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THE ANTHRACITE STRIKE OF 1922

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THE ANTHRACITE BUREAU OF INFORMATION
PHILADELPHIA, PA.



The Anthracite Strike of 1922

A Chronological Statement of the Communications
and Negotiations between the Hard Coal Operators
and the United Mine Workers of America, including

The Anthracite Operators' Reply to the Miners' Demands

and Embodying a Plan for Avoiding Future Suspensions; also

The Arbitration Proposal

An offer by the Operators to Refer Issues in Dispute
to a Presidential Commission

The Government's Proposal

Endorsed by the President and Offered through
Senators Pepper and Reed; also

The Agreement of September 2

An extension of wage contract and working conditions
to August 31, 1923, pending investigation
by a Federal Coal Commission

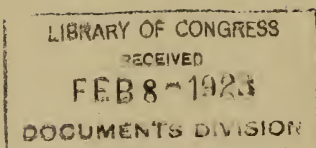
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The Anthracite Strike of 1922

*A Chronological Statement of the Communications and Negotiations
between the Hard Coal Operators and the United Mine
Workers of America*

FOR about twenty years wage agreements between the anthracite operators and their employes have in every case been written so as to terminate on March 31. For the same period it has been customary for both sides to meet in advance of the expiration of the agreement, usually some time early in March, to negotiate a new understanding. Of late years—notably in 1916 and 1920—there has been an agreement between the parties to the negotiations that if a new contract could not be completed by the time the old one expired the mines should remain at work, with the understanding that when the new agreement was reached it should be retroactive to April 1.

The wage contract of 1920, entered into following hearings and an award by the United States Anthracite Coal Commission appointed by President Wilson, was limited by its terms to the period ending March 31, 1922. Bearing upon the negotiation of a new contract, the following correspondence occurred:

UNITED MINE WORKERS OF AMERICA

JOHN L. LEWIS, President

Affiliated with A. F. of L.

Office of the President
Indianapolis, Indiana

Mr. S. D. Warriner
Chairman, General Policies Committee
Anthracite Coal Operators
Philadelphia, Pennsylvania

1114 Merchants Bank Bldg.
February 20, 1922

My dear Sir:

The wage agreement in the anthracite coal fields between the anthracite coal operators and the United Mine Workers of America, Districts 1, 7 and 9, terminates on March 31, 1922. In recognition of this fact, the International Convention of the United Mine Workers of America has authorized me to address yourself and associate anthracite operators upon the question of the holding of a joint conference for the purpose of negotiating a new wage agreement to be effective from April 1.

As a tentative proposition, subject to change through necessity of mutual convenience, I suggest that such a joint meeting convene in New York City on Wednesday, March 15, 1922, at 10 a. m. If this suggestion should meet with the approval of the anthracite operators, I shall be glad to arrange for adequate representation from the Tri-District Scale Committee and representatives of the International union.

The place of meeting in New York upon the suggested date could be determined later in the usual way.

Trusting to hear from you at your convenience, I am

Yours truly,

(Signed) JOHN L. LEWIS, President

GENERAL POLICIES COMMITTEE OF ANTHRACITE OPERATORS

437 Chestnut Street

Philadelphia, Pa., February 25, 1922.

Mr. John L. Lewis, President
United Mine Workers of America
1114 Merchants Bank Building
Indianapolis, Indiana

My dear Sir:

I have your letter of February 20th, suggesting that a joint conference be held in New York on Wednesday, March 15th, for the purpose of negotiating a new agreement to be effective April 1, 1922.

I regret that so little time is available before the termination of our present agreement as to render our negotiations hurried, but under the circumstances your suggestion of the time and place is agreeable to us. We will therefore be very glad to meet you in New York City on Wednesday, March 15th.

It would be more convenient for us to have the meeting convene at 2 p. m. instead of 10 a. m. and I trust this will be agreeable to you.

Yours very truly,

(Signed) S. D. WARRINER, Chairman
General Policies Committee

In accordance with the above letters, the anthracite operators and representatives of the United Mine Workers of America in the anthracite region met in joint session in the Hotel Pennsylvania, New York City, March 15, 1922. At that time the representatives of the union formally presented the following schedule of demands, which had been formulated by a tri-district convention of the union in the anthracite region, held in Shamokin, January 20, 1922:

The Miners' Demands

1. **We demand** that the next contract be for a period not exceeding two years and that the making of individual agreements and contracts in the mining of coal shall be prohibited and where mechanical loading is done the committee and company officials shall have authority to establish proper rates.
2. **We demand** that the contract wage scale shall be increased twenty (20) percent and that all day men be granted an increase of \$1.00 per day, and further that the differential in cents per day existing between classifications of labor previous to the award of the United States Anthracite Coal Commission shall be restored and that the rates applied in solid mining shall be the minimum rate on pillar work or second mining.
3. In conformity with the thought expressed in the award of the United States Anthracite Coal Commission **WE DEMAND** that a uniform wage scale be established so that the various occupations of like character at the several collieries shall command the same wage.
4. **We demand** that the provisions of the eight hour day clause in the present agreement shall be applied to all persons working in or around the anthracite collieries coming under the jurisdiction of the U. M. W. of A. regardless of the occupations, and that in the bringing of these employes under the eight hour day their basis shall be arrived at in the same manner as the basis was arrived at in the case of pumpmen and engineers, plus the increase demanded in Section 2 of this document. And further, that inside day laborers shall work on the basis of eight hours underground.
5. **We demand** time and half time for all overtime and double time for Sunday and holiday work.
6. **We demand** that the next contract made between representatives of the Anthracite operators and the United Mine Workers of America shall contain a standard check-off provision.
7. **We demand** that all dead work shall be paid for on a uniform consideration basis and that where more than one miner is employed they shall all receive the same rate.
8. **We demand** payment for all sheet iron, props, timber, forepoling, extra and abnormal shoveling and cribbing and where miners are prevented from working on account of lack of supplies that they be accorded the opportunity of making a shift at some other work at the consideration rate.
9. **We demand** in the settlement of grievances that the aggrieved parties shall have the right to demand settlement upon a basis of equity, and if such equity settlement is requested, the conditions of 1902 shall not enter into or prejudice the case.
10. **We demand** that a uniform rate of seventeen (17) cents per inch be paid for all refuse in all kinds of mining up to ten (10) feet wide and a proportional rate be applied for over ten (10) feet, with the understanding that this is to be a minimum rate not affecting higher rates than exist.
11. **We demand** that where coal is paid for by the car it shall be changed and payment shall be made on the legal ton basis of 2240 pounds and that dockage shall be eliminated.

12. **We demand** that where jack hammers are necessary and of advantage in the work that they be furnished free of charge to miner or miners including the power necessary to operate the machine.
13. **We demand** a more liberal and satisfactory clause in the agreement covering the question of miners who encounter abnormal conditions in their working places and that to correct this situation the following quotation, "Unless otherwise directed by the foreman," shall be stricken from the agreement covering this particular subject, and that the consideration rate at each colliery should be equivalent to the average daily earnings of contract miners under normal conditions.
14. **We demand** that the wage schedules be brought up to date containing all new rates and occupations, and that copies be supplied the committees and filed with the Board of Conciliation.
15. **We demand** that carpenters and other tradesmen be paid the recognized standard rates existing in the region, which rate should not be less than ninety (90) cents per hour and which trade rate should be paid to all those who have served four years at their particular trade.
16. **We demand** that in retrenchment, the laying off of men and in the rehiring that seniority shall apply.
17. **We demand** that employes of stripping contractors be brought under the general agreement on their present basis of wages and conditions plus the increase demanded in Section 2 hereof.
18. **We demand** that powder be delivered to the miners at their working places, or as convenient as possible to the working place, in a safe and careful manner by the company.
19. **We demand** that full eight hour opportunity be given to employes at collieries which have been working as a general schedule on a six and seven hour day, and that where eight hour opportunity is denied to those employes their wages shall be readjusted—this demand is based upon normal working conditions and does not contemplate the inclusion of accidents.

At the Shamokin Convention at which their demands were formulated the following "recommendations" were also adopted, but were not presented at the joint conference. The first notice the operators had of them was at the initial meeting of the joint sub-committee on March 21 when John L. Lewis, as the first matter of business read into the minutes of the meeting the order calling for a suspension of work on March 31, ten days later:

We recommend that our Scale Committee use every effort to have the operators agree to some provision in the agreement regarding the price of coal and rent to be charged the employes.

The Committee recommends that the Scale Committee to negotiate the contract shall be composed of the officers, the Executive Board Members of the three districts, together with the resident International officers and three mine workers from each district affected, the District President to select the three mine workers in each district, subject to the approval of the Executive Board.

We further recommend that the Scale Committee be instructed to perfect arrangements **providing for a suspension of mining on April 1, 1922**, in the event that no satisfactory agreement has been arrived at as of that date.

In previous years, as mentioned above, this difficulty was met by an understanding to keep the mines at work and to make any new arrangement retroactive, but in this case the demands themselves contained a provision for closing the mines unless a scale were worked out and agreed to by March 31.*

After two days' deliberation, the anthracite operators on March 17 made the following reply to the demands in joint conference:

Operators' Reply to the Miners' Demands

Mr. John L. Lewis, President, and Members of the Scale Committee representing Districts 1, 7 and 9 of the United Mine Workers of America.

Gentlemen:

The object of this conference should be to construct a working agreement which will, in contrast with conditions in other coal fields, continue to afford a basis whereby the anthracite industry will provide **fair wages, full time employment** to its workers, and a **maximum production** of coal at a cost which will enable it to be sold to its customers at a price they are able to pay.

The consuming public is largely composed of wage earners in other industries, who have already accepted substantial decreases in their earnings, and who cannot continue to pay present prices in order that the workmen in the anthracite field may hold their present scale of wages.

With these facts in mind the General Policies Committee is authorized to say in reply to your communication to the Joint Conference of Anthracite Operators and Miners, embodying 19 demands to be used as the basis of an agreement to take the place of the one now in effect, which expires March 31st, next:

Careful consideration has been given to the demands and to the explanatory remarks made by the speakers at the Joint Conference.

* This ultimatum—that an agreement must be made within a half month or the mines would be shut down—allowed a period much shorter than has ever been found sufficient for the negotiation of a wage contract in the anthracite region during the present century. The periods required for the execution of new contracts will be found below, the old contract having expired March 31 in each case:

Year	Date of Contract
1906.....	May 7
1909.....	April 29
1912.....	May 20
1916.....	May 5
1920.....	Sept. 2

The contract of 1920 was entered into as a result of the award of the U. S. Anthracite Coal Commission. Before the appointment of that Commission, on June 3, 1920, the operators and mine workers had been in conference from March 9 to April 29 without agreeing. Secretary of Labor Wilson intervened as a friendly mediator and conducted negotiations fruitlessly from May 1 to May 21. The Commission began hearings June 24 and its report to the President was issued under date of August 30. The agreement was made retroactive to April 1, the mine workers receiving practically an extra month's pay.

It should be stated in the first place that the Anthracite Operators are not unwilling to continue contractual relations with the United Mine Workers of America, but on the contrary, are willing to continue the practice of dealing with that organization as representing their employes, provided that the form of contract is in accord with the principles laid down by the Anthracite Coal Strike Commission appointed by President Roosevelt in 1902, and the Anthracite Coal Commission appointed by President Wilson in 1920; and, provided, further, that the jurisdiction of the Board of Conciliation, that has been a potent factor in the preservation of peace in the anthracite region, shall not be questioned or abridged.

The operators are ready to consider and discuss any propositions relating to wages and working conditions submitted by either party.

When it comes to matters affecting the cost of production, there is another party to be considered, viz: the buyer. Any adjustment which is not satisfactory to the buyer must inevitably fail; for in that event production cannot be distributed, and the miner will then lose his opportunity for employment.

The interests of all parties will best be conserved by steady work for the miner, maximum production at the mines, and the widest possible market for the product. To secure this a reasonable cost of production is necessary. Anthracite is the only basic commodity which has not receded in cost of production since the war. In fact, costs of anthracite production today are far above the war-time peak.

The deflated pocketbook of the buyer cannot continue to pay the present prices. Economy is being practiced by the consumer and various substitutes for anthracite are being used. But for the fear on the part of the public of a suspension April 1, the recent movement of anthracite would have been even less than it was, with the result of short time employment throughout the region. The economic situation today not only forbids any increase in costs and prices, but compels a reduction.

Anthracite labor is the only group in this country which has not sustained a decrease in wages in line with the general readjustment in other industries, nor has it suffered a material decline in the opportunity for steady work.

Deflation in the cost of production, 70 percent of which is represented by mine labor, is imperative. The Anthracite Operators, after most careful thought, can see no alternative. Readjustment of the wage rates is the first necessary step to reduce the cost of anthracite to the consumer, and to insure continued stability in the industry.

It is obvious then that prosperity and steady work in the anthracite fields must cease unless the price of anthracite coal can be reduced to a figure which the consumer can pay.

We are confident that if in our negotiations this absolutely controlling factor is kept constantly in mind, we shall be able to reach a conclusion which will promote the welfare of all concerned. And with this hope we are prepared to consider through the negotiating committee any matter pertaining to wages and working conditions presented by either party.

Following the presentation of the operators' reply, a joint sub-committee was named to take up the consideration of a new scale.

Meanwhile, the members of the United Mine Workers of America employed in the anthracite mines quit work March 31, although the employers had in the above reply indicated their willingness to enter

into negotiations for a new wage agreement and were at the time in conference with union representatives on the sub-committee. The call for this walk-out was issued by the chief executive officers of the union three days after having received the official assurance that the anthracite operators were prepared to negotiate. The text of the call follows:

The Suspension Order

Indianapolis, Ind., March 20, 1922.

To the Officers and Members of the
United Mine Workers of America

Brothers:

The last International Convention of the United Mine Workers of America, held in the city of Indianapolis, during the week of February 14, 1922, adopted the following declaration as a part of the policy of the United Mine Workers of America:

"The present contract between the coal operators and the United Mine Workers of America in both the anthracite and bituminous coal fields terminates on March 31, 1922. In the event no agreement is reached by April 1, we declare in favor of a general suspension of mining operations, such action being subject to a referendum vote of the membership of the United Mine Workers of America, such referendum vote to be held prior to March 31."

Since this action was taken the International Officers of the United Mine Workers of America have endeavored to meet the operators of the Central Competitive Field in Joint Conference for the purpose of negotiating a new wage agreement. Invitations to attend such a meeting were repeatedly extended by the officers of your organization. The operators of Western Pennsylvania and Southern Ohio positively refused to attend an Interstate meeting, while the operators of Eastern Ohio and Indiana agreed to do so only upon condition that all the operators representing Western Pennsylvania, Ohio, Indiana, and Illinois, the States and Districts comprising the Central Competitive Field, were present. Because the operators refused to meet your representatives we have failed to secure an Interstate meeting. We have been and now are willing and ready to participate in a Joint Conference of Miners and Operators of the Central Competitive Field for the purpose of negotiating a new wage agreement but are unable to do so because the coal operators will not meet us. The blame and responsibility for a suspension of mining operations on April 1st must rest fairly and squarely with the coal operators.

A referendum vote of the Mine Workers of the bituminous coal fields was taken and the returns show that the membership has voted overwhelmingly in favor of a suspension of mining operations on March 31 in the event no agreement with the coal operators is reached by that time.

Furthermore, the representatives of the anthracite mine workers in a Tri-District Convention held at Shamokin, Pennsylvania, from January 17th to 20th, 1922, adopted the following section as a part of their wage scale demands:

"We further recommend that the scale Committee be instructed to perfect arrangements providing for a suspension of mining on April 1, 1922,

in the event that no satisfactory agreement has been arrived at as of that date."

Pursuant to the action of the International Convention, the Tri-District Convention of the anthracite mine workers and the referendum vote, and in conformity with the authority conferred upon your International Officers by the International Convention, the undersigned Executive Officers of the United Mine Workers of America hereby direct all members of the organization employed in and around the anthracite and bituminous coal-producing districts to discontinue work and cease the production of coal at midnight on Friday, March 31, 1922. The suspension, ordered by action of the International Convention of the United Mine Workers of America and the membership by a referendum vote, will continue until terminated by action of the policy committee of the United Mine Workers of America and until you are further officially advised.

Fraternally yours,

JOHN L. LEWIS, President

PHILIP MURRAY, Vice-President

WM. GREEN, Secretary-Treasurer

Of the mine workers' demands coming before the joint sub-committee for discussion, six were identical with demands laid before the United States Anthracite Coal Commission in 1920, *and rejected in the report of that Commission accepted by the President*. These were demands Nos. 6, 7, 8, 9, 10 and 11 in the schedule for 1922 previously cited in this account.

WAGES AND LIVING COSTS

The miners, while denying that wages should be based primarily on the cost of living, presented figures to show that while the living cost in the country as a whole declined 12.6 percent from December, 1919, to December, 1921, it declined but 7.9 percent in Scranton. They presented a brief, lacking in corroborative detail, setting up that from March 1, 1920, to March 1, 1922, rents in the anthracite region outside of Scranton increased 61 percent, light and heat 31 percent and sundries 30 percent. They further set forth that the wage award of 1920 was based upon prices in December, 1919, and therefore the increase was not commensurate with the cost of living, which did not reach its peak until July, 1920.

The operators cited the official records to show that the 1920 increase was awarded to meet the demand that wages be raised to correspond with the increases granted bituminous coal miners, and that the award had put both classes on the same plane. If there was any period in the first half of 1920 when the increased wages were lagging behind the rising prices, there was a corresponding period of falling prices,

so that while prices in December, 1921, were where they were in December, 1919, wages were much higher than in December, 1919.

As to the contention that living costs had declined less in Scranton than in the United States at large, and less in the anthracite region generally than in Scranton, the operators produced figures from the United States Bureau of Labor Statistics up to December, 1921, to show that from June, 1920, to December, 1921, living costs dropped 19.5 percent in the country at large and 16.6 percent in Scranton.

Other figures were given to show that in the anthracite region outside of Scranton living costs from July, 1920, to February, 1922, dropped more than they did in Scranton, and in some cases more than they did in the country at large.

REGULARITY OF EMPLOYMENT

The miners' argument for an increase of \$1.00 a day in day rates, making the minimum for unskilled adult labor outside \$5.20 per day of eight hours, was based on the assumption that the mines cannot work more than 270 days, and that the annual earnings under the increased rate would be only \$1,404, which, they said, was really not a living wage. Indeed, they set forth the argument that \$1,800 a year was the present cost of maintaining a family of man, woman and three children in the anthracite region at a "level of health and modest comfort." To support this position a number of "sanctions," opinions and outlines of family budgets were submitted.

As a matter of fact, ordinary unskilled mine labor in the anthracite industry does not necessarily lose time when the mines are not producing coal. Even if the mine and breaker were operated but 270 days in a year, it would be possible, and it is not at all uncommon, for certain classes of labor to make anywhere from 20 to 30 days a year more than that number. In this instance, as always, the operators took the ground that the way to get a man's annual pay was not to multiply his daily rate by the number of days the breaker worked, but by the number of days he himself worked.

In an argument for the increase of contract rates, the miners' representatives submitted testimony which was along exactly the same lines as the exhibits placed before the United States Anthracite Coal Commission in 1920, and rejected by that body. Inferences were drawn from the practices of one insurance company, and these practices do not apply to anthracite miners solely, but to miners of all sorts. Allegation of the existence of many occupational diseases is made, but no list of diseases, no mortality figures and no citations of authority are given.

THE HAZARD OF MINING

As so much stress was laid upon the alleged hazard of the contract miner's work, the operators cited figures from the Pennsylvania Workmen's Compensation Bureau to show that fatalities per million tons of coal produced were 5.63 in 1920, compared with 6.44 in 1916 and with 6.04 as the average for five years; in other words, that the fatality rate in 1920 was 12.5 percent less than in 1916 and 6.8 percent less than the five-year average. The same authority was quoted to show that the fatality rate for each one thousand 2,000-hour men in 1920 was 2.97 against 3.35 in 1916 and 3.20 the five-year average. On that basis, the hazard of the industry was 11.3 percent less in 1920 than in 1916 and 7.5 percent less than the average for the 1916-1920 period.

Up to this time, the discussions had been confined largely to the definite proposals in the mine workers' demands, as expanded in the supporting exhibits and analyzed in the memoranda submitted by the operators. Those demands of a local nature came in for general discussion from time to time and in addition to comparisons of wage rates and earnings inside and out of the anthracite region, consideration was given to subjects like the result of the shorter work day in England, with its effect on mine output. These general discussions continued through the month of April.

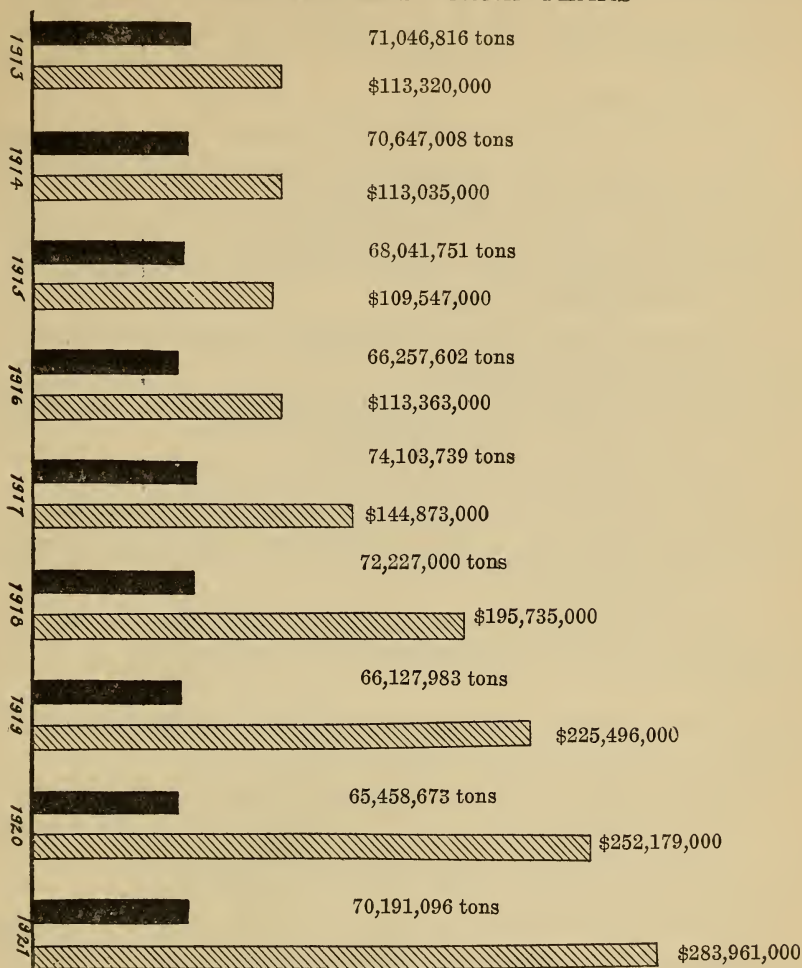
What Miners' Demands Would Add to Cost of Coal

On April 10 Samuel D. Warriner, spokesman for the anthracite operators, made the following statement:

The anthracite miners having completed the submission of their case in the conferences with operators which have been held almost constantly since March 15, the representatives of the operators will begin on Tuesday to present counter arguments and facts with regard to the miners' nineteen demands. These demands would all result in less production and more compensation.

Throughout these conferences the miners' representatives have insisted upon literal compliance with their demands, without abatement or modification. We are, nevertheless, hopeful that a settlement can be brought about in spite of the fact that all of our employes have been called out of the mines regardless of the pending negotiations with their representatives.

PRODUCTION AND LABOR COST OF ANTHRACITE COAL DURING LAST NINE YEARS



Constant Upward Tendency In Labor Cost of Producing Anthracite Coal

An interesting comparison of the labor cost of producing anthracite coal is afforded by the accompanying diagram which is based on government records.

It will be noted that excepting the two war years, 1917 and 1918, and again in 1921, the output of anthracite has steadily decreased, although the trend of wages has been consistently upward during the last nine years.

In other words, where in 1913 it cost \$113,320,000 for labor alone to produce 71,046,816 tons of anthracite, or \$1.595 a ton, in 1921 the labor cost to produce 70,191,096 tons—855,720 tons less than in 1913—was \$283,961,000, or \$4.045 a ton, an increase of 154 percent.

These figures are based on commercial fresh-mined coal. Colliery consumption and washery or dredge product are not included.

An analysis shows that to grant the demands of the miners would add approximately \$170,000,000 to the annual cost of producing anthracite. As this increase would necessarily be borne by the 53,000,000 tons of the domestic sizes, the increase in the mine cost would amount to more than \$3 a ton.

This added cost would be paid by the consumer who, so far from being willing to pay present or increased prices, is rightly demanding that the price of anthracite shall be reduced.

The industry in 1921 paid about \$284,000,000 for labor. To concede the miners' demands would make the payroll of the industry approximately \$455,000,000 a year.

The relation of labor cost to production in recent years throws considerable light upon conditions.

In 1917, on a production of 74,000,000 gross tons of commercial production, the wage bill was \$145,000,000.

In 1918, on 72,250,000 tons, the labor cost was \$195,735,000.

In 1919, the labor cost of 66,000,000 tons was \$225,500,000.

In 1920 this had risen to \$252,175,000 on a commercial production of 65,500,000 tons.

In 1921 while the commercial production had risen to 70,191,096 tons, the labor cost increased to the unprecedented total of \$283,961,000.

This shows a steadily mounting wage bill for a steadily decreasing production.

The increases totaling \$170,000,000 now demanded would be superimposed upon the several increases during the war, plus 17.4 percent increase in 1920, all of which resulted in an advance of hourly earnings of anthracite miners between 1914 and 1921 of 162 percent.

Anthracite producers see no reason to change the opinion expressed at the opening of these conferences with the miners; namely, that conditions demand a substantial reduction in the price of hard coal. We desire to pay good wages. But the rate of pay is not so important as regularity of employment. The problem to be solved is what scale of wages will permit the production of anthracite at a price the consumer is willing to pay. For, as shown, if the price is too high, consumption declines, and the result is irregular employment and dissatisfaction all round.

Anthracite Wages Must Be Brought into Line with Other Industries

On April 21 Mr. Warriner supplemented the foregoing in the following statement:

We have informed the representatives of the anthracite miners with whom we have been in conference since March 15 that it was our firm conviction that wage and other demands which would result in an increase in the price of coal could not be granted. On the contrary, our attitude, as stated to the miners' representatives, was that there must be a substantial reduction in wages.

Developments since these negotiations began have only served to confirm the opinion already expressed by the producers of anthracite that the price was too high. Not even suspension of production has served to stimulate sales. We are faced by the very practical difficulty that the consumer will not pay the price for coal that we are required to ask in order to maintain even the present labor costs.

We have pointed out to the representatives of the miners that even the present wage scale would be a gain of shadow rather than of substance to mine workers for the simple reason that production would be curtailed, and there would be less work to do. What the men want is not little work at excessive wages, but continuous work at reasonable wages.

Under these circumstances, to grant wage and other demands which would add \$170,000,000 to the annual cost of producing anthracite, or an increase in the mine cost of more than \$3.00 a ton on the domestic sizes, cannot be seriously considered.

We have endeavored, and shall in the next few days make further efforts, to explain this situation in its true light. It is not that the coal producers are themselves unwilling to pay present or higher wages, but that the consumer refuses to purchase the product at a price at which it must be sold if present or higher wages are to be paid.

We continue to be hopeful that the representatives of the miners will appreciate the fact that they alone among all the workers in the country cannot expect to retain wages that are even higher than the highest war-time rates.

Actual hourly earnings for industrial workers from July, 1917, to June, 1921, increased 113 percent. Railroad workers in the same time had increased their actual hourly earnings 169 percent. But the anthracite workers were receiving actual earnings representing an increase of 167 percent. Subsequently (Oct. 1921), the average hourly earnings of railroad workers decreased to 131 percent, while in anthracite mining the average hourly earnings were still 166 percent above 1914. Hourly wages for manufacturing industries are not available later than June, 1921.

We think it must be obvious that this situation cannot be maintained, and it is on that basis that we have informed the representatives of the miners that a reduction in wages must be made such as will bring the scale paid in this industry into line with wages in other industries, and permit a reduction in the price of coal to the consumer.

Suggestions Tending to Confuse the Situation

On May 3, representatives of the mine workers on the joint sub-committee presented a resolution setting forth that coal prices are too high and proposing, first, that the Interstate Commerce Commission be invited to investigate anthracite freight rates with a view to ordering a reduction if they were found too high, and, second, that the Federal Trade Commission be invited to investigate all agencies "which have been established for the handling and sale of anthracite coal, extending from the mines to the consumer, with the end in view of recommending measures of relief from unwarranted costs and profits."

The position of the operators in rejecting this proposed joint resolution was made clear the same day by Mr. S. D. Warriner, Chairman of the General Policies Committee of Anthracite Operators, who made this public statement:

The attitude of the operators respecting resolutions offered by the miners' representatives calling for an investigation by the Interstate Commerce Commission of freight rates and by the Federal Trade Commission of the marketing of coal, is as follows:

As to freight rates, which have been established by the Interstate Commerce Commission, the subject has been under investigation for many months; representatives of anthracite producers have appeared before the Commission and advocated reductions. Everyone is opposed to "unjust and unreasonable rates" and if any such rates are in effect the Commission may be depended upon to change them. (Shortly after this the Interstate Commerce Commission handed down an order reducing anthracite rates, among others, by 10 percent effective July 1.)

The Federal Trade Commission is empowered by law to investigate any situation within its jurisdiction and apply corrective measures. Anthracite producers, the general impression to the contrary notwithstanding, have not only never put any obstacles in the way of the Trade Commission obtaining any information in regard to the hard coal industry, but have placed their books and other records at the disposal of the authorized agents of the Commission, which has already made exhaustive reports on the anthracite situation.

For these reasons the operators have not thought it desirable to join with the miners' representatives in resolutions which tend to confuse rather than clarify the situation. The matters dealt with in the proposed resolutions are not within the jurisdiction of the joint committee of miners and operators constituted to negotiate a new contract covering wages and working conditions. To concern itself with anything else can only delay and complicate solution of the issues with which it is dealing, namely, the formulation of a fair wage scale and reasonable working conditions. The operators decline to be diverted from this task by proposals which, whether desirable or not, have no bearing upon the task of providing a basis for the resumption of anthracite production.

Up to this point in the negotiations discussion was chiefly on the wage proposals made by the mine workers, and on Friday, May 8, when asked why the operators had not stated definitely the terms they were prepared to offer, Mr. Warriner said:

It would have been a very simple matter at the outset for us to tell the miners' representatives what we thought the wage reduction should be. But this would necessarily have been a maximum figure to cover all contingencies, known and unknown. We were and are unwilling to do this. We do not intend to put out a "trading proposition."

Furthermore, we have thought it our duty to our employes to listen to and carefully to consider their side of the case, and to give them an equal chance to get our viewpoint.

We believe that real progress has been made towards an understanding, and that we are approaching a point where there can be a contact of minds on the fundamental problems involved.

There is already a much better comprehension of the fact that for every one in the anthracite region as well as for the mine worker it is better to have regular employment at good wages than scant and irregular employment at over-inflated wages.

Our problem is to make the wage reduction not as much but as little as possible, and still keep the mines in operation. That is the problem with which we are grappling and of which we expect to find a solution fair to all. But this solution cannot be brought about hurriedly nor until those concerned have come to an understanding of facts and conditions which neither miners nor operators can ignore.

Ten days later, May 18, the operators presented their formal proposals to the mine workers' representatives on the joint committee. This reply to the mine workers' demands not only presented a new wage scale, but embodied a plan for avoiding future suspensions during the negotiation of wages scales. Following is the complete reply:

The Anthracite Operators' Reply to the Miners' Demands

Embodying a Plan for Avoiding Future Suspensions

New York, May 18, 1922.

MESSRS. JOHN L. LEWIS, *President, United Mine Workers of America*;
W. J. BRENNAN, *President, District No. 1*; THOMAS KENNEDY,
President, District No. 7; C. J. GOLDEN, *President, District No. 9*.

Gentlemen:

Relative to your nineteen demands, to which we have given careful consideration, and on the acceptance of which you are still insisting, we herewith make reply:

If granted, these demands, the majority of which are practically identical with those denied by the United States Anthracite Coal Com-

mission in 1920, would impose an additional burden of at least \$170,000,000 annually on an industry already carrying labor costs above the war time peak.

It must be obvious to you, from what we have already presented in reply, that your demands cannot be granted without irreparable injury to the industry and its employees.

To agree upon a wage scale out of line with wages generally being paid for similar service would be as unproductive of satisfactory results as has been the continuance of the high wage rates in the bituminous union fields, which utterly failed to produce adequate annual earnings for those employed therein.

No agreement between us will accomplish the results we both seek except one which will provide reasonably steady working time at fair wages and the production of coal at a reasonable cost.

In order to accomplish this result, it is our firm conviction that in the face of the decline in wages and prices which has been taking place for more than a year in other lines of industry, the anthracite industry can no longer continue to pay the present wages, which were established by the President's Commission in 1920, at a time when the cost of living and the business activity of the country were at the peak.

PRESENT SCALE ABOVE OTHER INDUSTRIES

For the year 1921, the average annual earnings of all men coming within the terms of the 1920 agreement who worked in each pay period of that year exceeded \$1,800, a figure equalled in no other basic industry. According to the comprehensive survey recently made by the National Industrial Conference Board, anthracite wages show an average increase in actual weekly earnings of 152% above the basic 1914 period, against an increase in the cost of living, as of March 15, 1922, of only 54.7%. The average earnings of mine workers, as computed by us, has been practically confirmed not only by the National Industrial Conference Board, but also by the United States Bureau of Labor Statistics.

The President's Commission, in 1920, set wage rates in the anthracite field which, in conjunction with the steady employment offered by the industry, produced earnings largely in excess of the increased cost of living at that time. Since the award of the Commission, due to the decline in commodity prices, the mine workers have further benefited by the increasing value of the dollar, while both wages and opportunity for employment have declined in other industries. The figures of the Industrial Conference Board show a reduction in the cost of living of 24.4% since July, 1920, and the figures of the United States Bureau of Labor Statistics a reduction of 22.9% during the same period.

WAGE SCALE OFFERED

It is evident that the present economic situation demands a substantial decrease in wages if a normal production of anthracite coal is to continue and reasonably steady employment is to be provided. Therefore, in lieu of the wage program submitted by you, the operators propose an agreement embodying the following terms:

- (a) Contract rates shall be decreased 18% below the rates established by the United States Anthracite Coal Commission in August, 1920.
- (b) Day rates of men shall be reduced \$1.20 per day or per shift below the rates established by the United States Anthracite Coal Commission in August, 1920.
- (c) Day rates of boys shall be reduced 72 cents per day below the rates established by the United States Anthracite Coal Commission in August, 1920.

This general wage structure represents an average decrease of approximately 21%, and will therefore fully maintain the purchasing value of the wages as established by the Anthracite Coal Commission in 1920. It provides a minimum rate of 37½ cents an hour for unskilled men employed outside the mines, with relatively higher rates for other occupations requiring skill and experience.

TO AVOID FUTURE SUSPENSIONS

With reference to the terms of the agreement, the operators deplore the disturbance to business and the economic loss resulting from frequent controversies and suspensions. In order that this may be avoided, we propose a five-year contract, subject, however, to annual adjustments *as to wage rates only*, as follows:

On February 1 of each year a joint committee of anthracite mine workers and operators shall meet to adjust wages, to be effective April 1 following, taking into account the following factors as a basis of adjustment:

- (a) Changes in the purchasing value of the wage earner's dollar within each year as determined in the anthracite region and surrounding territory by recognized standard authorities.
- (b) Opportunity for employment offered by the industry.
- (c) Wages and earnings paid in other basic industries under similar living conditions for corresponding service.
- (d) The general economic situation.

In case no agreement shall have been reached by March 1, in any year, the determination of proper wage rates shall be referred to a commission to be composed of five persons to be selected by the Presiding Judge of the United States Circuit Court of Appeals for the Third Judicial Circuit, the personnel of the commission to be as follows:

PERSONNEL OF PROPOSED COMMISSION

(1) A mining engineer and geologist, familiar with mining conditions and coal production, but not in any way connected with coal mining properties, either anthracite or bituminous.

(2) An economist of established reputation who has not been employed heretofore by either party.

(3) A judge of the United States Court for the eastern district of Pennsylvania.

(4) A man who has been affiliated with and is representative of the labor movement in the anthracite field.

(5) A man who by active participation in the mining and selling of anthracite coal is familiar with the physical and commercial features of the business.

The operators offer the foregoing with the firm conviction that the terms are fair to the employes and necessary to the industry. The periodical adjustment proposed provides for collective bargaining in the first instance, and resorts to arbitration only in case collective bargaining fails.

The continuation of the Anthracite Board of Conciliation will provide a satisfactory method of settling any disputes that may arise within the period of the agreement.

A form of contract embodying in detail the proposals contained herein is submitted herewith.

S. D. WARRINER

W. J. RICHARDS

W. L. CONNELL

W. W. INGLIS

Representing Anthracite Operators.

FORM OF PROPOSED CONTRACT

THIS AGREEMENT, made this day of 1922, between Districts 1, 7 and 9, United Mine Workers of America, parties of the first part, and the Anthracite Operators, parties of the second part, covering wages and conditions of employment in the Anthracite coal fields of Pennsylvania, WITNESSETH:

The terms and provisions of the award of the Anthracite Coal Strike Commission and the subsequent agreements made in modification thereof or supplemental thereto, as well as the terms and provisions of the award of the United States Anthracite Coal Commission, and the rulings and decisions of the Board of Conciliation, are hereby ratified, confirmed and continued for a further period of five years, ending March 31, 1927, except in the following particulars, to wit:

(a) The contract rates at each colliery shall be decreased 18% below the rates effective March 31, 1922, as established under the agreement of September 2, 1920.

(b) The rates paid consideration miners and day machine miners shall be decreased 18% below the rates effective March 31, 1922, as established under the agreement of September 2, 1920.

(c) The rates paid contract miners' laborers shall be decreased \$1.20 per shift below the rates effective March 31, 1922, as established under the agreement of September 2, 1920; it being understood that there is to be a reduction of 18% in that portion of the laborer's rate paid by the miner and that the difference between said reduction and \$1.20 per shift is to be the decrease in that portion of the laborer's rate paid by the operator under said agreement of September 2, 1920.

(d) The rates paid consideration miners' laborers and day machine miners' laborers shall be decreased \$1.20 per shift below the rates effective March 31, 1922, as established under the agreement of September 2, 1920.

(e) The rates paid outside and inside company men, receiving \$4.20 or more per day or per shift, under the agreement of September 2, 1920, shall be decreased \$1.20 per day or per shift below the rates effective March 31, 1922, as established under said agreement of September 2, 1920.

(f) The rates paid outside and inside employes receiving less than \$4.20 per day under the agreement of September 2, 1920, shall be decreased 72 cents per day below the rates effective March 31, 1922, as established under said agreement of September 2, 1920.

(g) Monthly men coming under the agreement of September 2, 1920, shall be decreased \$26.00 per month below the rates effective March 31, 1922, as established under said agreement of September 2, 1920.

The wage rates thus established shall be paid during the year ending March 31, 1923. On the first day of February, 1923, and on the first day of February of each year thereafter up to and including the first day of February, 1926, a joint committee of Anthracite operators and Anthracite mine workers shall meet to adjust wages and shall determine the wage rates to be paid during the year beginning on the following first day of April, basing their adjustment on the following factors, to wit:

(1) Changes in the purchasing value of the wage earner's dollar within each year as determined in the Anthracite region and surrounding territory by recognized standard authorities.

(2) Opportunity for employment offered by the industry.

(3) Wages and earnings in other basic industries under similar living conditions for corresponding service.

(4) The general economic situation.

In case no agreement shall have been reached by March 1, in any year, the determination of proper wage rates shall be referred to a commission to be composed of five persons to be selected by the Presiding Judge of the United States Circuit Court of Appeals for the Third Judicial Circuit, the personnel of the commission to be as follows:

(1) A mining engineer and geologist, familiar with mining conditions and coal production, but not in any way connected with coal mining properties, either Anthracite or Bituminous.

(2) An economist of established reputation who has not been employed heretofore by either party.

(3) A judge of the United States Court for the Eastern district of Pennsylvania.

(4) A man who has been affiliated with and is representative of the labor movement in the Anthracite field.

(5) A man who by active participation in the mining and selling of Anthracite coal is familiar with the physical and commercial features of the business.

It is understood and agreed that said commission shall determine wage rates for a period of one year, beginning April 1, and that its decision shall be final and binding on both parties; and it is further agreed that, if said commission shall be delayed in its finding beyond April 1, in any year, there will be no strike or suspension of operations and that the decision of the commission, when rendered, shall be retroactive to April 1.

Arbitration Proposals Rejected by Miners

On May 20, Vice President Murray, of the United Mine Workers, forecast the rejection of the operators' proposals in a statement covering the same ground as the statement of the miners' representatives in connection with the investigation resolution of May 3.

On May 25, formal rejection was made by the miners' representatives.

The view of the operators on the attitude taken was expressed by Mr. Warriner in the following statement made May 26:

The mine workers' reply is disappointing in that it completely ignores facts and so persistently clings to misconceptions of real conditions. The representatives of the miners apparently think that this is an occasion for an exchange of claims and counter claims. In our opinion it is nothing of the kind.

The proposition we make is most fair in that it maintains purchasing power of wages as established by the President's Commission two years ago. It more than meets the increase in the cost of living since 1914. We therefore had reason to assume that it would receive careful consideration and afford a basis on which it would be possible to reach an agreement by collective bargaining. Instead, the answer is a flat refusal even to discuss our proposition and a renewed insistence on the miners' original demands.

We have stated from the outset and repeat that the granting of these demands is an impossibility and that a wage reduction is imperative. Our attitude in this respect is unchanged.

Neither side of the controversy will get anywhere by self-illusion as to facts. That, it seems to us, is what the miners' representatives are doing. They have attempted to throw around the controversy a smoke screen of alleged excessive freight rates, excessive profits, and so forth, in the hope that the public mind might be diverted from the real issue, which is excessive wages. As indicating the nature of the miners' reply, their representatives suggested that freight rates to tidewater might be reduced by \$2.63 per ton. The total freight rate at present is \$2.66, so that the miners' proposal would cut the freight rate from \$2.66 to 3 cents per ton. The mere statement of this disposes of it.

Even the alleged connection between railroad companies and coal companies, although it is a thing of the past, is dragged forth as a reason why anthracite miners should retain wages above the war-time peak.

Further, we are asked to consider the profit in the wholesale and retail trade, matters over which neither we nor the miners have any control. We are told that the wage reduction would make little difference in the price, notwithstanding that 70 percent of mine cost is labor and it is the mine cost with which we and the miners must concern ourselves. We are told that present wages are inadequate, when figures show that the average annual earnings in the industry are far above those in any other basic industry.

Our plan for a five-year contract with yearly adjustments as to wages is refused because it is alleged that it would destroy collective bargaining, although it is expressly provided that arbitration should not be resorted to

unless collective bargaining had failed. The fact that this plan would have prevented constant suspension of mining and therefore have been a benefit to the entire industry and to the public is ignored.

In a word, our offer is rejected, and in its place are reiterated the original demands.

The proposal of the operators was submitted after most careful study and analysis of the situation. It is not subject to change unless it can be shown that it was wrong in its premises and conclusions. The miners' reply does not attempt to challenge our statement of the facts. We cannot grant an increase in wages; we cannot agree to a maintenance of present wages—we will insist on a reduction approximating that laid down in our offer. Any other course would simply result in inestimable hardships to the industry and to those it employs.

Proposal of Commission to be Appointed by the President

Adjournment of the conference was then taken until June 2, when the operators proposed breaking the deadlock by putting all questions at issue into the hands of a commission to be named by the President of the United States. The formal proposal, as addressed to representatives of the miners, was as follows:

New York, June 2, 1922.

You have stated to us, supplementing your letter of May 25th, that further negotiations between us would be fruitless, unless we were willing favorably to consider your demands for a large increase of wages—the unreasonableness of which we have endeavored to show you. You have refused at the same time even to discuss our counter proposals.

In view of these facts we are faced with the alternative of either allowing the present suspension of operations to continue indefinitely, or finding a method of settling our differences other than by direct negotiation.

We fully realize our responsibilities to all concerned, and we have endeavored in every reasonable way to settle the difference between us by honest argument in accordance with the directions of the joint conference of operators and miners.

We deeply regret the failure to agree. We also deeply deplore the present suspension of operations, which you ordered without previous notice to us at the very outset of negotiations, and which is bringing distress to those dependent upon the industry.

This condition must not be allowed to continue if there is any feasible means of preventing it. It is the plain duty of both of us to find such a means.

In view, therefore, of the situation which now exists, we propose that the President of the United States be requested to appoint a Commission or Tribunal to ascertain and consider all the facts and determine the questions concerning wages and conditions of employment at issue between us; said Commission or Tribunal to find a practical method by which prompt operation of the mines may be resumed pending its ultimate decision, and also to seek and recommend a method by which future suspensions or strikes may be, so far as possible, avoided.

In behalf of the anthracite operators whom we represent and for whom we speak, we herewith agree to abide by and faithfully carry out the decision or award of the Commission or Tribunal so to be appointed by the President of the United States.

S. D. WARRINER

W. J. RICHARDS

W. L. CONNELL

W. W. INGLIS

Representing Anthracite Operators.

Discussion in Committee

Following the presentation of this arbitration proposal, the following discussion was held in the joint sub-committee session between Mr. Warriner and Mr. Connell on behalf of the anthracite operators, and Vice President Philip Murray, of the international organization, and President Thomas Kennedy, of District No. 7, on behalf of the United Mine Workers:

MR. MURRAY: I would like to know the real basis of submission upon which your committee would be willing to agree. The mine workers' committee would like to know if your committee would be willing to agree to have any commission that might be appointed by the President — to have the power of any Commission that might be appointed by the President of the United States—so restricted that it would prevent the possibility of a wage revision downward from the present basis. Would you be willing to agree to have the power of any commission that may be appointed by the President of the United States so restricted as to prevent the possibility of a wage revision downward from the present basis?

MR. WARRINER: I think our statement is very clear and distinct what we are willing to do. We are willing to have the President of the United States name such commission as he may see fit to appoint to be instructed by him as to their powers; we are willing to abide by the award without any restriction. I am perfectly willing to leave everything to the President.

MR. MURRAY: Of course, there are certain fundamentals connected with the situation that make it necessary that the mine workers should know just how your minds operate upon those more important questions, and merely for our information we are particularly anxious to know just what your opinion would be regarding the possibility of any understanding being arrived at between both committees here that

would prevent the possibility of the commission revising the present scale downwards.

MR. WARRINER: When we leave the matter in the hands of a third party we place ourselves in the hands of that third party.

MR. CONNELL: Mr. Murray wants us to agree that the present rate of wages shall be the stop downwards.

MR. MURRAY: Yes, sir.

MR. WARRINER: We can't agree to anything like that after we place the matter in the hands of the President of the United States; all we can do is to agree to abide by the result, and that we are willing to do.

MR. MURRAY: Now there is another point upon which I would like to inquire, and I assume that you will give about the same answer, but I somehow or other feel like asking it, and that is this: Is there a possibility of an agreement being arrived at between both committees that would permit a complete investigation by any commission that may be set up by the President, of the profits, transportation charges, methods of distribution, etc.

MR. WARRINER: My answer is practically the same as to the other question. We are willing to put our case in the hands of the President of the United States; "we propose that the President of the United States be requested to appoint a Commission or Tribunal to ascertain and consider *all the facts* and determine the questions concerning wages and conditions of employment at issue between us." I can't say anything further than that.

MR. MURRAY: Of course your understanding and ours may differ upon what facts should be submitted. Two years ago we had a commission and the mine workers submitted exhibits upon profits, etc., and the operators objected very strenuously to their introduction, and, in fact, got the Chairman to prevent their introduction.

MR. WARRINER: If there is anything introduced by you that we do not think proper, we will argue against it, and if overruled we will abide by the decision of the President or his commission, and if there is anything we introduce you do not think proper you will have the same privilege.

MR. KENNEDY: Do I understand from your document you leave the terms of submission practically up to the President; do I understand by that that you would go along with any terms named by the President in appointing the commission?

MR. WARRINER: Any terms that may be fixed by the President in accordance with our submission.

Miners' Leaders Continue Obdurate

At the conclusion of this meeting, the joint sub-committee, which had met every week since its appointment in March, adjourned subject to the call of the secretary.

Informal statements, appearing in the daily press and purporting to give the views of different representatives of the mine workers, indicated that the operators' proposal for a Presidential Commission and complete arbitration was not acceptable to union leaders. Meanwhile, the General Scale Committee of the United Mine Workers in the anthracite districts was summoned to meet in Hazleton, to discuss a formal reply.

This reply was presented at a meeting of the joint sub-committee called for June 14 in New York. It was a rejection of the arbitration plan and a proposal from the union to join with the operators in arranging a settlement on these conditions:

"First, that you accept our requests for (1) an actual eight-hour day for day men in the industry, and (2) for complete union recognition (by this is meant the closed shop and check-off), and

"Second, that existing rates of pay be taken as the starting point for future deliberation. This, together with a discussion of the other demands of the Shamokin convention, we hope may result in prompt agreement."

The response of the operators was prompt, being given in the following terms the same afternoon:

It is evident from your reply to our offer of unrestricted arbitration that you are not willing further to negotiate with us nor to submit the matters in controversy to a tribunal appointed by the President unless the principal question to be considered, namely, wages, is only to be considered by revision upward.

It would have been just as reasonable if, in making our arbitration proposal, we had stipulated that only a downward adjustment of wages should be considered.

You make the further stipulation that to the recognition heretofore accorded your union, shall be added the closed shop and the check-off.

We cannot agree to the restrictions and limitation you propose.

Our proposal that a tribunal to be appointed by the President should "ascertain and consider all the facts and determine the questions covering wages and conditions of employment at issue between us" contains no restrictions or qualifications. The power of the tribunal should not be limited by the various reservations you make. Arbitration confined in its scope and limited to action in one direction only, regardless of facts, is no arbitration.

With a full realization of our responsibility to the public and with a sincere desire to secure a settlement of our controversy, we have offered a proposal of arbitration, the character and fairness of which cannot be reasonably questioned.

We can go no further.

We stand on this offer of arbitration. If you refuse it, and continue the present suspension or carry out your threat of calling a strike, the responsibility is yours.

(Signed) S. D. WARRINER
W. J. RICHARDS
W. L. CONNELL
W. W. INGLIS

Representing Anthracite Operators.

The sub-committee then adjourned, subject to call from either side. Meanwhile the union had been conducting a vote on the question of converting the "suspension" into a strike, effective July 1.

Intervention by the President of the United States

Proposal of Arbitration Accepted by Operators—Rejected by Miners

The vote of the organized miners was reported as having been strongly in favor of allowing the union officers to convert the "suspension" into a strike, but it was decided not to call out the maintenance men, so that the practical situation in the region did not change. There was general inaction for two weeks, when President Harding intervened, inviting representatives of the anthracite operators, the bituminous operators and the striking mine workers to a White House conference held July 1.

The President recommended that the parties to the coal disputes resume conferences, preferably in executive session, to see if some basis of agreement could be reached. The anthracite joint sub-committee accordingly met in Washington that day, and held adjourned meetings July 6 and July 7. Secretary Fall represented the Government at the July 6 meeting, and Secretary Davis attended the meeting on July 7.

Failure to reach any agreement, in either the anthracite or bituminous coal strikes, led the President, on July 10, to make the following proposal to the operators and miners in general:

1. That the mine workers return to work at once on the wage scales in force March 31, 1922, the scales to continue until August 10, 1922.

2. A coal commission to be formed at once, to consist of three members chosen by the mine workers, three by the operators, and five by the President, with its decisions to be final.
3. The commission to determine, if possible, within 30 days from July 10, a temporary basic wage scale to be effective until March 1, 1923.
4. The commission to investigate every phase of the coal industry, and every cost of production and transportation, the President agreeing to ask Congress for full authority. The report of the Commission to include recommendations looking to lasting peace in the industry, the elimination of waste due to intermittency, and the establishment of dependable fuel supplies.

President Harding requested that all parties reply by the evening of July 10, but the union officers represented that the union's policy committee would have to be consulted, and the union meeting was therefore delayed until July 15. When the policy committee did meet it rejected the suggestion for both the anthracite and bituminous strikers.

The anthracite operators, however, had previously accepted in the following letter:

Washington, D. C., July 12, 1922.

To the President
The White House
Dear Mr. President:

On behalf of the anthracite operators, we beg to make the following reply to the proposal of arbitration which you submitted to us on July 10th:

We are deeply appreciative of your effort to end the present suspension of anthracite production, and desire to cooperate with you to the fullest extent in this endeavor.

After continued conferences with the representatives of the mine workers from March 15th to June 2nd, it appeared that no agreement satisfactory to both sides could be reached.

The operators then proposed "that the President of the United States be requested to appoint a Commission or Tribunal to ascertain and consider all the facts and determine the question concerning wages and conditions of employment at issue between us; said Commission or Tribunal to find a practical method by which prompt operation of the mines may be resumed pending its ultimate decision, and also to seek and recommend a method by which future suspensions or strikes may be, so far as possible, avoided."

The anthracite operators further agreed that all such matters as the President might determine were pertinent to the questions in controversy concerning wages and conditions of employment should be considered by the Commission or Tribunal so to be appointed, and agreed to abide by and faithfully to carry out its decision or award.

We are, therefore, committed to arbitration, and are entirely in sympathy with the principle of the method of settlement which you have proposed.

We believe, however, that certain amplifications of your proposal are desirable to the end that the settlement shall be speedily reached, shall be permanent in character, and shall be binding upon both sides of the controversy.

Throughout the fruitless negotiations which have been held with the mine workers, the anthracite operators have had two primary objects in view:

First, an agreement on a wage scale which while adequate should at the same time afford the steady employment which the anthracite mine workers have enjoyed in the past and which only regular demand for the product can assure. It has been the firm conviction of the anthracite operators that this is economically possible only by such adjustment of these wages as would reduce the cost of producing anthracite in line with adjustments which have taken place with respect to other commodities.

Second, that any agreement reached should be durable and at the same time provide reasonable means of wage adjustment from time to time to meet the changing economic conditions of the country. The object sought was prevention of the periodical disturbance of the public and of industry generally by the recurring interruptions to production.

We feel confident of your desire to further these objects in a manner fair to all concerned.

In order that this may be accomplished we respectfully make the following suggestions:

First—Because of the wide difference in the problems that confront the anthracite and the bituminous industries, it is practically impossible for one commission to study and decide the questions in controversy within a reasonable period of time. Of necessity they must be studied separately if the prompt adjudication that all interests desire is to be obtained.

The anthracite business has no problem of over-development and under-employment. It is already stabilized and has maintained full-time employment of the mine workers. Its mining conditions are entirely different from those in the bituminous field, and it is a manufacturing as well as a mining industry. Its product is mainly a domestic, not a manufacturing fuel.

It has been consistently held not only by the operators but also by the mine workers that the anthracite industry with respect to agreements affecting wages and working conditions is and should be absolutely autonomous.

Because of these conditions, we feel that it is necessary for a separate Commission to be designated by yourself to consider our problems, and we take the liberty of suggesting that such Commission should be, so far as possible, non-partisan, not more than one member representing the operators and one the miners, and not less than three to be appointed by yourself as representative of the public.

Second—The anthracite operators cannot escape the conviction that the reestablishment of the scale of wages in effect from April 1, 1920, to March 31, 1922, even as a temporary expedient, will embarrass rather than assist the effort to restore normal conditions.

The demand from the public for decreased prices of anthracite is imperative. Anthracite is the only essential commodity which has not been deflated in price, and the continuance of present prices will undoubtedly impede the distribution of the product, which should be prompt and uninterrupted on the resumption of mining.

We nevertheless agree to your proposal that, pending a permanent scale, the "mine workers are to return to work on the scale of wages which expired last March."

It will be evident to you, however, that it will not be possible for the anthracite operators to contract for the disposition of their product while uncertain as to costs of production. We are therefore confident that it is necessary to the success of your plan, and in conformity with your intent, that it shall be made mandatory upon the Commission first to determine the wage scale to be effective until March, 1923, and that its decision in this regard shall be handed down on or before August 10th.

Our agreements have always expired with the end of the coal year, March 31st, and we suggest that this date be adopted for the expiration of the temporary wage scale.

Third—We respectfully submit that a recurrence of the present unfortunate situation will not be prevented by the establishment of only a temporary wage scale expiring in March, 1923. A renewal of the present controversy at that time would be deplorable.

It is our understanding that the Commission shall be empowered and directed not only to determine temporary wages and working conditions, but shall also be empowered and directed to devise a method by which periodical disturbances may be avoided, and by which wages and working conditions may be automatically adjusted, by negotiation if possible, and if not by such machinery as the Commission shall set up; and that its decisions in this regard shall be binding on both parties.

We agree to abide without reservation or qualification by the findings of a Commission so to be appointed and empowered.

It is our belief that these suggestions are within the intent and spirit of your general plan, and that their adoption is necessary to bring about what you aim to achieve, namely, "the establishment and maintenance of industrial peace in the coal industry."

Very respectfully,

S. D. WARRINER

W. J. RICHARDS

W. L. CONNELL

W. W. INGLIS

Representing Anthracite Operators.

In a supplemental letter dated July 15, President Harding presented a clarification of some points, relating to the bituminous industry, which were in doubt under varying constructions of his original letter, and in this second communication he explicitly said that if the operators and mine workers should agree to it, there would be a separate Commission for the anthracite industry.

But on the same day that he issued this letter, the mine workers notified him that "the representatives of the United Mine Workers are compelled to withhold their acceptance of the arbitration proposal submitted by you."

President Harding, in a public statement, said that the mine workers and a minority of operators (all from bituminous fields) had

brought about a situation where the good offices of the Government were made unavailing, and he again drew attention to the fact that freedom of action on the part of parties to the controversy did not measure in importance with the public welfare and the national security. Meanwhile, the anthracite controversy remained in a deadlock.

Attempted Mediation by Mayors of Anthracite Communities

Another effort at intervention was then made by a committee of anthracite mayors, who talked with President Harding and with John L. Lewis, president of the miners' union before meeting with a committee of anthracite operators in Philadelphia, August 1. Those attending the Philadelphia meeting were Mayor J. F. Durkan, Scranton; Mayor Dan Hart, Wilkes-Barre; Mayor T. J. Loftus, Carbondale; Mayor P. R. Brown, Pittston; Mayor J. G. Harvey, Hazleton; Mayor J. O. Bearstler, Pottsville; and the following representatives of the anthracite operators: Messrs. S. D. Warriner, W. J. Richards, W. W. Inglis, W. L. Connell and T. M. Dodson. The official report of this meeting, issued by the operators' committee, said:

"At a meeting arranged today by the mayors of the six principal anthracite cities, we were advised by the mayors that in the conference held by them with President John L. Lewis, he stated to them that he would be glad to meet the anthracite operators to negotiate by direct conference an adjustment of the present controversy.

"We advised the mayors that the operators' negotiating committee are ready and willing at this time to reopen meetings with the committee representing our employes either to continue negotiations for a new wage scale by direct conference or to refer the matter to unrestricted arbitration in accordance with the proposal made by the operators to representatives of our employes on June 2.

"The anthracite controversy has always been settled independently of the bituminous situation. Our desire is that a settlement shall be reached promptly so that operations may be speedily resumed."

As a meeting of bituminous operators and representatives of the union had been called for Cleveland, August 7, union officers took the position that it would be impossible to resume the anthracite meetings until the bituminous conference was over.

On August 10, Messrs. S. D. Warriner and W. J. Richards, accompanied by Senator Pepper, were received at the White House by President Harding, Secretary Hoover being present at the inter-

view. The President was informed that there was a strong general feeling in favor of a quick settlement of the anthracite strike, and that anthracite workers, employers and consumers were being used merely to add force to manoeuvres in the bituminous controversy. The desirability of separate consideration and settlement of anthracite problems, in case the Government took any action, was emphasized, but specific action on the part of the President was not discussed.

In the interim the following correspondence had been exchanged between representatives of the anthracite operators and the mayors of anthracite cities:

CITY OF SCRANTON
PENNSYLVANIA

August 3, 1922.

S. D. Warriner, President
Lafayette Building
Philadelphia, Pa.

My dear Mr. Warriner:

I am just after writing Mr. John L. Lewis, President of the United Mine Workers to the effect that it is our thought that it might have been better if a meeting of the Anthracite Operators and the representatives of the United Mine Workers might have been held this week. However, in his judgment he thought better to defer it on account of their previously arranged meeting with the bituminous operators in Cleveland on Monday. While it might be assumed that our work was through when both sides agreed to meet and confer, we feel obligated to keep up our interest until such time as a definite date for the meeting is decided upon. In my letter to Mr. Lewis I have suggested August 10th as a possible date for the conference. Would this be agreeable to your people?

I might add that public opinion as I get it up here is free in its commendation of the willingness manifested by both sides to sit in with settlement in view.

Very truly yours,

JOHN DURKAN.

(TELEGRAM)

Philadelphia, August 7, 1922.

Hon John F. Durkan, Mayor
Scranton, Pa.

There has never been a time since our negotiations opened when we have not been glad to meet the miners with the object of settling our controversy and at this time we are glad and ready to meet them either on August tenth as you suggest or at any earlier date that we can arrange.

S. D. WARRINER

On the day the above telegram was sent the Scranton Board of Trade, at a special meeting, passed resolutions "that if a direct and immediate settlement is not arrived at, arbitration should be at once invoked to solve the anthracite problem, and that in the meantime

operators and miners should agree to resume mining operations and expedite the production of coal which the people need and have the right to demand." The resolutions further declared that "the principle of arbitration is conceded throughout the world to be the fairest plan for the settlement of all disputes."

Similar resolutions were adopted by business men elsewhere in the region, and were acknowledged by Mr. Warriner, who said in a letter to the Scranton Board of Trade, August 11:

"On behalf of the operators, I beg to express to you our complete endorsement of the principles enunciated in your resolutions, and to assure you that we are taking every possible step in our power to bring about a conclusion of the present suspension of operations in the anthracite field.

"Your resolutions are eminently sound in principle, in that if there should be a continued failure to agree, the principle of arbitration should be at once invoked.

"I beg to call your attention that the anthracite operators on June 2 made to the anthracite miners an offer of unrestricted arbitration, and that later the anthracite operators unconditionally accepted the proposition of arbitration as made by the President of the United States. It is self-evident that if two parties cannot agree, the questions at issue must be left to the judgment of a third party; and I beg to express to you the strong conviction that, with the rapidly crystalizing sentiment such as you express in favor of a fair, complete and constructive arbitration, all parties to the present deplorable controversy should be brought to an acceptance of this method of settlement.

"In all steps which you may take toward this end, you may be assured of our hearty cooperation."

The Scranton Board of Trade then got in touch with the union officers, and this wire correspondence passed:

Scranton, Pa., August 10, 1922.

John L. Lewis, President
United Mine Workers of America
Miners' Conference, Hollenden Hotel,
Cleveland, Ohio

There is already an overwhelming sentiment in this region in favor of a resumption of anthracite mining. The feeling is that after almost five months' suspension the anthracite miners should be permitted to compose their own differences independent of the bituminous field. This thought is constantly voiced by working men, business men and all elements of this community which is suffering from a prolongation of the strike situation, which appears easily susceptible of adjustment. Cannot something be done at once?

SCRANTON BOARD OF TRADE

Cleveland, Ohio, August 11, 1922.

Scranton Board of Trade,
Scranton, Pa.

Replying your wire. Representatives of United Mine Workers are not making anthracite negotiations secondary to bituminous negotiations, despite all reports to the contrary. We have understood attitude of anthracite operators to be that they would refuse to make any settlement in advance of base being made in bituminous. If this is not now true and it is developed that anthracite operators are ready to go into direct negotiations with the United Mine Workers on the basis of the old wage scale and demands of the Shamokin Convention, we will be glad to attend a joint conference on any date designated by the anthracite operators' representatives.

JOHN L. LEWIS

Renewed Efforts of President Harding to Settle Controversy Aided by Senator Pepper Results in Failure

On Saturday, August 12, President Harding again intervened through the medium of the following letter, addressed to Senator George Wharton Pepper, of Pennsylvania:

The White House
Washington, August 12, 1922.

My dear Senator Pepper:

I am told that Mr. Lewis has indicated a willingness to confer at once with the anthracite operators in case they invite him to do so. I suggest to you as the Senator from the State most directly concerned that the operators will be acting in the public interest if they promptly send him a cordial invitation to attend a conference to be called by him at such time and place as they may choose, with a view to the immediate resumption of production in the anthracite field. I feel justified in making this suggestion, because these operators have manifested throughout a spirit of cooperation with the Administration in seeking a fair basis upon which to adjust the anthracite strike.

I understand that as a basic of conference Mr. Lewis stipulates for a return of the men at the old wage scale and the acceptance by the operators of the so-called Shamokin proposals. In extending their invitation I hope the operators will indicate a willingness to take the men back at the old scale till a commission or other agency has had an opportunity to examine into the whole situation. As to the Shamokin proposals, I am hopeful that Mr. Lewis will regard them as proper for consideration at the conference rather than subjects of commitment in advance. I am hopeful of this because I credit both operators and miners with a sincere desire to resume anthracite production and I am sure that neither will place any unnecessary obstacle in the way of fair adjustment.

As to the time I hope that the conference will take place in the immediate future.

No time is to be lost. Even if production is resumed at once, the future consequence of past delays must necessarily be serious, but, if there is

any further delay, we shall be in danger of nothing short of nation-wide disaster.

As to place, I suppose that there may be advantages in meeting somewhere in the anthracite region rather than in Washington.

The mayors of several of the important cities in that region have assured me of an intense public sentiment among their people in favor of prompt settlement. It may be that in such an atmosphere the prospect of quickly reaching a fair adjustment would be bright. This, of course, is a point to be determined by those who issue the invitation.

Sincerely yours,

WARREN G. HARDING

Hon. George Wharton Pepper
Senator from Pennsylvania
United States Senate
Washington, D. C.

Senator Pepper came to Philadelphia at once and called a meeting at his residence, those attending being Senator Pepper, Governor Sproul, William A. Glasgow, Esq., counsel for the United Mine Workers of America; and Messrs. S. D. Warriner and W. J. Richards, representing the anthracite operators. In accordance with the request of the President, a telegram was sent Sunday night to Mr. Lewis, the wire correspondence being:

Philadelphia, August 13, 1922.

John L. Lewis
Hollenden Hotel, Cleveland, Ohio

On behalf of the anthracite operators I extend to you a cordial invitation to meet us in conference with a view to an early resumption of production in the anthracite field. I suggest Philadelphia as a suitable place for conference and August 16th as a convenient time.

Our conception of the conference is that we should meet for the friendly discussion of the whole situation, including such specific proposals as either of us may desire to submit. We are glad, however, to express in advance our confident expectation that we can devise in conference a method of wage adjustment such that upon our agreeing to it, we shall be able then to take the men back at the old wage scale until such adjustment actually takes place.

We are moved to send this invitation not merely by our own desires but because the President of the United States has communicated through Senator Pepper an expression both of his wish that we should do so and of his hope that you will accept. Let me assure you that our invitation is sent without any underlying reservations or conditions and in full assurance that when we meet we can work out a result at once protective of the public interest and satisfactory to the mine workers. We bespeak your acceptance in the same spirit. An early telegraphic reply will be appreciated.

S. D. WARRINER

Cleveland, O., August 14, 1922

S. D. Warriner
Chairman Policies Committee Anthracite Operators, Philadelphia

On behalf of the United Mine Workers as represented in the anthracite field I am most pleased to accept the cordial invitation which you have ex-

tended to meet with the anthracite operators in Philadelphia on Wednesday, August sixteenth. The broad premise upon which you have based your invitation is commendable and augurs well for the success of the conference. I can assure you the representatives of the United Mine Workers will approach the conference in the same broad spirit with the keen determination to effectuate an adjustment mutually satisfactory to the public, the operators and the miners. I am sure that such a settlement will be a tremendous aid to our nation and its citizens in relieving public embarrassment and in restoring mutual confidence and respect.

JOHN L. LEWIS

On August 15, Mr. Lewis wired that he would be unavoidably delayed, and suggested that the proposed meeting be set for Thursday afternoon, August 17, which was agreed to.

Meetings were held August 17, August 18, August 19, August 21 and August 22 in the offices of the Lehigh Coal & Navigation Company, the operators' representatives being the same as on the original joint sub-committee which conducted the fruitless negotiations in New York. The union was represented by the three district presidents of the union in the anthracite region, International President John L. Lewis and International Vice-President Philip Murray.

From the start the attitude of the union representatives was one of unalterable opposition to arbitration in any form. This was carried to the extent that they refused to agree to the appointment of an impartial fact-finding commission with no powers except to determine and publish the facts and to make recommendations which either side should be free to reject, and the meetings ended August 22. The course of the negotiations was immediately made clear in the following public statement made by Mr. Warriner right after adjournment:

Mr. Warriner's Statement of August 22, 1922

Our conferences with the representatives of the anthracite miners which began on August 17, were brought about in response to the request of the President of the United States, communicated to us by Senator Pepper. The hope was expressed by the President that there might now be found some "fair basis" on which the suspension of operations in the anthracite fields might be terminated.

In the proposals we have made to the miners' representatives in the course of the conference, we have had in mind not merely the bringing about of a resumption of production, although we think that is most important. We have endeavored to accomplish this, and at the same time to establish a basis looking towards permanent peace and continuous operation in the future.

It was our belief that this could be best secured by a long term contract

with a provision for periodical revision of wages by arbitration, which should be binding upon both parties. We were entirely willing to accept as a Board of Arbitration a commission or tribunal to be appointed by the President.

This having been refused by the miners, we proposed to utilize the existing and familiar machinery of the Conciliation Board, which in the anthracite field has been adjusting disputes between operators and miners satisfactorily for the past twenty years. In case the Conciliation Board which is composed of equal numbers of operators and miners, should not be able to agree, we proposed that the presiding Judge of the United States District Court of Appeals for the Third Judicial District should appoint three umpires whose decision should be final and binding upon both parties.

Unfortunately, and in our opinion, unwisely, the representatives of the miners rejected this proposal.

In a further effort to meet their opposition to binding arbitration, however impartial, we made the following proposal:

All mines to resume operation upon the execution of a contract extending to March 31, 1923, the wages and working conditions which were in effect March 31, 1922. This contract to provide that:

(a) On January 3, 1923, the Anthracite Board of Conciliation shall meet in conference and determine wages and working conditions in the anthracite field effective for a period of one year beginning April 1, 1923. On January 3, 1924, the Board shall meet in like manner to determine wages and working conditions for a period of two years beginning April 1, 1924.

(b) In case there has been no agreement prior to February 15 in the years 1923 and 1924, the Presiding Judge of the United States Circuit Court of Appeals for the Third Judicial District shall appoint three disinterested citizens of outstanding character and ability, who shall sit with the Board to hear the argument and make findings with respect to the matters in dispute. These findings shall be rendered on or before March 15, shall be recommendatory in character, and shall be subject to acceptance or rejection by either party within ten days thereafter.

This proposal, representing the extreme of concession by the operators was rejected by the miners' representatives today. We have offered to consider any practical modification of these plans which would not sacrifice the ends sought. The miners' spokesman declined to make any such suggestions. They can speak for themselves as to their attitude. To us their plan seems to be indefinitely to retain war-time wages regardless of any other considerations.

It will be noted that our suggestion embodies the use of the Conciliation Board instituted in the anthracite field by the Roosevelt Commission in 1903. The Board's personnel includes the three district presidents of the miners' organization in the anthracite field in conjunction with three operators. Matters in dispute which the Board finds itself unable to adjust are referred to an umpire appointed by the Presiding Judge of the Circuit Court.

Our suggestion only embodied by way of change, therefore, the appointment of three umpires instead of one, in order that a matter so important as a general contract might receive that impartial consideration necessary to a proper acceptance on the part of those interested, including the consumers of anthracite coal.

While we realize that the proposal now made may be considered defective in that the findings of the umpires are not binding, it is nevertheless hoped and believed that the findings arrived at under such circumstances,

would afford the basis for a peaceable and orderly settlement and tend to avoid suspensions of mining hereafter.

The necessity for some method by which recurring periods of idleness in our industry may be avoided, in so far as possible, is conceded by all. The mutual responsibilities of the operators and the miners demanded the most serious consideration and prompt acceptance of this proposal. These responsibilities require that the production of anthracite shall be resumed at the earliest possible date, and that we shall at the same time remove the menace of another suspension next year.

We are hopeful, in spite of the rejection of our last proposal that wiser second thought will bring about its acceptance. Continued opposition on the part of the miners to any plan which seeks to avoid another suspension carries with it a heavy responsibility. It means that the officials of the United Mine Workers assume responsibility for the suffering on the part of the public and the miners themselves that may result from further delay in resumption of production. It means that rather than agree even to an advisory finding as to future wages, the miners' representatives are willing to deprive the people of a large section of the United States of essential fuel. We cannot believe that this stand will be maintained. If it is there can be no question as to where the responsibility lies for the consequences that may follow.

On behalf of the union, President Lewis made the following statement to the public press the same evening:

When the representatives of the United Mine Workers accepted the invitation of the anthracite operators to participate in the joint conference we believed that it was their purpose to effectuate a settlement of the anthracite strike. We were therefore after entering the conference astonished to find that they had resurrected the theory of arbitration and again offered it as a condition of settlement. The entire week of conference has been taken up by discussion of this matter. The position of the United Mine Workers on this question is well known and generally recognized. We do not believe the principle of collective bargaining should be set aside or substituted by any theory of arbitration. Our position on this question has been repeatedly made clear and there is no intent on the part of the United Mine Workers to compromise this principle.

The most recent offer of the anthracite operators made to the conference several days ago provides for the so-called voluntary plan of arbitration similar to the plan under which the Railway Labor Board operates and identical with the principle set forth in the Canadian Industrial Disputes act. The public is entirely familiar with the lamentable failure of arbitration as exemplified by the United States Railway Labor Board and is today suffering keen distress because of the blundering failure of this agency to function with proper regard for the workers' rights.

The public is also aware of the breakdown in the Canadian Industrial Disputes act as concerns the basic and essential industries of Canada. The present turmoil existing in both the northwest and maritime provinces of Canada is directly traceable to the failure of this kind of legislation. The 155,000 miners employed in the anthracite coal fields who have been engaged in a bitter struggle for nearly five months have no time or inclination to indulge in further experiments of this kind when their powers of observation reveal to them the disastrous workings of arbitration elsewhere.

The mine workers' representatives in the anthracite conference proposed the making of a contract until March 31, 1924, and would have given serious

consideration to the making of a longer term contract, thus guaranteeing the stability of the industry free from interruption of production and carrying insurance to the public that its supply of anthracite would be adequate. Our offer in this respect was met with the brutally frank statement of the anthracite operators that the price of such an agreement must be arbitration of the wage scale at stated periods. The mine workers have declined to purchase peace at such a cost.

We have every honorable desire to negotiate an agreement for the anthracite industry and in consideration of that purpose have devoted the past week in a sincere attempt to accomplish that end. The persistent actions of the representatives of the anthracite operators in declining to discuss any other question than arbitration seemingly indicates a lack of desire upon their part for such settlement. In this respect there is a marked difference in the position occupied by the anthracite operators and in the position of the bituminous operators who have now largely accepted the provisions of the agreement made in the Cleveland interstate conference where the question of arbitration was totally eliminated.

The public has been gratified by the adjustment of the bituminous situation and would hail with like satisfaction a settlement of the anthracite controversy. If the anthracite operators now continue to occupy the position which makes a settlement of this question impossible they and they alone must bear the responsibility before the bar of public opinion.

Mr. Lewis's statement glossed over some of the fundamental differences between the proposals the union accepted at the Cleveland bituminous conference and those they made, according to his statement, in the anthracite meetings in Philadelphia.

The Cleveland conference determined that the miners should resume work on the basis of extending the old wage scale until March 31, 1923.

At the anthracite conference, Mr. Lewis says, it was demanded that the old wage scale should be extended until March 31, 1924.

The Cleveland conference determined that the bituminous operators and mine workers affected should hold a joint conference in October, 1922, where a committee representing both sides equally should be named to formulate a method of negotiating wage agreements effective April 1, 1923, a report to be made to another joint conference convening January 3, 1923.

The Cleveland conference determined that the joint conference of October, 1922, should select a Committee of Inquiry, whose personnel should be approved by the President of the United States, to make an investigation of the bituminous industry, to make such recommendations for betterment as it may deem advisable, and to report at the joint conference of January, 1923.

At the anthracite conference, Mr. Lewis rejected the proposal for an impartial committee of three to make findings upon matters in dispute and to submit them, purely as recommendations, subject to acceptance or rejection by either side on ten days' notice.

Settlement Effected Through Joint Action of Senators Pepper and Reed Endorsed by President Harding

Agreement to be in effect until August 31, 1923

At this juncture a fresh effort was made by Senator George Wharton Pepper and Senator David A. Reed to bring about a settlement, their proposals being embodied in the following letter:

To
S. D. Warriner, Esquire, Chairman,
Policy Committee, Anthracite Coal Operators;
and
Mr. John L. Lewis, President,
United Mine Workers of America.

August 29, 1922.

As Senators representing the Commonwealth in which the anthracite coal field lies, we earnestly urge your acceptance of the following proposal:

1. The contracts in force March 31, 1922, to be extended to August 31, 1923, or March 31, 1924.
2. The production of coal to begin at once.
3. Your organizations to join in a recommendation to Congress that legislation be forthwith enacted creating a separate anthracite coal commission, with authority to investigate and report promptly on every phase of the industry.
4. The continuance of production after the extension date, to be upon such terms as the parties may agree upon in the light of the report of the commission.

(Signed) George Wharton Pepper

(Signed) David A. Reed

This letter was laid before a meeting of the General Policies Committee held in Philadelphia August 31. It received thoughtful consideration, but action was deferred to another meeting, called for Saturday, September 2, in Philadelphia. Following the meeting of August 31, Mr. Warriner made the following statement:

"We are faced with a demand for the continuation of war wages beyond April 1, 1923. In order to bring about an immediate resumption of mining we have reluctantly agreed to continue the old wages until next April, but we have not felt that we were justified in going further than that.

"The bituminous miners have gone back to work under the old scale until next April. The anthracite producers know of no reason why their men should not do the same thing, and want to be entirely satisfied that conditions warrant a longer period of the old wages for anthracite miners.

"To continue the war wages beyond next April inevitably carries with it a continuation of present prices. The public has protested against buying at these prices longer than is absolutely necessary. The adjournment taken

today was to enable the operators to canvass the situation and to obtain, if possible, the views of others as to conditions which would be fair to all parties concerned, not forgetting those who buy the product.

"If the public necessities for coal and the urgent request of public authorities are such as to induce us to continue the old wages beyond April 1, 1923, this demand must come to us in the form of a public mandate. We will conform our action to such a mandate, but no other reason would impel us to enter into an agreement which will continue, for longer than the present emergency, coal prices to which emphatic objection has already been made."

To canvass public feeling, the General Policies Committee sent out the following telegram, under date of August 31, to mayors of cities in anthracite-consuming territory, to editors of prominent papers, to chambers of commerce and to boards of trade:

"Faced by miners' demand for continuation of old wages beyond next April, which would mean continuation of present prices, the producers of anthracite coal are seeking to find out whether the public approves of conceding this demand as a means of bringing about the prompt resumption of production necessary to secure an adequate supply of fuel for the coming winter. Our attitude more fully outlined in statement printed in today's papers. Shall greatly appreciate telegram from you today stating whether your community favors conceding the demand in view of existing emergency."

Replies to this telegram, which were prompt and numerous, were read before the Policies Committee on Saturday, September 2. They were overwhelmingly in favor of securing anthracite production immediately, even at the cost of maintaining the old prices until August 31, 1923, through extending the old wage scale to that date.

Besides these appeals there was one from the President of the United States, in the form of the following letter transmitted through Senator Pepper:

The White House
Washington, D. C.

September 1, 1922.

To the Representatives of the Anthracite Operators and Miners:

The public interest transcends any partisan advantage that you might gain by further resistance. I urge you in the name of public welfare to accede to the proposal that has been advanced by Senators Pepper and Reed.

Very truly yours,

(Signed) Warren G. Harding.

In accordance with the above expressed wishes, interpreted as amounting to a public mandate, the General Policies Committee adopted the following preamble and resolutions at the meeting on September 2:

Whereas, the anthracite coal producing companies for the past five months have been endeavoring by every means in their power to secure a downward revision of wages in the interest of the public and the industry, and

Whereas, the enforced period of non-production has created a situation into which the United States Government has now intervened in order that coal may be produced, and the consumer supplied, and

Whereas, the President of the United States has urgently requested, in the interest and welfare of the public, that anthracite coal should be produced, and

Whereas, Senators Pepper and Reed on August 29th made a specific proposal for the settlement of all matters in controversy, which proposal has the endorsement of the President, therefore be it

Resolved, that while we are still of the opinion that anthracite wages should be reduced, and that even the present emergency does not justify the continuation of the old scale, we nevertheless, in conformity with the insistent appeals of the President of the United States, the Senators from Pennsylvania, and the public, accept the proposal made by Senators Pepper and Reed, as follows:

1. The contracts in force March 31, 1922, to be extended to August 31, 1923.
2. The production of coal to begin at once.
3. The organizations of operators and miners to join in a recommendation to Congress that legislation be forthwith enacted creating a separate anthracite coal commission, with authority to investigate and report promptly on every phase of the industry;
4. The continuance of production after the extension date to be upon such terms as the parties may agree upon in the light of the report of the commission.

And be it further

Resolved, that the sub-committee of the General Policies Committee of Anthracite Operators be authorized to enter into an agreement with the officials of the United Mine Workers, embodying the proposals above quoted.

Agreement Ending the Strike

The General Policies Committee thereupon adjourned, and the Negotiations Committee waited upon Senator Pepper in his Philadelphia office. After a conference with the President of the United Mine Workers, a joint meeting of the Negotiations Committee was arranged for 9 P. M., September 2, in Senator Pepper's office.

As the result of this meeting, an agreement was reached and the following contract was signed at 12.10 A. M., September 3:

THIS AGREEMENT, made this second day of September, 1922, between Districts 1, 7, and 9, United Mine Workers of America, parties of the first part, and the Anthracite Operators, parties of the second part, covering wages and conditions of employment in the anthracite coal fields of Pennsylvania, WITNESSETH:

1. The contracts and working conditions which were operative on March 31, 1922, are hereby extended to and including August 31, 1923.
2. Districts 1, 7, and 9, United Mine Workers of America, will forthwith take the necessary steps to enable all employes to return to work to the end that production of anthracite coal may be resumed.
3. The parties unite in a recommendation to Congress that legislation be forthwith enacted creating a separate anthracite coal commission with authority to investigate and report promptly on every phase of the industry and the parties hereby ask the President to request the enactment by Congress of the recommended legislation.
4. The continuance of production after August 31, 1923, shall be upon such terms as the parties may agree upon in the light of the report of the commission.

During the ensuing week, the United Mine Workers of America summoned a tri-district convention, which ratified the agreement, and anthracite mining was resumed September 11, the suspension having continued 163 days, or only one day less than the general strike of 1902.

During the six months, April-September, 1921, the total shipments of anthracite were 34,350,584 gross tons.

During the same period in 1922, total shipments were 4,507,132.

The anthracite industry, therefore, as a consequence of the strike began the fall and winter season with a deficit of 29,843,452 tons, compared with the preceding coal year.

Wages in the Anthracite Industry

Survey by the National Industrial Conference Board

The following is a summary of a report issued March 20th by the National Industrial Conference Board:

"This investigation is the most comprehensive study ever made of conditions in the anthracite industry. It covers fifty-one companies with 94,514 wage earners, operating 179 collieries, of which the total production in 1920 was 64,548,928 tons, or about 91 percent of the entire production of the industry.

"The period covered is from the last half of June, 1914, to the last half of October, 1921, and the results show conditions as to earnings, hours of work and employment in a representative period under the agreement of 1912-1916, as compared with a representative period under that of 1920-1921, which expires March 31, and the renewal of which the operators and workers have just met to discuss.

"The investigation covered the same companies during the entire period. All classes of wage earners in the industry are included except clerks and executives, contract miners' helpers and workers who missed more than two days of the full working time in any semi-monthly period.

AVERAGE WAGE 72.8 CENTS AN HOUR—INCREASE 162 PERCENT

"The investigation shows that the average hourly earnings of all wage earners were 27.8 cents in June, 1914, and rose to 72.8 cents in October, 1921, an increase of 162 percent.

"Excluding contract miners, who are paid on a different basis from ordinary workers and whose earnings tend to swell the average, this increase is from 22.5 cents to 59.9 cents, or 166 percent.

"The average actual earnings of all wage earners in the semi-monthly period in the last half of June, 1914, were \$29.81, and rose to \$75.18 in October, 1921, an increase of 152 percent. On this basis the weekly earnings of all wage earners rose from \$13.76 in 1914 to \$34.71 in October, 1921.

FULL TIME EMPLOYMENT

"During this period the average hours worked in a semi-monthly period for all wage earners declined from 107.4 to 103.3. Excluding contract miners, the decline was from 115.1 hours in 1914 to 111.9 hours in October, 1921.

"The total numbers of workers employed showed practically no change during the entire period. The number of breaker starts per colliery, which serves directly to indicate the amount of mine activity and therefore the opportunity for employment, was 11.6 in June, 1914, rose to 12.5 in June, 1921, and declined to 11.8 in October, 1921. In short, employment in the anthracite industry has been fairly regular throughout the entire period.

WAGES ABOVE COST OF LIVING

"Comparing changes in actual earnings with changes in cost of living during the period covered, the investigation shows that real hourly earnings of all wage earners in October, 1921, were 60 percent above those in June, 1914. Excluding contract miners, the increase was 62 per cent during this period. Real weekly earnings in October, 1921, were 54 percent higher than those in June, 1914.

"A comparison of the average actual hourly earnings in the anthracite industry with those of wage earners in manufacturing and on railroads, as set forth in previous reports of the Conference Board shows that while actual hourly earnings of anthracite workers were

lower than those of industrial and railroad workers in 1914 they were higher in 1921 than those of the other two groups.

"The percentage of increase in actual hourly earnings for industrial workers from July, 1914, to July, 1921, was 113 percent; for railroad workers up to October 1, 1921, 131 percent, and for anthracite workers, 166 percent. By July, 1921, the average weekly earnings of workers in manufacturing industries were only 83 percent above 1914, those in railroad work in October, 1921, 102 percent, while in anthracite mining the increase was 152 percent.

WORK FIFTY-ONE HOURS A WEEK

"The average actual hours worked per week by wage earners in manufacturing industries in 1914 were 51.3 as compared with 44 hours in July, 1921; those in the railroad industry were 59.7 in 1914 as compared with 52.2 in October, 1921; while the average hours per week for all workers excluding contract miners in the anthracite industry were 53.1 in 1914 and 51.7 hours in October, 1921.

"A comparison between representative periods from July, 1914, to October, 1921, shows that while employment has increased 21 percent on the railroads, and declined 8 percent in manufacturing industries, it has remained at practically the same level in anthracite coal mining.

"Up to October, 1921, real hourly earnings in the anthracite industry have increased 60 percent as compared with an increase of 41 percent for railroad workers and of 32 percent for industrial workers up to July, 1921. Real weekly earnings in the anthracite industry have increased 54 percent as compared with 23 percent for railroad workers and 13 percent for workers in manufacturing industries generally.

"In these comparisons the figures for workers in manufacturing industries go down only to July, 1921. Later data would make the contrast even more striking because of the continued decline in wages in manufacturing industries, while wages of anthracite workers fixed under the 1920-22 agreement have remained constant.

"DISPROPORTIONATE" WAGE INCREASE IN ANTHRACITE INDUSTRY

"The disproportionate increase in wages in the anthracite industry as compared with changes in manufacturing wages and railroad wages, is shown particularly when the changes in earnings of common outside labor in the anthracite industry are compared with those of common labor on Class I railroads and with those of common or unskilled labor in manufacturing industries.

"The increase in hourly earning of common labor in manufacturing industries from July, 1914, to July, 1921, was 117 percent; from June,

1914, through October, 1921, those of railroad workers rose to 138 percent, and those of outside common labor in anthracite mining 189 percent.

"During these periods the increase in actual weekly earnings for common labor in manufacturing industries were 85 percent, for common labor on railroads, 99 percent, and for common outside labor in anthracite mining 189 percent.

HOW COMMON LABOR BENEFITED

"Comparing these changes with changes in the cost of living during these periods, the real hourly earnings of common labor in manufacturing increased 34 percent; on railroads, 45 percent; in anthracite mining, 77 percent. Real weekly earnings of common industrial labor increased 14 percent; common railroad labor, 22 percent, and common outside mining labor, 77 percent.

"The average hours worked per week declined 8.0 hours for common industrial labor, 9.6 hours for common railroad labor, while those of common outside anthracite mining labor increased 0.2 hour."

Finally, the board's statement says, in considering adjustments in the anthracite mining industry, the following outstanding factors must be taken into account:

"1. The wage increases since 1914 have been very extensive.

"2. There has been no wage reduction in the depression period.

"3. The increases for surface labor have been far above those for underground workers in more hazardous occupations.

"4. The increases have been greater for the unskilled worker and the day worker than for the skilled laborer and the man who works on a contract or tonnage basis.

"5. The constant demand for anthracite as domestic fuel has maintained employment and hours of work at a practically uniform level."

Living Costs in the Anthracite Region

Survey by the National Industrial Conference Board

The following is a summary of a report issued March 27 by the National Industrial Conference Board:

"This investigation is the most comprehensive survey of the cost of living that has ever been made in the anthracite coal fields. It shows that the minimum cost of maintaining a fair American standard of living among anthracite mine workers' families, according to conditions actually prevailing,

in February, 1922, varied from \$897.34 a year for a family consisting of a man, woman and one child living in company owned houses to \$1,475.45 a year for a similar family with four children living in commercially owned houses.

"Single men paying for board and lodging, on the other hand, because the cost of their necessities is normally considerably greater than would be their proportional share of the cost in a family group, required \$703.96 a year to live at a fair minimum American standard in the anthracite region in February, 1922.

"There were slight variations in these figures for the different sections of the anthracite coal fields but the figures for the area as a whole are sufficiently representative of conditions generally prevailing. In addition to the comparatively large centers such as Scranton, Wilkes-Barre, Hazleton, Pottsville, Shamokin and Shenandoah, 28 smaller communities were visited. Prices were secured from 116 food stores and from 91 clothing stores. Many of these were in each case units in a chain store system and therefore the prices secured represent several times this number of quotations. House rents were secured from a large number of agencies in the communities visited, and prices of coal, electric light rates, carfares, organization dues and the cost of other important sundries items were likewise obtained. Averages of these were used as the basis of the Board's final estimates regarding the cost of living.

"The investigation shows that between July, 1920, when the peak of the rise in the cost of living was reached, and February, 1922, the minimum cost of living for families of anthracite mine workers declined 20.7 percent. Among families who live in houses owned by the coal companies, representing less than 10 percent of the miners, the decrease in cost was 23.2 percent. This difference is due to the fact that while rents of privately-owned houses had advanced since July, 1920, the coal companies were charging the same rents in February, 1922, as they had been in July, 1920.

"These decreases in the cost of living for families in the anthracite region are very close to the decrease of 22.9 percent for the same period recorded for the country as a whole. For single men the decrease in the cost of living was less than for families, owing to the fact that their major expenditure, the cost of room and board, had not declined. Between July, 1920, and February, 1922, the cost of living for an anthracite mine worker living apart from a family group decreased 8.5 percent.

"The price of food for a family living at a fair minimum standard declined 28 percent in the anthracite region between July, 1920, and February, 1922. This means that in February, 1922, a family of man, wife and one child would need to spend \$387.89 annually for food. To this amount should be added \$95.52 a year for each additional child. These figures do not take into account possible savings to the family through keeping chickens, cows and pigs or raising at least summer vegetables. There was very little difference in the decrease in the cost of food found in the northern, middle or southern fields.

"House rents for commercially owned houses had advanced 21 percent within the 19 months. These advances varied from an average of 17 percent in the northern field exclusive of Scranton and Wilkes-Barre, to 22 percent in the middle field. In no case was the difference between the various sections very great, however. Rents of houses owned by the coal companies had not changed. In February, 1922, the minimum rent of four-room houses, privately owned, averaged \$148.82 a year. Accommodations large enough for a family of three would cost \$112.30. Company houses rented for \$56 and \$42 respectively.

"The greatest decline in the cost of any of the major items making up the total cost of living in the anthracite region was for clothing, the average minimum cost of which decreased 32 percent between July, 1920, and February, 1922. This decrease was least in the cities and greatest in the middle anthracite field, but the total spread was only 6 points. In February, 1922, a family with one child would need to spend a minimum of \$208.95 annually to clothe itself according to a minimum American standard. Families with larger number of children would require \$30.22 more a year for the clothing of each additional child in the family group.

"Anthracite miners uniformly purchase their coal directly from the coal companies and because it is relatively cheap and their houses are often poorly built and unusually exposed a large amount of coal is burned. The price of coal at the mines advanced, however, and so did the price of hauling it. Thus in February, 1922, miners were paying approximately 22 percent more for coal than they were in July, 1920. During this period rates for electricity for domestic use did not change, although the price of kerosene oil, which is frequently used for lighting purposes in some of the more rural communities, declined. The combined cost of fuel and light in the anthracite region in February, 1922, was therefore 12 percent or 13 percent higher than in July, 1920.

"Changes in the cost of sundries varied. Carfares, taxes and organization expenses increased. On the other hand, the cost of candy, tobacco, and soft drinks and household furnishings and supplies as well as the necessary cost of insurance and contributions to church and charity, declined. Medical care, recreation and daily newspapers cost the same in February, 1922, as in July, 1920.

"Combining these changes in the cost of all the items making up the average family's expenditures for sundries it was found that 9 percent less was necessary in February, 1922, than in July, 1920. On the later date, a family with one child would need to spend \$203.78 a year on sundries. To this should be added approximately \$28 a year for sundries for each additional child.

"Combining the cost of all of these items going to make up a minimum standard of living in the anthracite field, according to conditions actually existing, it was found that the maintenance of a fair standard in February, 1922, required at least \$969.71 a year for a man, woman and one child. For a family with two children the corresponding annual minimum cost would be \$1,168.42; for a family with three children the annual minimum cost would be \$1,321.94; and for a family with four children the annual minimum cost would be \$1,475.45.

"These figures are for families living in commercially owned and rented houses. For houses owned and rented to their employees by the coal companies the annual cost would be slightly lower, but less than 10 percent of the anthracite mine workers live in company owned houses.

"Changes in the cost of the separate items required for the maintenance of a minimum standard of living of a single man in the anthracite region were very similar to those of a family, except that the family's decreased food cost was not reflected in a decreased price of board for the single man. The average cost of his clothing declined 32 percent; but his combined sundries cost only 1 percent less. The combined decrease in the cost of living of a single man in the anthracite region of Pennsylvania between July, 1920, and February, 1922, was 8.5 percent."

A Correction of Mr. Lewis's Statements

(Before the House Committee of Labor)

Shortly after the anthracite operators and representatives of the anthracite mine workers met in New York for their joint conference regarding a new agreement, President John L. Lewis, of the United Mine Workers of America, appeared as a witness before the House Committee on Labor in Washington, to testify with respect to the Bland coal investigation bill. His remarks as carried in the official record and in press releases for newspapers of April 4, dealt largely with bituminous coal, but parts of his testimony purported to portray conditions in the anthracite industry.

The following letter to Chairman Nolan, of the House Committee on Labor, from Chairman S. D. Warriner, of the General Policies Committee of Anthracite Operators, bearing upon Mr. Lewis's anthracite testimony, is self-explanatory:

April 29, 1922.

In his testimony before your Committee Mr. John L. Lewis, President of the United Mine Workers of America, made certain statements regarding present conditions in the anthracite region which I cannot permit to remain on the record unchallenged.

On Page 194 of the record, "Hearings before the Committee on Labor" on H. R. 11022, occurs the following statement by Mr. Lewis:

The mine workers wished to remain at work in the mines, but existing circumstances would not permit them to do so. The trouble so far, in the anthracite region is that the operators are not willing to allow the mine workers to continue at work during the progress of the negotiations, and as they have accumulated considerable stocks of coal, and as warm weather is about here, there will be no great hardship from the suspension except to the poor devil of a mine worker who finds himself out of a job, and to the railroad worker who may be laid off after the surplus stocks of coal are carried to the market.

NOT ACCORDING TO FACTS

This statement is distinctly at variance with the facts. In accepting the invitation of Mr. Lewis to meet the representatives of their employes for the purpose of negotiating a new wage agreement, the General Policies Committee of the Anthracite Operators expressed regret that the date for the meeting fixed by Mr. Lewis, namely, March 15th, approached so closely that of the termination of the existing agreement, as it would not permit the completion of the negotiations.

They agreed, however, to meet with the miners' representatives and have been in almost continuous conference with them through the

wage negotiating committee since March 15th. In view of the fact that negotiations were in progress and that there were possibilities of an agreement being reached, which even if reached after April 1st, could have been made retroactive to that date, the calling of the suspension by Mr. Lewis came as a distinct surprise to the anthracite operators. *Their representatives on the negotiating committee protested vigorously on what they considered a flagrant breach of faith on the part of Mr. Lewis and his associates, but without avail.* The anthracite operators were absolutely without any responsibility for the calling of the suspension.

STORAGE STOCKS UNSALABLE

The statement that the operators had accumulated considerable stocks of coal falls to the ground when it is known that approximately 90 percent of the coal in storage consisted of Pea and Buckwheat sizes which had backed up in the storage yard simply because of *lack of demand for these sizes* in the late months of 1921.

Mr. Lewis in the paragraph following the one quoted says further: "In the anthracite field the operators are carrying out their agreements to enter into conference, but say there must be a suspension until it can be determined when the wage rates for the ensuing term are to be fixed." The anthracite operators never made nor contemplated making any such utterance.

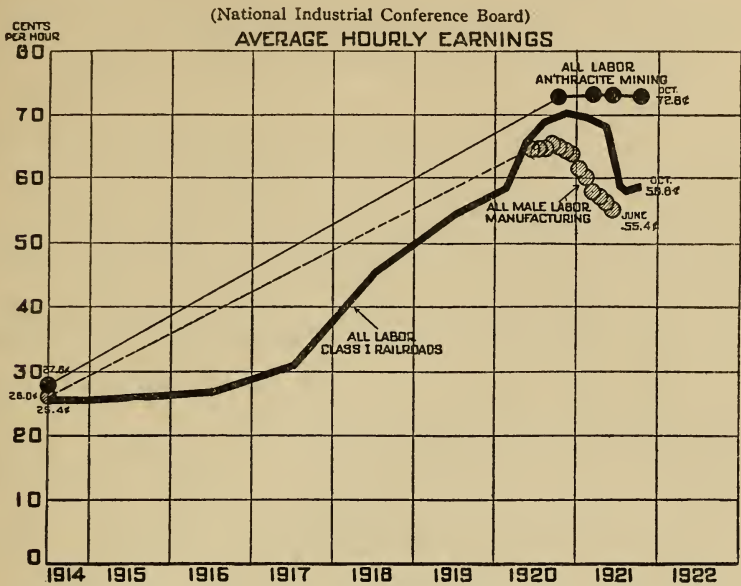
AS TO LIVING COSTS

On page 199 of the Record, Mr. Lewis is quoted as saying:

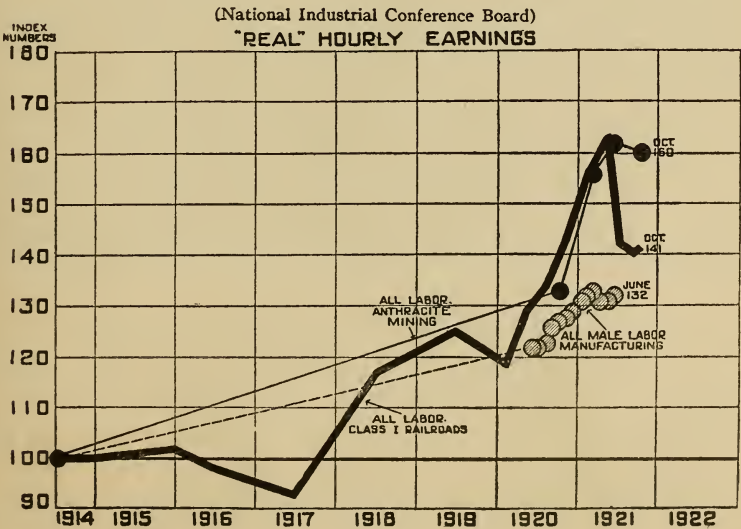
An investigation made recently throughout the anthracite regions outside of Scranton reveals the fact that the decline in prices in these regions has been distinctly less than it has been in Scranton, and therefore considerably less than throughout the United States as a whole. This investigation has been only partially completed, but so far the strong probability is that prices in the anthracite regions have even risen since June, 1920, at which time they reached the peak, both in Scranton and throughout the United States generally.

What the report of the Bureau of Labor Statistics really said was: "During the month from February 15th to March 15th there were decreases (in the retail cost of food) in Detroit, Philadelphia, Rochester, Salt Lake City and Scranton of 3 percent; in Norfolk and San Francisco of 2 percent, and in Chicago, Cincinnati, Columbus, Little Rock, Louisville, Mobile, Minneapolis, New Orleans and St. Paul of 1 percent," *Scranton being included in the group of cities that reported the largest decrease.*

ACTUAL HOURLY EARNINGS, ALL MALE LABOR, MANUFACTURING, CLASS I
RAILROADS, AND GROUP COVERED IN ANTHRACITE MINING



“REAL” HOURLY EARNINGS, ALL MALE LABOR, MANUFACTURING, CLASS I
RAILROADS, AND GROUP COVERED IN ANTHRACITE MINING



The Case for the Anthracite Operators

*An interview with Chairman S. D. Warriner, of the General Committee,
reported by George Nor McCain and reprinted from the
Philadelphia Evening Public Ledger of August 2, 1922.*

The president of the great corporation talked unreservedly. There was no hesitation or evasion. At times he paused to recall figures or searched the pile of papers, envelopes and books before him for statistics.

"From the operators' standpoint, and to all intents and purposes, the existing condition in the anthracite industry is a strike and not a lockout," said Mr. Warriner, in reply to my question.

John L. Lewis, International President of the United Mine Workers of America, it will be recalled, had so described the situation to me in an interview last Saturday.

"The miners assert that they desired to work during pending negotiations over a new wage scale, but were prevented from doing so by the operators," I suggested.

"The stenographic report to our first conference with the miners, March 21 last, furnishes the facts as to that," replied Mr. Warriner. He produced a type-written record from which he read at intervals.

"In accordance with our contract with the miners we met to negotiate a new agreement on wages and working conditions. A committee on negotiations was appointed consisting of four miners and four operators.

"It met on March 21. At that meeting Mr. Lewis, the mine workers' president, read an order which he said had already been released for publication. It was signed by the international officers of the miners' organization and called for a suspension of work in both anthracite and bituminous fields April 1.

MINERS DECIDED TO STOP WORK

"Mr. Lewis specifically stated that this order was in compliance with the instructions of the miners' convention held at Shamokin. The resolution provided that all mining should cease after April 1 or until a new contract had been made.

"The stenographic report of that meeting shows that the operators vigorously protested this action as a breach of faith on the miners' part. But the order had gone forth and was not subject to change, so the best we could do was to agree on a basis of compensation for pumpmen and firemen who were to remain at work to prevent the mines from becoming flooded.

"Before the House Committee on Labor at Washington Mr. Lewis said:

"The mine workers wished to remain at work in the mines, but existing circumstances would not permit them to do so. The trouble so far in the anthracite region is that the operators are not willing to allow the mine workers to continue at work during the progress of the negotiations, and as they have accumulated considerable stocks of coal, and as warm weather is about here, there will be no great hardship from the suspension except to the poor devil of a mine worker, who finds himself out of a job, and to the railroad worker, who may be laid off after the surplus stocks of coal are carried to the market."

PUTS BLAME ON LEWIS

"That statement was distinctly at variance with the facts," continued Mr. Warriner. "Negotiations were in progress, and there were possibilities of an agreement, which, even if reached after April 1, could have been made retroactive to that date.

"We had absolutely nothing to do with the suspension of work. Mr. Lewis ordered it himself. Moreover, Mr. Lewis expressly stated, 'I take the responsibility of this action upon myself.'"

"Is it true that the operators had accumulated large stocks of coal that were to be disposed of during the suspension at increased prices," I asked.

STOCKS OF COAL WHEN STRIKE BEGAN

"Absolutely not. There was not more than the normal stocks ahead. It is an established rule that stocks are accumulated during the winter to be available for the spring business at reduced prices, as is well known. Of the stock accumulated approximately 90 per cent. consisted of pea and buckwheat sizes, which had backed up in the storage yards because of lack of demand for these sizes in the late months of 1921."

"Did you, as claimed by the miners, increase the price after the suspension became operative?" I asked.

"No. We adhered strictly to our circular prices as a maximum. We did not advance the rate."

"Are the anthracite operators willing to accept a Federal commission which will investigate everything in connection with the anthracite business, including not only wages and working conditions, but transportation costs, selling agencies and corporation royalties, cost of supplies to the miners, etc.?" I asked.

"We are," was the reply. "The operators' position has been consistently just this: Solely to reach an agreement they made a proposal to the miners of unrestricted arbitration in answer to their question at that time. We specifically agreed to abide by the findings of any commission appointed by President Harding. We agreed that the President himself should instruct the commission as to the scope of its investigations."

"Following the conference with the President at Washington he stated publicly that the anthracite operators had accepted his proposal unconditionally."

"Meaning that it included the subjects I have mentioned above?" I suggested.

"Exactly."

ATTITUDE OF OPERATORS ON FREIGHT RATES

"A great deal has been said and written about the attitude of the anthracite operators on the freight-rate question; that you have made no effort to obtain reduction of the coal traffic cost. What is your attitude on the excessive freight rates charged on your product as compared with that on other commodities?" I inquired.

"I am glad you asked that question," said Mr. Warriner, "for several reasons." Then he went on:

"The miners have laid great stress on that matter, claiming that the operators refused to join in any request for a reduction of freight from the anthracite field. It is absolutely wrong, and the facts are just the reverse."

"During our negotiations on April 27 the miners' officials presented certain resolutions alleging that the railroads were collecting excessive freight rates; that wholesale and retail agencies were also charging exorbitant prices, and asking us to join in a petition to the Interstate Commerce Commission and the Federal Trade Commission that they be investigated."

"It was a gratuitous suggestion. They should have known that the anthracite operators had already taken that step. With other shippers we had not only petitioned the Interstate Commerce Commission, prepared briefs and presented facts, but had gone the full length in an endeavor to obtain reduced freight rates," added Mr. Warriner with a smile.

"The commission had taken cognizance of this fact and was even then, as the miners presented their resolution at our wage conference, on the eve of taking action."

"The Interstate Commerce Commission subsequently reduced the rates, which, as you know, became effective July 1 last. That, I think, answers their assertion definitely."

THE PRICE OF COAL

"What is the mystery about the difference between the cost of coal at the mines and the cost to the consumer?" I asked. "It is the one thing the public wants to know."

"One of the most, if not the most, difficult problems associated with the mining and distribution of anthracite is to get clearly into the minds of the consumers the relationship between the cost of production, the price at the mine and the price that the consumer pays for his coal, delivered in the cellar," said Mr. Warriner.

"One sees in his morning paper a statement to the effect that out of the \$12 or \$13 per ton that his dealer charges him the miner gets only \$2 or even less, and he asks himself or the paper asks for him, Who gets the difference?"

TELLS ABOUT COSTS

"Let me quote the most recent official statement of costs of anthracite production. It is that of the Federal Trade Commission in 1919, which covered six years from 1913 to 1918. Its report shows that the labor cost of production was \$3.41 per ton. To this, however, must be added the 17.4 per cent increase granted the miners by President Wilson's commission in 1920, which brings the labor cost to a trifle over \$4 per ton. These figures are based on gross tons.

"As we showed the Wage Committee of miners in our last negotiations, this figure of \$4 was underestimated. It was actually over \$4.11. To this should be added \$1.05 per gross ton for supplies, and fifty-eight cents for overhead, making a total cost of \$5.74 per ton.

"Now as to the prices realized for the fuel," he went on.

"Prices for domestic sizes of anthracite on September 1, 1920, when the Wilson commission made its award, ranged from \$7.75 to \$8.10 per ton f. o. b. at the mines. When these figures are compared with the total cost as I have shown, our gross margin on the mining operation is apparently from \$2 to \$2.35 per ton.

"But you must remember that anthracite as it comes from the breaker is not all egg, stove and nut coal. Approximately 11 per cent consists of pea coal, which sells at little, if any, above cost of production, and of 25 to 30 percent of so-called 'steam' sizes that sell at less than the labor cost of production.

THE OPERATORS' "MARGIN"

"When these allowances are made the average realization to the companies instead of being \$7.75 or \$8.10 a ton is actually \$6.28, and the average margin instead of being \$2 or \$2.35 is fifty-four cents a ton.

"But, and note this particularly, from this margin must be deducted, before any profits and dividends can be considered, Federal taxes, and the summer and other trade discounts, which must be allowed. It is a safe computation, therefore, that our net return on investment in the last two years has ranged from 35 to 40 cents a ton. Taking everything into consideration, the average return in the anthracite industry is not more than 5 percent. In order to insure against the risks inherent in the industry the yield should not be less than 10 percent on the investment," said Mr. Warriner.

"The returns of profit come from the so-called 'domestic' sizes: Lump and broken, egg, stove, chestnut and pea. A loss is registered in the steam sizes: buckwheat, boiler, etc.

"The steam sizes of anthracite are not, as claimed by some, by-products of manufacture, as are tar, ammonia and gas in the manufacture of coke, or fertilizing products in a slaughter-house. They go through exactly the same processes of screening and cleaning as do the domestic sizes; they are sold below the cost of production, and while the revenue from them forms a part of the total income, it is not recovery from by-products that can be considered as reducing the cost of manufacture.

"I might go into the question of the different costs of production, between the northern and southern anthracite regions," continued Mr. Warriner. "In the northern the coal beds lie flat, while in the middle or Lehigh region and the southern or Schuylkill region they are folded and distorted and most of the mining operations must be conducted on steep pitches. They produce a lower percentage of domestic sizes and a higher percentage of steam sizes, in addition to greater cost of mining.

"I have endeavored to clarify in a comprehensive way this subject, which is a very complicated one. It involves close and intricate calculation but, as I said, we are prepared to submit these and all other facts and figures to a scientific commission that will examine everything in a fair and unbiased way. We cannot make a more explicit proposition than that."

"There is another issue that is of equally great importance," I said. "It is that when the Federal Trade Commission was in the way of making an investigation of your books to ascertain the matter of profits, or was about to do so, you obtained an injunction which prevented it from going ahead."

NEVER OBJECTED TO PROBE

"So far as the Federal Trade Commission is concerned, the anthracite operators have never raised any objection to its investigation," was the reply. "Instead we have always fully co-operated with it. We did point out to the miners, however, that these investigations at this particular time would not in the slightest expedite the settlement of the wage and other questions before us, or help to get the miners at work as quickly as possible.

"We did not. It is another perversion of the facts. What led to that impression was that a soft-coal corporation, the Maynard Coal Company, I do not recall just where they are located, went into court and obtained an injunction prohibiting the Trade Commission from proceeding with its investigations with them along the line you have indicated, and the commission stopped its work right there.

"Let me say further and emphatically," he continued, "that the anthracite operators had no hand in that transaction. We knew nothing about the court proceedings till the facts became public."

"It is charged by the miners that the selling corporations and wholesale agencies reap vast profits from their favorable position to the trade; that the producers are really also the selling agencies and corporations," I continued.

"So far as our company, the Lehigh Coal and Navigation Company, is concerned, we have no selling company. We sell directly to the retailer and consumer. I must say, however, that as far as the alleged selling agencies maintained by other companies go, they sell their coal in competition with ours," he replied.

"What companies have selling agencies?"

"So far as I know there are only two—the Delaware, Lackawanna and Western and the Lehigh Valley Coal Company."

QUIZZED ON ROYALTIES

"What about the matter of exorbitant royalties paid by some of the companies?"

"I cannot speak personally, as our company holds its lands in fee and has done so for many years. The fact is, however, that the matter of royalties is one of lesser importance. The Girard estate, of this city, is charged by the miners with demanding high royalties, but only about 5 percent of all the tonnage of the region is produced from its properties."

"What is your view of the situation in the anthracite region? What is to be the solution?" I inquired.

"Mr. Lewis has declared that there will be no settlement in the anthracite field until the bituminous issue is adjusted," replied Mr. Warriner.

"For the last twenty years, or since the Roosevelt Commission acted, the anthracite operators and miners have operated under their own agreements. During that period, or till 1920, we recognized the mine workers' organization as the party with whom we dealt in conformity to the Roosevelt agreement.

"In 1920 the Wilson Commission, following renewed pledges by the workers' leaders that the anthracite miners were an autonomous body and independent, directed that a contract be signed with the United Mine Workers of America. Notes of our meetings then held show that pledges made by the United Mine Workers were that we had nothing to fear from the dominance of the bituminous workers.

"All this is now changed, according to Mr. Lewis. The pledges of our men are thrown to the winds," was the comment.

NOTHING IN COMMON WITH BITUMINOUS

"The anthracite situation presents nothing in common with the bituminous. We have no problems of non-employment, or short working periods, and it has been our object to keep it so.

"In spite, however, of our continuous efforts to negotiate and by offers of arbitration, not only by the operators but by President Harding, the mine workers' leaders have agreed to no basis of settlement except with such restrictions as the complete recognition of their union, a revision of wages only upward and other matters as would preclude any settlement of the controversy whatever.

"Now, in addition, we are informed, that no settlement is possible until the bituminous issue is adjusted. In view of all this we feel that we are innocent of all responsibility for the present conditions. We are absolutely helpless to remedy the matter.

"I desire to emphasize this fact," Mr. Warriner continued, "that this suspension, if continued, will create an undoubted shortage of coal this winter with the most deplorable results. I believe that an aroused public sentiment should demand a prompt settlement by fair arbitration, unrestricted in its nature and scope and binding on both miners and operators so that our mines may resume work with the least delay."

"As to the question of wages, aside from the other issues advanced by the miners, what is your position?" I inquired.

"We cannot help but feel that the miners have purposely enlarged upon the question of operator's profits, transportation, royalties and other matters to avoid a discussion of the real issue."

THE REAL ISSUE

"And what is the real issue from the operators' viewpoint?" I asked.

"This: Will the public continue to pay for a worker in a commodity like a coal miner, whose wage is above the wartime peak, while millions of other workers, most of whom are obliged to buy coal, have been and are compelled to accept reductions by the law of economics and when the cost of living to the miners has been materially reduced and they have not suffered from non-employment?" replied Mr. Warriner with earnestness.

"Even railroad workers have been obliged to accept two reductions which the coal miners are seeking to retain.

"The anthracite operators have never offered to the miners wages that did not fully maintain the purchasing power set by the Wilson Commission when the cost of living was at its peak and wages that are far in excess of those paid in virtually every other industry.

"Anthracite operators cannot be charged with seeking to degrade the mine workers. Instead they desire to pay a wage that will make mine working attractive," said Mr. Warriner.

"There is another matter involved," I suggested. "It is that of the anthracite industry as an industry essential to the very life of the people."

"There is another side to that," countered the operators' chairman. "We take the position that anthracite is not an essential commodity, and for these reasons: It is in competition with all other forms of coal, and if full-time employment is to be offered anthracite miners it must be at a rate at which coal can be produced at a cost which will enable it to be freely sold.

"As a matter of fact, smokeless bituminous has largely cut into anthracite sales in the New York market. The City of Philadelphia, for its schools, has discontinued the use of anthracite domestic sizes and is contracting instead for domestic coke.

"Gas produced from bituminous coal is being used in constantly increasing quantities. There was a time, after the general introduction of electricity when the gas supply business was seriously endangered. Science and invention, however, have stepped in, and now public utility companies in gas production are among the largest dividend payers.

CAN'T STAND WAGE INFLATION

"All this is having its effect on the anthracite industry, and an inflated wage will still further affect it, besides inevitably reacting upon the workers."

"How?"

"Because it will inflate prices of production and retard distribution in competition with other fuel."

"Do you regard the present wages of anthracite miners as inflated, under the conditions you have outlined?" I asked.

"Let me answer your question with figures," responded Mr. Warriner.

"Mr. Lewis complains about the \$4.20 minimum rate in the anthracite field paid to outside labor. It must be borne in mind that this is fifty-two and one-half cents per hour. That is a rate twice as high as is paid in other industries where the prevailing figure is from twenty-five to thirty-five cents per hour.

"He also charged that the maximum amount that common outside labor can earn yearly is \$1100. As a matter of fact, the average earning of outside, or common labor, last year was not \$1100 but \$1439. And these figures were taken from all the anthracite payrolls. It comprised every man who appeared on the rolls of the anthracite companies throughout the year.

"If the demand of the miners for an increase of \$1 a day for outside labor were granted it would increase their yearly earnings from \$1439 to \$1779 at the same opportunity for employment offered them; and this for labor that requires no special skill."

"How about the inside workers, the skilled labor?" I injected.

"There are various kinds of this labor. There are contract miners and others in the skilled class working on time. The average actual net earnings of these men, after all expenses are deducted, all supplies, assistants, etc., was \$2170.40. The average earnings of all employes in the region last year was \$1803.05.

"We feel assured that these wages compare favorably with peak wages paid in other industries. While other industries reduced wages it is no more than fair that anthracite workers should recognize the facts; or if not that they will at least be willing to submit their demands to arbitration," said Mr. Warriner in conclusion.

Analysis of Anthracite Production Costs

Compiled by S. D. Warriner, President of the Lehigh Coal & Navigation Company, and reprinted from Mining and Metallurgy, issue of July, 1922.

One of the most, if not the most, difficult of the problems associated with the mining and distribution of anthracite is to get clearly into the minds of the consumers and of the editorial and reportorial writers in the public press the relationship between the cost of production, the price at the mine and the price that the consumer pays for his coal, delivered in the cellar. One sees in his morning paper a statement to the effect that out of the \$12 or \$13 per ton that his dealer charges him, the miner gets only \$2 or even less, and he asks himself or the paper asks for him, "Who gets the difference?" Not infrequently the amount that the miner gets is given for run-of-mine bituminous coal while the price quoted is that of prepared anthracite, egg, stove or chestnut, as the case may be, delivered to the bin of the consumer, and the difference stands out with all the more prominence; and it sticks in his memory with a persistency which no manner of explanation is able to efface.

A recently published official report for the year 1921 of one of the State Bureaus stated the total production of anthracite in net tons of 2000 lb., and included not only the output recovered by the washeries from old culm banks and by dredges from creek and river channels, but also the colliery consumption; i. e., the coal used by the companies in the operation of the collieries. This resulted in a total production of 90,509,075 **net** tons for which the labor cost was stated at \$283,961,300, or \$3.13 per net ton, equivalent to \$3.50 per gross ton. This figure of \$3.50 was immediately seized upon as representing the labor cost per gross ton of **fresh-mined commercial** coal. It is almost a helpless task to try to correct such errors of statement, in the first place, and, in the second place, to correct the misapprehensions that arise from them. As a matter of fact, the report was misleading in regard to the labor cost of the entire production shipped, as the coal used for colliery consumption should be deducted. Correctly stated, the report should have shown, calculated in terms of gross tons of 2240 lb., the legal weight in Pennsylvania, as follows:

Gross production	80,607,359 tons
Less colliery fuel.....	8,757,137 tons
Commercial production	71,850,222 tons
Total labor bill.....	\$283,961,300.00
Labor cost per ton.....	\$ 3.952

The foregoing figures of tonnage are obtained from the State Department of Mines. Even these include the quantity recovered from culm banks by washeries, and consequently the \$3.95 arrived at as the average labor cost is somewhat less than that actually involved in the mining of fresh-mined coal. Unfortunately, the figures of washery production and the cost of producing it are not available.

ANTHRACITE PRODUCTION, COST AND REALIZATION

The most recent official examination into the cost and realization from anthracite production was that of the Federal Trade Commission in 1919, which covered six calendar years from January 1, 1913, to December 31, 1918. This report shows that the labor cost of producing fresh-mined commercial anthracite in November and December (subsequent to the final "war bonus" advance in wages) was \$3.41 per **gross** ton. If to this be added the 17.4 percent.¹ granted by the President's Commission in 1920, the labor cost since April 1, 1920, would appear to be a trifle over \$4 per **gross** ton, which agrees closely with the figure quoted in the preceding paragraph. Data compiled for the information of the wage negotiations committee in the spring of 1922 showed, however, that the labor cost based upon these figures was underestimated, as it was actually a little over \$4.11. This figure may be accepted as correct within so small a fraction as to be practically free from error. To it should be added, in order to get the total cost of production \$1.05 per gross ton for supplies and 58 cents per gross ton for overhead, making the total cost (exclusive of Federal taxes) \$5.74 per gross ton. The average cost of fresh-mined commercial coal for the region will probably not vary 5c. a ton up or down from that figure.

Now as to realization. The prices for the domestic sizes of anthracite since September 1, 1920, when the commission handed down its award, have ranged from \$7.75 to \$8.10 per gross ton, f. o. b. mines. When these figures are compared with the total cost as shown above it would seem that the gross margin on the mining operations is from \$2 to \$2.35 a ton. It must be remembered, however, that anthracite as it comes from the breaker is not all egg,

¹ Estimated average for all employees. See *Monthly Labor Review*, U. S. Bureau of Labor Statistics, October, 1920.

stove and nut coal. Approximately 11 percent of the total output consists of pea coal that sells at little, if any, above production cost, and of from 25 to 30 percent of so-called steam sizes that sell at less than the labor cost alone.

Table 1 gives a statement showing the results of a normal yield from a total of 100 tons of the different sizes to which have been applied the **maximum** company prices obtained in 1921 and 1922:

TABLE 1—RESULTS OF NORMAL YIELD

	Tons	Mine Price	Realiza- tion	Average Cost per Ton	Gain or Loss per Ton	Total Gain or Loss
Lump and broken.....	5.4	\$7.75	\$41.85	\$5.74	+\$2.01	+\$10.85
Egg	12.6	7.75	97.65	5.74	+ 2.01	+ 25.33
Stove	20.1	8.10	162.81	5.74	+ 2.36	+ 47.44
Chestnut	22.2	8.10	179.82	5.74	+ 2.36	+ 52.39
Pea	11.1	6.00	66.60	5.74	+ 0.26	+ 2.89
Buckwheat No. 1.....	14.2	3.50	49.70	5.74	— 2.24	— 31.81
Buckwheat No. 2 (Rice)....	6.8	2.50	17.00	5.74	— 3.24	— 22.03
Buckwheat No. 3 (Barley)..	5.0	1.50	7.50	5.74	— 4.24	— 21.20
Boiler (Birdseye) or other..	2.6	2.00	5.20	5.74	— 3.74	— 9.72
Totals and averages.....	100.0	*\$6.28	+\$628.13	\$5.74	+\$.54	+\$54.14

*Average realization.

From this it will be seen that, applying the **maximum** company prices to the entire production, the average realization, instead of being \$7.75 or \$8.10 a gross ton, is \$6.28, and that the average margin, instead of being \$2 or \$2.35, was 54 cents. From this margin must be deducted, before any funds are available as profits or dividends, such summer and trade discounts as may have been allowed and whatever contributions are made to the Federal Government in the way of taxes. Federal tax payments vary somewhat widely according to the earnings of the companies and the total amount is not known, so that no statement of the per ton average is possible. It is a safe guess, however, that the return on the investment in the last two years has ranged about 35c. to 40c. a ton. When it is considered that under present conditions the average investment in an anthracite property is from \$8 to \$8.50 per ton of annual output, it is clearly apparent that the average return in the anthracite industry is not more than 5 percent on the investment, which not only is not excessive but because of the hazardous character of the business does not offer attractive features to capital seeking safe and profitable employment. Anthracite mining operations, in order to insure against the risks inherent in the industry should yield not less than 10 percent on the investment.

ALLOCATING COSTS TO DIFFERENT SIZES

In order to fix a value on inventory coal some of the anthracite companies allocate the average cost to the different sizes, basing the allocation on the actual quantity of each size produced multiplied by the average mine price per ton for that size.

Upon this basis, the labor, supplies and miscellaneous expenses entering into the 100 tons of anthracite as given in Table 1 would be as shown in Table 2.

TABLE 2—ALLOCATED COSTS OF LABOR, ETC., TO 100 TONS
OF ANTHRACITE

	Labor		Supplies		General Expenses		Total Allocated Cost	
	Total	Per Ton	Total	Per Ton	Total	Per Ton	Total	Per Ton
Broken	\$ 27.38	\$5.07	\$ 6.99	\$1.29	\$ 3.86	\$0.72	\$ 38.23	\$7.08
Egg	63.91	5.07	16.33	1.29	0.02	0.72	89.26	7.08
Stove	106.53	5.30	27.22	1.35	15.03	0.75	148.78	7.40
Chestnut	117.67	5.30	30.06	1.35	16.61	0.75	164.34	7.40
Pea	43.56	3.92	11.13	1.00	6.15	0.56	60.84	5.48
Buckwheat No. 1.....	32.51	2.29	8.30	0.59	4.59	0.32	45.40	3.20
Buckwheat No. 2.....	11.14	1.64	2.85	0.42	1.57	0.23	15.56	2.29
Buckwheat No 3.....	4.89	0.98	1.25	0.25	0.69	0.14	6.83	1.37
Boiler	3.41	1.31	0.87	0.33	0.48	0.19	4.76	1.83
Totals and averages...	\$411.00	\$4.11	\$105.00	\$1.05	\$58.00	\$0.58	\$574.00	\$5.74

We then have as the mine cost of, say, a ton of Stove coal, \$7.40, of which \$5.30 is for labor. Remember, this is the **allocated actual cost**, and that against the \$5.30 allocated labor cost for Stove coal must be set that of \$2.29 for Buckwheat, \$1.64 for Rice and \$0.98 for Barley.

Such a method of arriving at the cost is necessary, however, if anything like an understanding is to be had of what enters into the price of the coal which the consumer pays to his dealer.

With this before us we can show approximately what are the factors entering into the consumer's price, say, in New York City. The cost of a ton of Stove coal at the mine is shown in Table 3.

TABLE 3—ALLOCATED COST OF A TON OF STOVE COAL AT NEW YORK

	Per Gross Tons of 2240 lb.	Equivalent in Net Tons of 2000 lb.
Labor	\$ 5.30	\$ 4.73
Supplies	1.35	1.21
General Expense	0.75	0.67
Total mine cost.....	\$ 7.40	\$ 6.61
Operator's margin as shown above is.....	0.70	0.62
Total f. o. b. mine price.....	\$ 8.10	\$ 7.23
Transportation to New York.....	2.61	2.33
Ferryage	0.50	0.45
Total cost to dealer.....	\$11.21	\$10.01
Dealer's cost of distribution, margin and profits.....		3.29
Retailer's price		\$13.30

By the same process of reasoning, a ton of Buckwheat No. 2, delivered to the New York side of North River would contain the items of cost shown in Table 4.

TABLE 4—ALLOCATED COST OF A TON OF BUCKWHEAT No. 2
OR RICE COAL AT NEW YORK

	Per Gross Ton of 2240 lb.	Equivalent in Net Tons of 2000 lb.
Labor	\$ 1.64	\$ 1.43
Supplies	0.42	.375
General expense	0.23	.205
Total mine cost.....	\$ 2.29	\$ 2.045
Operator's margin as shown above is.....	0.21	.187
Total f. o. b. mine price.....	\$ 2.50	\$ 2.23
Transportation to New York Harbor.....	2.47	2.20
Lighterage	0.35	0.31
Total cost at tidewater.....	\$ 5.32	\$ 4.75
Dealer's cost of distribution, margin and profits.....		2.35
Retailer's price		\$ 7.10

It will be observed that while the operators' margin is figured at 70c. a gross ton, or 63c. a net ton, in the case of Stove coal, it is only 21c. a gross ton (18.7c. a net ton) in the case of Buckwheat No. 2.

STEAM SIZES NOT A BY-PRODUCT

The "steam" sizes of anthracite are not, as claimed by some, by-products in the manufacture of domestic coal, as are tar, ammonia and gas in the manufacture of coke, or the fertilizer products in the operation of a slaughter house. They are a part of the original product and their character is not different from that of the primal products—the domestic sizes—nor changed by the process of manufacture. They go through exactly the same processes of screening and cleaning as do the domestic sizes, and while they are sold below the cost of production, the revenue from them forms a part of the total realization and is not a recovery from by-products that could be considered as reducing the cost of manufacture.

VARYING COSTS AND REALIZATIONS

In the foregoing discussion, conclusions and deductions have been drawn from the average results as they obtain to-day. Naturally, not only do production costs vary in different parts of the field, but sales realizations with prices nearly as uniform as the product is in quality produce somewhat widely different results. In the Northern or Wyoming region the beds lie relatively flat, while in the Middle, or Lehigh region, and the Southern or Schuylkill region, they are severely folded and distorted and most of the mining operations are conducted on steep pitches, a decidedly different proposition from those on the relatively flat-lying beds of the Wyoming region. In general, it may be said, as a result of these conditions, that mining costs in the Wyoming region are less than in the Lehigh and Schuylkill, while, in the very nature of things, the methods necessarily employed in mining the steeply pitching beds produce a lower percentage of the "domestic" sizes, and a higher percentage of the small or "steam" sizes. Hence we have the somewhat anomalous situation of low cost production in some cases yielding the highest realization. Mining in the steep pitches will yield and does yield as low as 55 percent of "prepared" or "domestic" sizes, whereas in the more favored low-cost mines in the flat-lying beds of the Northern region the yield will be as high as 75 or 80 percent. How this results in real-

ization alone is shown in the following separations of 100 tons of mine-run coal into percentages of domestic and steam sizes at approximately average prices:

Steep-pitching beds will yield, say,	
55 tons domestic at an average of \$8.....	\$440.00
45 tons small at an average of \$3.....	135.00
	<hr/> \$575.00
Or an average of \$5.75 per ton, whereas the flat-lying beds will yield, say	
75 tons domestic at an average of \$8.....	\$600.00
25 tons small at an average of \$3.....	75.00
	<hr/> \$675.00
Or an average of \$6.75 per ton.	

The average realization, as already shown, is approximately half way between these figures.

The margin between cost and total realization must be such as will enable all of those properties to operate whose output is necessary to meet the demands of the public, which is now insistent that its domestic coal bill shall be reduced.

That such reduction cannot be accomplished without a reduction in the cost of production, is clear, unless a material portion of the tonnage coming from the high-cost, low-realization, mines is to be eliminated until such time as prices may again be advanced sufficiently to enable their rehabilitation.

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