

338.5:622(73)

# Living Costs and Coal

Committee on Living Costs

Mrs. Edward P. Costigan

*Chairman*



Pamphlet

National League of Women Voters

532 Seventeenth Street, N. W.

Washington, D. C.

339.  
420  
973  
COS



## WHAT ARE YOU PAYING FOR COAL?

At the beginning of the miners' strike on April 1, 1922, the price of bituminous coal averaged \$2.10 a ton at the mines. In June, Herbert Hoover, Secretary of Commerce, acting in co-operation with coal operators, fixed \$3.50 a ton as a reasonable maximum price to be asked at the mines. Almost immediately the maximum price, so determined, became the minimum. The price rose to at least \$3.50 a ton at virtually every mine. In fact, the price did not stop there. The average price at the mines at the end of July was reported to be \$5.29 a ton. In August, 1922, Secretary Hoover appeared before the Interstate and Foreign Commerce Committee of the House of Representatives and made the statement that coal was selling at the mines in Kentucky from \$3.75 a ton at some mines to \$12 a ton at others.

On August 23, 1922, President Harding in a letter to the chairman of the Interstate Commerce Committee of the House of Representatives, said:<sup>1</sup>

It has been a long and tedious route to the resumption of coal production, and the shortage of stocks and the general anxiety has opened a field for profiteering activities which ought to be discouraged in every way possible within the limits of constitutional law.

Recently \$11 a ton was discussed as the possible price of coal to consumers in the City of Washington. Concerning this price, Congressman Mondell, in the debate in the House, said:<sup>2</sup>

But I do know that coal ought not (to) cost the dealer in the City of Washington at this time much over half of \$11 a ton and that the price of \$11 would give some one an unconscionable profit on soft coal delivered to the consumer.

### Emergency Legislation

That profiteering in coal is general seems to be admitted. The House of Representatives passed the Winslow Bill on August 31, 1922. It declared that a national emergency exists in the production, transportation and distribution of coal; granted additional powers to the Interstate Commerce Commission; provided for the appointment of a Federal Fuel Administrator; provided for car service priorities in interstate commerce during the present and any succeeding emergency; and aimed to prevent extortion in the sale of fuel. A similar

<sup>1</sup> Congressional Record, August 30, 1922, p. 13029.  
<sup>2</sup> Congressional Record, August 29, 1922, p. 12982.

measure was introduced in the Senate by Senator Cummins. When the Winslow Bill was before the Senate, it was amended by the substitution of the provisions of the Cummins Bill. It passed the Senate so amended on September 7, 1922. The provisions of the Winslow and Cummins Bills were subsequently reconciled by a Conference Committee and the resulting measure was passed by both houses of Congress.

During the discussion of his proposed measure Senator Cummins said:<sup>3</sup>

The bill is intended to give the Interstate Commerce Commission authority to prevent the extortion which is now being practiced everywhere, not by every coal operator, not by every dealer, but practically everywhere throughout the country.

Senator Frelinghuysen,<sup>4</sup> in the debate in the Senate, quoted the dividends paid by the anthracite companies in 1921, ranging from 10 per cent to 220 per cent, and said:

We have before us workable plans for producing coal, for controlling the movement of coal, and preventing a run-away market. If the coal lobby succeeds in defeating these bills, as it has all others presented since the armistice, the suffering of the people next winter will raise a cry for regulation so strong as to shake their industry to the foundations, and to bring about permanent supervision by the Federal Government.

Herbert Hoover has stated that the coal industry "is one of the worst functioning industries in the United States." According to another writer, "it is an industry that is speculatively over-developed, there being many more mines than are needed to supply the country's demand for coal. The consequence has been intermittent employment \* \* \*. The average number of days worked by soft coal miners in the last thirty years has been only 214 per year."

### Governmental Investigations Halted

As stated by the Federal Trade Commission, and suggested by the Secretary of Commerce, the collection and public dissemination of accurate data concerning costs and conditions of production and distribution are required for the clear development and settlement of the problems of the coal industry. Nevertheless, for two years and more the National Coal Association has kept the Federal Government from access to such data.

In January, 1920, the Federal Trade Commission, with the specific authority of Congress, began an investigation to determine production costs in certain basic industries. The coal industry was among the first selected. The investigation was making fair progress when the efforts of the Commission were halted by an injunction issued in a suit brought at the

<sup>3</sup> Congressional Record, September 1, 1922, p. 13144.  
<sup>4</sup> Congressional Record, August 31, 1922, p. 13072.



instance of the National Coal Association in the Supreme Court of the District of Columbia. That case is awaiting final decision by the United States Supreme Court.

Following the court action, in 1920, Senator Calder, after investigation and prolonged hearings by the Senate Committee on Manufactures, introduced a bill giving the Department of Commerce power to collect information concerning every phase of the coal business. Opposition came from certain short-sighted business interests, and the bill failed of passage.

Early in the sixty-seventh Congress Senator Frelinghuysen introduced a similar measure. This also failed of passage, and Senator Frelinghuysen recently said:<sup>5</sup> "The coal lobby effectively tied the Government's hand and poked out its eyes."

### A Fact-Finding Coal Commission

But neither injunctions nor legislative defeats have stopped the demands of coal consumers. In fact, the questioning of the people has now become emphatic. Everybody wants to **know!**

The League of Women Voters, at its annual convention in Baltimore in April, 1922, adopted the recommendation of the Living Costs Committee, for "a thorough governmental investigation of the costs of producing and distributing coal in the United States and the publishing of the reports of such investigation."

Recently Congress has been considering two bills providing for investigation of the coal industry by a fact-finding Commission. They were the Winslow Bill, which passed the House on August 23, 1922, and the Borah Bill, the farther reaching provisions of which were substituted for the Winslow Bill in the Senate on September 8, 1922. Subsequently a Conference Committee of the two Houses prepared a compromise measure based upon the various provisions of the Winslow and Borah Bills. This has since been enacted into law. The new statute provides for the creation of a fact-finding Commission of seven members, to be appointed by the President for a period of one year. The sum of \$200,000 is appropriated for its investigations, which are to be separately made into the anthracite and bituminous branches of the coal-mining industry, and a preliminary report of the Commission is to be made by January, 1923.

As the case stands, therefore, public opinion has once more brought about the enactment of legislation designed to throw the full light of publicity upon an inexcusably disorganized, essential industry. However, continued watchfulness is important. Thoughtful citizens will not be satisfied until all the facts are known and proper remedies are applied.

<sup>5</sup> Congressional Record, August 31, 1922, p. 13070.