais dis-

tricts during the first three months of 1927 showed a considerable increase, amounting to 8,662,654 metric tons of coal, 796,480 tons of coke, and 475,414 tons of patent fuel. Figures for the first quarter of 1926 were 7,849,115, 685,108 and 658,748 tons, respectively, according to the U. S. Department of Commerce.

Based upon figures for the first quarter of the current year, it is estimated that the total production of the mines of the Nord and Pas-de-Calais for 1927 will reach 2,000,000 tons more than that of 1926, which amounted to 32,517,277 tons.

Export Clearances of Coal Week Ended June 16

FROM HAMPTON ROADS	
For Trinidad:	Tons
Dan. Str. Frederiksborg, for Port of Spain	2,596
For Martinique:	
Nor. Str. Edvard Much, for Fort de France	3,935
For British West Indies:	
Nor. Str. Skogheim, for Castries	3,997
For Brazil:	
Braz. Str. Aracaju, for Rio de Janeiro	4,284
For Cuba:	
Nor. Str. Gefion, for Havana	3,820
Nor. Str. Anders, for Santiago	1,820
For Virgin Islands:	
Amer. Str. Munabro, for St. Thomas	6,364
For Canada:	
Ital. Str. Labor, for Quebec	5,792
FROM PHILADELPHIA	
For Porto Rico:	
Am. Str. Onondaga, for San Juan	—

Hampton Roads Coal Dumpings*

(In Gross Tons)		
	June 9	June 16
N. & W. Piers, Lamberts Pt.:		
Tons dumped for week	114,422	128,041
Virginian Piers, Sewalls Pt.:		
Tons dumped for week	108,914	68,197
C. & O. Piers, Newport News:		
Tons dumped for week	139,406	137,482

*Data on cars on hand, tonnage on hand and tonnage waiting withheld due to shippers' protest.

Pier and Bunker Prices

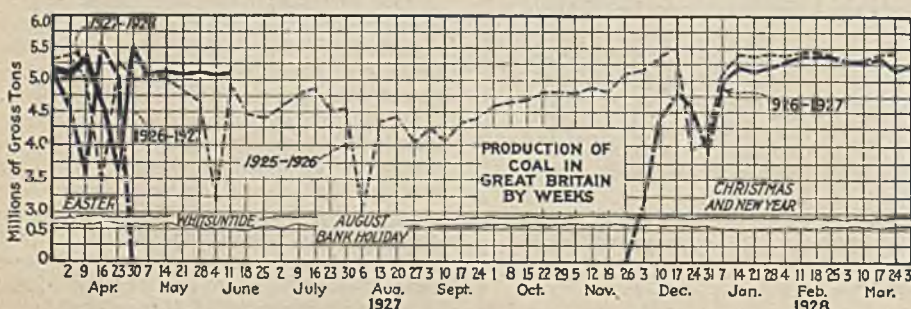
(Per Gross Ton)			
PIERS			
	June 9		June 16†
Pool 1, New York	\$5.50@	\$5.75	\$5.50@
Pool 9, New York	5.00@	5.25	5.00@
Pool 10, New York	4.75@	5.00	4.75@
Pool 11, New York	4.50@	4.75	4.50@
Pool 9, Philadelphia	4.80@	4.95	4.80@
Pool 10, Philadelphia	4.55@	4.80	4.55@
Pool 11, Philadelphia	4.35@	4.70	4.35@
Pool 1, Hamp. Roads	4.50		4.40@
Pool 2, Hamp. Roads	4.25@	4.40	4.25@
Pool 3, Hamp. Roads	4.00@	4.10	3.90@
Pools 5-6-7, Hamp. Rds.	4.00@	4.15	4.10@
BUNKERS			
Pool 1, New York	\$5.75@	\$6.00	\$5.75@
Pool 9, New York	5.25@	5.50	5.25@
Pool 10, New York	5.00@	5.25	5.00@
Pool 11, New York	4.75@	5.00	4.75@
Pool 9, Philadelphia	5.00@	5.20	5.00@
Pool 10, Philadelphia	4.80@	5.05	4.80@
Pool 11, Philadelphia	4.60@	4.95	4.60@
Pool 1, Hamp. Roads	4.60		4.50
Pool 2, Hamp. Roads	4.40		4.40
Pools 5-6-7, Hamp. Rds.	4.15		4.20

†Advances over previous week shown in heavy type; declines in *italics*.

Current Quotations, British Coal F.o.b. Port, Gross Ton

Quotations by Cable to Coal Age		
Cardiff:	June 11	June 18†
Admiralty, large	22s.	22s. 6d.
Steam smalls	14s. 6d.	14s. 6d.
Newcastle:		
Best steams	19s.	14s. 6d.
Best gas	16s. @ 17s.	17s. 3d.
Best bunkers	16s.	16s.

†Advances over previous week shown in heavy type; declines in *italics*.



Coming Meetings

International Chamber of Commerce. Fourth congress at Stockholm, Sweden, June 27 to July 2.

Michigan-Ohio-Indiana Coal Association. Annual convention at Cedar Point, Ohio, June 28-30. Secretary, B. F. Nigh, Columbus, Ohio.

Illinois and Wisconsin Retail Coal Dealers' Association. Annual convention, the Hotel Pfister, Milwaukee, Wis., June 28-30. Managing Director, N. H. Kendall, 706 Great Northern Bldg., Chicago, Ill.

Annual First-Aid Meet for championship of Pennsylvania (open to mining and industrial teams), Ebensburg Fair Grounds, July 9. Superintendent, H. D. Mason, Jr., Box 334, Ebensburg, Pa.

Second (Triennial) Empire Mining and Metallurgical Congress opens at Montreal, Can., Aug. 22 and continues to Sept. 28, under the auspices of the Canadian Institute of Mining and Metallurgy. Secretary, George C. Mackenzie, 604 Drummond Building, Montreal, Can.

New York State Coal Merchants Association. Fall meeting Sept. 8, 9 and 10 at Niagara Falls, N. Y. Executive secretary, G. W. F. Woodside, Albany, N. Y.

Industrial Notes

R. P. Shimmin has been appointed assistant to the chairman and the president of the Link-Belt Co. and will hereafter make his headquarters at 910 South Michigan Ave., Chicago. Frank B. Caldwell has been designated as sales manager with headquarters at the 39th St. plant in the same city and will have supervision over sales activities in the Western division.

The Automatic Coal Burner Co. came under complete control and ownership of the Pacific Coast Coal Co., Seattle, Wash., on June 1, with Wylie Hemphill as president of the subsidiary company.

The Union Trust Co. of Pittsburgh purchased the coal lands, bonds and notes of the Sullivan Pocahontas Coal Co. at a sale last week held in Welch by the U. S. Court for the Southern District of West Virginia. The price was \$160,000. The only other bidder was Sam Polon of Welch. The real property consisted of five tracts of coal land and in addition stocks in seven coal companies and notes and bonds. The sale was conducted by Frederick L. Thomas, special commissioner.

The Falk Corporation of Milwaukee, Wis., manufacturer of herringbone gears, speed reducers, steel castings, Diesel engines and flexible couplings, has opened an office in Chicago at 122 South Michigan Avenue. The office will be in charge of C. H. Thomas.

The Hyman-Michaels Co., Chicago, Ill., has appointed the Hofius Steel & Equipment Co., Seattle, Wash., as representatives in Washington and the Northwestern territory. The Hyman-Michaels Co. deal in new and relaying rails, logging and railroad equipment, also heavy machinery.

New Equipment

Desirable Features Combined In Wire Splicer

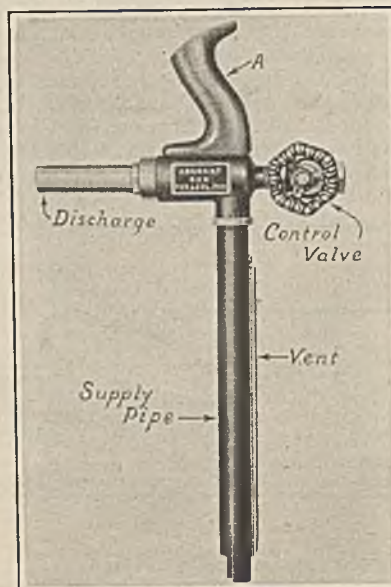
The type SL wire splicer, recently announced by the Westinghouse Electric & Manufacturing Co., of East Pittsburgh, Pa., is said to combine ease of installation with high mechanical strength and low electrical resistance. The wire groove is straight, and the device may be slipped entirely over one piece of wire when making a splice. The wire is held by $\frac{1}{8}$ -in. cup-pointed setscrews threaded through nonferrous nuts. These nuts are free to rock, and the greater the tension on the wire, the tighter the setscrews are drawn. This increases the mechanical strength, and reduces the electrical resistance of the splice.

Cement Projector Can Be Handled by One Man

To facilitate the coating or lining of new or old furnace walls with "Adamant" cement or other prepared refractory, the Botfield Refractories Co., Philadelphia, Pa., has brought out the gun shown in the illustration. It is designed to operate with compressed air at 50 to 80 lb. pressure and by reason of its light weight, which is approximately 4 lb., and the accessibility of the regulating valve, the operation is readily performed by one man. Steam can be used in place of compressed air if necessary, but for best results the use of air is recommended. The handle A is of wood and is so shaped that the gun is readily directed at any part of the wall.

In operation, the supply or suction pipe is placed in the cement or pre-mixed refractory, then the air is turned on and regulated by the control valve to give the desired flow.

To prevent plugging of the suction a

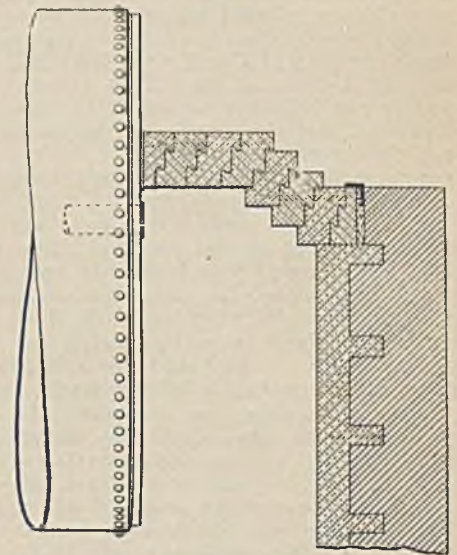


Portable Cement Projector

small vent pipe, open at the upper end and passing through the supply pipe close to the bottom, is added. The bottom of the supply pipe is cut away so that the flow is not restricted should the gun be rested on the bottom of the container from which the cement is being drawn.

Flexible Arch Tile Results In Better Construction

A flexible arch tile, enabling more economical and much easier arch construction and maintenance, has recently



Easy to Install and Repair

The illustration shows Reintjes flexible tiles used in the construction of the rear arch for a horizontal return tubular boiler. Many advantages are claimed for these tiles which reduce the number of shapes required to two.

been announced by the George P. Reintjes Co., 2517-19 Jefferson St., Kansas City, Missouri.

This tile is said to form its own arch and, therefore, requires no temporary arch centers or skewbacks. Nor is any iron or steel needed. Regardless of the thickness of the walls or the varying width of span, only two shapes of tile are necessary. This is also true whether the door jambs are square or bevelled. The several styles of tile heretofore required are thus eliminated.

No Levelling Required

Another feature of this type of arch tile is that no levelling, such as is necessary with sprung arches, is required. The units remain even with adjacent brickwork without any levelling medium. Each step upward is equal to one course of brick and the arch is built up in sections the width of one such course.

The tapered key of the Reintjes tile is claimed to facilitate repairs. It is said that replacement arches can be driven to a tight fit without disturbing overhead brickwork. The interior

section of the arch can also be repaired without interfering with the remaining sections.

This arch tile is stated to be extremely flexible in its use and is said, among other things, to improve arch construction in firing doors, observation doors, relieving arches of side walls, Chicago combustion arches, rear arches of horizontal return tubular boilers, roof arches for any type of furnace, bridge walls with or without water-back, roofs of gas flues, etc.

Mine Car of Great Capacity Dumps Automatically

A distinct innovation in mine-car design has recently been announced by the Sanford-Day Iron Works, Knoxville, Tenn. The "Whopper-Automatic" is the name given to this latest mine-car which, as shown in the illustration, resembles a railroad hopper with automatic drop-bottom. The car here shown has a capacity of 7 tons when level full, and by increasing its length the capacity can be easily raised to 10 tons. Provided that the length can be made sufficiently great, the height of the car can be reduced to suit local conditions. Four 3-in. axles, equipped with standard loose-wheel roller bearings, are employed. For special purposes, these cars have already been built with automatic dropbottom for capacities of 20 tons, or 897 cu.ft., when level full. Such units have been in service every day for more than a year and are said to have given no trouble of any kind.

Although subject to variation, depending upon the conditions underground, a car of this design having a capacity of 389 cu.ft. when level full and built for a track gage of 42 in. has the following dimensions: Length of sides, 16 ft.; length over-all, 18 ft. 3 in.; width of top, 7 ft.; height above rail, 5 ft. 3 in.; and clearance above rail, 6 in.

Many advantages are claimed for this large-capacity unit, particularly the time saved in loading and hauling. When small-capacity mine cars are used, and when shifting of these is required for every two or three tons of coal loaded, the loading machine (if such is used) is frequently idle. In fact, it often takes more time to shift the mine cars than is available for loading. As it is well known that the maximum efficiency of a mechanical loading machine can be attained only with a continuous supply of cars, the use of large capacity units should greatly in-

crease the output of machine loaders. In many mines the cars are placed in the room by electric locomotives and are never moved except by them. Obviously, it would be much more economical for the locomotive to place one 10-ton unit than several small ones.

It is probable that the reason a large capacity mine car has never been used in the past was the fact that it could not be economically handled at the tippie or head house. However, equipped with the automatic drop-bottom, these larger cars can be used as readily as the smaller ones. No handling of the car is required outside of the mine for the units run in trains and are dumped while in motion. As no tilting or rotating is required, no special equipment is necessary at the tippie. The haulage locomotive furnishes all the power required as it pulls the cars over the storage or dump bin. They are not uncoupled and the train does not stop during the dumping operation.

Trade Literature

Westinghouse Electric & Mfg. Co., East Pittsburgh, has issued leaflet No. 20,322, illustrating and describing Simplified Switchboards for Automatic Mining Substations. The distinctive features are covered, including protective relays, sequence of operation, and other application and operation factors.

Feed-Water Heaters. Warren Webster & Co., Camden, N. J. Bulletin 103. Pp. 19; 8x10½ in.; illustrated. The advantages of the wrought iron welded construction of these heaters are outlined. A summary of each series is given to quickly determine the general type best suited to one's requirements.

Safe-Load Fans. The Jeffrey Mfg. Co., Columbus, Ohio. Catalog No. 440. Pp. 35; 7½x10½ in.; illustrated. Describes the special advantages of these fans, with full backward curved blades, for power houses and general use where air is required against medium to high pressures.

Floodlight Projectors. Crouse-Hinds Co., Syracuse, N. Y. Bulletin 308, supplementing catalog 307. The various types and their parts are illustrated and described.

General Electric Co., Schenectady, N. Y., has issued the following bulletins: GEA-101A; Station Oil Circuit Breakers, covers types FK, FKO, FHK and FHKO-236. GEA-706; Station Oil Circuit Breakers, covers types FK-230

and FHK-230. GEA-722; Selsyns, for distant signaling, control and indication. GEA-763; Induction Motor Panels, Isolated Type for Motors with Wound or Squirrel-Cage Rotors.

Eyes and Ears for the Maintenance Man is the title of a folder issued by the Esterline-Angus Co., Indianapolis, Ind., illustrating and describing its graphic instruments.

Roberts & Schaefer Co., Chicago, Ill., has issued a folder illustrating and describing Car Dumping and Handling Equipment formerly manufactured by the Car Dumper & Equipment Co. and now a part of the Roberts & Schaefer Co.

Galvanometers. Leeds & Northrup, Philadelphia, Pa. Catalog No. 20. Pp. 40; 7½x10½ in.; illustrated. Contains descriptions of complete line of alternating current galvanometers, including a new portable pointer type.

Standard Apron Conveyors. The Jeffrey Mfg. Co., Columbus, Ohio. Catalog No. 435. Pp. 66; 7½x10½ in.; illustrated. Descriptions and specifications of both wood and steel types are given.

Radiant Heat from Air-Floated Pulverized Coal. Kennedy-Van Saun Mfg. & Engineering Co., New York City. Bulletin No. 12. Pp. 36, 8½x11 in.; illustrated. Covers the application of powdered coal to steam boilers, cement kilns, dryers, etc. Tables, charts and quick reference information for power plant engineers are included.

Link-Belt Typical Elevators. Link-Belt Co., Chicago, Ill. Book No. 680. Pp. 44; 6x9 in.; illustrated. Covers information on elevators for various uses.

Worm Gears and Drives. Fawcett Machine Co., Pittsburgh, Pa. Bulletin "E." Pp. 31; 8x10½ in.; illustrated. Describes the latest improved type of worm drive and gives data covering dimension outlines, ratios, efficiency and horse power rating.

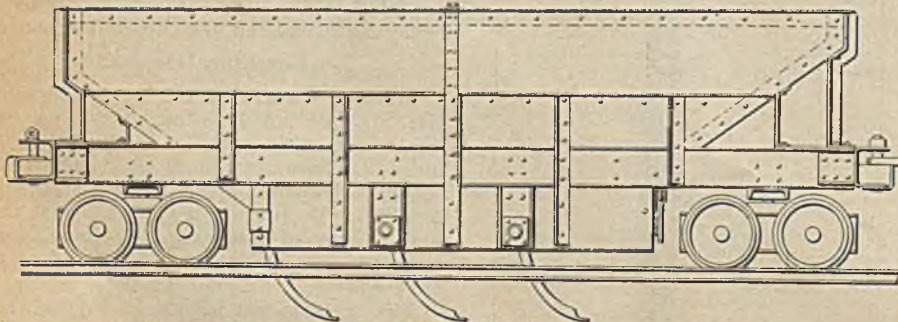
Cable Drag Scraper. R. H. Beaumont Co., Philadelphia, Pa. Catalog No. 95. Pp. 32; 8½x11 in.; illustrated. The features of this system are described. Specifications and table of handling capacities also are included. Among the devices featured are the double drum scraper winding machine, bridle and fittings, tail block car system, slackline cableway excavator, skip hoist, tram lift, duplex and simplex gates, etc.

New Companies

The G. M. Centers Coal Co. has been incorporated in Jackson, Ky., with a capital of \$100,000, by G. M. Center, Rudy Draught and O. H. Pollard.

The King-Boggs Coal Co. has been incorporated in Paintsville, Ky., by S. P. King, C. W. Boggs and Cora King.

The Central Anthracite Coal Co., Van Buren, Ark., with a capital of \$50,000, has been incorporated by William McLachlan and Ed L. Matlock. The company has acquired the Sunshine mine at Spadra, Ark., and will develop a tract of 240 acres.



"Whopper Automatic" Mine Car Designed for Large Operations

Obtainable in capacities up to 10 tons and, in special cases, to 20 tons, this car is built with an automatic drop bottom. It is believed that this large-capacity unit offers many possibilities for "speeding up" mining operations.

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