THE COAL QUESTION.

BY J. C. DALES.

MESSRS. Horatio Seymour, A. G Stevens and Robert Hadding, a committee appointed at a recent meeting of the citizens of Buffalo to memorialize Congress on the coal question, have lately submitted a report embodying the results of their enquiries and observations on this important subject, which presents many facts of interest and value that are deserving of especial notice. In this document it is stated that the average cost of all the coals mined in Great Britain in 1851 was $1 15 per ton at the mouth of the pit. In 1859 the lowest estimate of cost in the anthracite region of Pennsylvania, including all expenses of machinery and repairs, was about 65 cents per ton, and the highest seldom reached $1. The report further states that, up to 1859, anthracite coal was never sold for more than $4 per ton, which was above the general average for several years. From 1850 to 1861 the wholesale range in Philadelphia and New York was from $3 13 to $4.50, and it ordinarily varied but little from $3 53. When the inflation began, the price of coal rose to $6 50 in August, 1863, and to $10 75 in 1864. Since then the value of anthracite has fluctuated considerably, falling as low as $4 50 in May last, and again rising within the past few weeks as high as $10 75. These facts are significant.

Under ordinary circumstances, the question of how to obtain an abundant supply of coal at fair prices, important to all classes of the community alike, would resolve itself into a simple question of labor and transportation; in other words, how cheaply it can be mined and distributed. This is true of the present instance, but before we are likely to have the difficulties growing out of these important questions satisfactorily adjusted, it will be necessary that the existing combinations between mining and carrying companies be broken up. This can only be effected through competition. As long as we are dependent for our fuel on one locality of very limited extent, from which the largest possible yield cannot very much exceed the immediate demands of consumers, co-operation between the various interests involved will be possible and indeed inevitable. This fact is fully appreciated by the miners, as well as the operators, of the anthracite basin, and to this dangerous knowledge the present difficulty between the workmen and employers at the mines is in a great degree attributable. The case is simply this: Knowing that the Pennsylvania companies control the only source from which anthracite can be obtained, the miners demand, first, such a share of the profits of the business as they may at any time see fit to ask, second, the right to cut off the whole supply of coal and all employment of the capital invested in mining operations whenever they please, and until consumers are forced to pay such prices as may suit the miners. Added to these unreasonable demands, there is also the reserved privilege of using force to prevent the employment of those who may be willing to work on other terms than those prescribed by the miners' unions. It is evident that no such conditions as those demanded in the "basis" can be accepted by the companies. Whatever may be the terms of the compromise agreed upon the miners must eventually abandon their position. In order to be in harmony with, the interests of labor must be subservient to, the interests of capital. Labor in this department of industry is and always will be abundant. There are skilled miners in many parts of the United States besides Pennsylvania, and England, Wales, France, Belgium and China can furnish as many as may be needed. The proposition to import a large force of Coolies is now under consideration, and it is probable the scheme will be carried into effect before very long. Many of the collieries are now standing idle that, if steadily operated, would materially increase the supply of coal now annually put upon the market. This would no doubt have some influence in lowering the price of fuel, but we have little reason to believe that the adoption of such a course would prove of much permanent benefit to the great mass of consumers throughout the country.

While the immediate cause of the present high price of coal is the strike on the part of the miners, it is equally true that the question of labor is of secondary importance, and that the temporary adjustment of the difficulty which assumes a new phase each year, would not bring down the price of anthracite to the lowest figure at which it could be profitably sold to the consumer. The coal business is at present practically controlled by four or five great transportation companies, who own and operate many of the mines, besides possessing the only avenues of communication with the markets; which enables them to manage those owned by individuals and corporations otherwise independent. The greatest of the carrying companies is the Reading Railroad, which has almost a monopoly of the coal transportation from the Schuylkill region to Philadelphia, and carried in 1868 about 3,000,000 tons, besides the amount shipped by the Schuylkill Canal, which is controlled by the railroad company, amounting to about one million tons during the same period. From the Lehigh district there are two rival carriers—the Lehigh Coal and Navigation Company, and the Lehigh Valley Railroad the former owning the Lehigh Canal to Easton and leasing the Delaware Division Canal from that point to Philadelphia; and the latter having a road from the Wyoming Valley to Easton, with branches to other important points. From the Wyoming mines there are three coal routes: the Delaware and Hudson Canal, which last year carried some 1,640,000 tons of anthracite; the Delaware, Lackawana and Western Railroad, carrying 1,700,000 tons in 1868, and the Pennsylvania Coal Company a New York corporation, owning a road from Pittson to the Delaware and Hudson Canal at Hawley and connecting with the Erie Railway. In 1868 this company carried about 900,000 tons to the New York market. It cannot be claimed that there is any combination between these carrying companies against the interests of consumers; but the relations existing between the mining and carrying companies are so close and intimate that the results are practically the same. As the leading transportation companies generally represent the entire capital invested in coal mining operations, no one but the consumer has reason to complain at a charge of two and a-half or three cents a mile per ton for carrying coal to market when it is an admitted fact that it could be carried profitably for one and a-half cents. A single exception to this is found in the case of the Reading Railroad, which is complained of by the operators as charging a tariff of prices that absorbs nearly the whole profits of the trade of the Schuylkill region. These few facts are all that are needed to show that although there exists a rivalry between the carrying companies, the competition is not of a kind to result in benefit to the consumer.

A correspondent of the *Evening Post* whose letters from the anthracite region evince a thorough knowledge of the subject of which he treats, estimates the carrying capacity of the five companies supplying the New York market from the Wyoming and Lehigh Valleys, at 10,000,000 tons annually, if fully and constantly employed. This amount is greater than could be sold at a wholesale price of five dollars per ton. The same authority states that the Schuylkill Canal could bring six millions more to Philadelphia; and that the various railroads and canals to the interior could distribute three millions more; so that with existing facilities, nearly 19,000,000 tons could be distributed annually. With this abundant supply, which would not be in excess of the producing capacity of the mines, coal could be sold by the cargo at $4 50 per ton and then yield a handsome profit to all who were interested in mining or handling it. Under these circumstances the highest retail price would not exceed six dollars per ton. The disproportion between these figures and the prices now charged shows that there is a wrong somewhere and it is reasonable to infer that it is not to the interest of the producing and carrying companies to right it.

It is probable, however, that the true solution of the coal question will soon be found in the establishment of an active competition with the anthracite interests of Pennsylvania. Fortunately we are not dependent on any one locality for our supply of available mineral fuel. An area of more than two hundred thousand square miles of our territory is known to be covered with bituminous coal, and as this is nearly forty times as great as the entire coal deposits of Great Britain, the supply may be considered practically inexhaustible. These deposits are found in Maryland, Virginia, Western Pennsylvania, Ohio, Missouri, and many other sections of the country and even the least of them are considered sufficiently large to supply any local demand that is likely to arise. Of these almost boundless coal fields the most convenient to New York and the Eastern markets are the Cumberland deposits of Maryland and Virginia, where mines are now actively worked by the Baltimore and Ohio Company. The retail price of this coal in the New York market is about $7.50 per ton, and although less convenient for general use than anthracite, can be burned in most ranges, furnaces and stoves, as well as in grates. The trade in this coal has fairly doubled within the past five years, and in 1868 over 1,800,000 tons were sent to market. If the price of anthracite does not fall before cold weather, it is probable that the demand for bituminous coal will be largely increased, and as it can be mined cheaper than anthracite, may at no distant day supersede it for general use. Should the demand exceed the supply obtainable from the Cumberland region, the bituminous deposits of Western Pennsylvania could easily make up the deficiency. There is another source besides those enumerated to which the people of the Northern and Eastern States are now turning their attention, and where it is hoped not only to obtain an abundant supply of cheap fuel, but also to find the only permanent remedy for the present and prospective disorders of our mining interests; the mines of British North America, and especially of the Province of Nova Scotia. The prominence lately given to these coal fields by the statements published concerning them in most of the leading journals of the United States, and the effort now being made to force the repeal of the tariff on foreign coal, in order to secure its introduction to the American market in competition Pennsylvania anthracite, shows that the extent and quality of these deposits are not generally understood, and a few facts respecting them may be of interest to our readers.

The only coal deposits of Nova Scotia are bituminous, and the average yield of the veins already opened is no better than that now mined in the Cumberland. There are but three important coal fields in the Province, those of Glace Bay, Sidney and Picton. The mines of Glace Bay and its immediate neighborhood yield an excellent quality of gas coal, considerable quantities of which are now used in the gas works of Boston and New York, mixed with Pennsylvania gas coals. The mines of Sidney and Picton are of less value yielding only a limited quantity and of a much poorer quality in no sense adapted to domestic use. A few veins are opened and comparatively little capital is invested in mining operations. Should a new demand arise it is probable that abundant capital could be obtained in the United States for the opening of new veins, but under the circumstances we do not see that such a demand is likely to arise, even in case the tariff should be repealed at the next session of Congress, as it probably will be. The lowest price at which Nova Scotia coal can now be sold by the cargo at New York is $9 per ton, including the duty of $1 25 in gold. If this duty were repealed, Nova Scotia coal would still be worth more than Cumberland coal. The actual cost of mining in that Province is $2 per ton, and of freight to New York $3. This would equal in value the present wholesale price of bituminous coal, allowing no margin for profits to the producer and dealer or the incidental expenses of handling. Cumberland coal is now selling at Alexandria for $4 75 and at New York for $6.75, cheaper than Nova Scotia coal could be imported duty free. Considered practically, therefore, and without any reference to the principles involved we cannot see how the repeal of the tariff would be productive of any great benefit to the community. Evidently the movement in favor of abolishing of the tariff arises from a popular over-estimate of the advantages to be derived from the competition thus opened with Pennsylvania anthracite. In fact, it would seem as if the only immediate solution of the coal question was to be found in the more general use of our own bituminous coal whether it is possible to substitute it for anthracite. It is not likely that the present prices of the latter will long be sustained, but we have no reason to hope that as long as the present demand for it continues, it will again fall to the comparatively low price at which it was sold in former years.—*Hunt's Merchant's Magazine.*

SETTLEMENT OF THE HUDSON BAY COMPANY'S CLAIMS.

THE Commissioners under the treaty between the United States and Great Britain of July, 1863, for the settlement of the claims arising out of the Oregon treaty, have been in session some time deliberating on the claims presented to them, which claims, it is to be noted amounted to the sum of $4,303,702 in gold for the Hudson Bay Company, and $1,163,000 in gold for the Puget Sound Company. They have pronounced awards in favor of the Hudson Bay Company of $450,000, and of the Puget Sound Company of $200,000. A. S. Johnson, Commissioner on the part of the United States, read an elaborate opinion in support of his views, and the Hon. John Rose, Commissioner on the part of Great Britain, did the same, in the presence of Caleb Cushing and C. D. Day, counsel for the two Governments respectively. It is probable that the judgment of the commissioners will be published at full length. They appeared to to have differed somewhat in their appreciation of the testimony as to value, and to have modified their respective views as to the amount to be awarded rather than incur the hazard of further reference. By this decision a very long controversy, which on several occasions threatened to disturb the amicable relations of the two countries, is brought to a close. The evidence and arguments are very voluminous—upwards of one hundred and seventy witnesses, residing in all parts of this country and Europe, having been examined - and the proceedings embrace three thousand five hundred pages of printed matter. It is considered satisfactory to find that in so complicated and so long continued a national dispute, the Commissioners of the two Governments have been able to accord an opinion. The Hudson Bay Company and the Puget Sound Company are required by the awards to release to the United States all the possessory rights belonging to them in Oregon and Washington territory which were the subject matter of their respective claims against the United States.

LATEST ENGLISH COMMERCIAL NEWS.

(*Cor. of the N. Y. Financial Chronicle.*)

LONDON, Sept. 4, 1869.

We have now reached the close of a protracted and remarkable wheat season, and a brief retrospect may not be unappropriate or uninteresting. The season commenced at an unusually early period, owing to the forward state of the crops in 1868. In the early part of May, last year, the average price of English wheat was as high as 74s 7d per quarter, but the prospect of an early and abundant crop, produced, from that period to the time when the harvest had commenced, a steady downward movement in prices. The result was that by the 17th of July, there had been a decline of 9s 4d, or to 65s per quarter. When the unexampled abundance of the harvest of 1868 had, however, become a matter of general knowledge, the fall in prices became more rapid, and there was an almost uninterrupted decline until the 19th of December, when 49s 5d was the average quotation. From that point, there was a recovery of from 2s to 3s per quarter; but in April May and June there was much heaviness in the trade, and on the 8th of May the average price of English wheat was only 44s 4d per quarter. Towards the close of the season, arising from causes which are too recent to require recapitulation, there was a rise to 51s 2d, which is the closing price of the season, and which is 2s 9d lower than the termination of 1867-8.

The table which follows shows the average price of English wheat in England and Wales each week since the commencement of the season 1864-5. From this it will be seen that notwithstanding the abundant crop of last year, the price was never at so low a point as in 1864-5. This, however, is easily explained. The crops of cereal produce in 1864 were very large, and had been preceded by an abundant harvest in 1863. The result was that at the commencement of 1864-5 there was a large supply of old wheat in stock, while, at the same time new produce came freely to market. Even from the low average of 42s 3d, there was an almost uninterrupted fall until the close of the year when the average quotation was only 37s 10d; and although wheat became a little dearer during the latter part of the season, the average price for 1864-5 was only 40s 3d per quarter. The abundance of the crop of 1868 has had an important effect upon prices; but it has not forced them down to so low a point. The lowest official average was 43s 4d, which is 6s 6d above that of 1864-5. But at the close of 1867-8, the supplies of old wheat were exhausted, and the new crop came rapidly into consumption at an early period. A very important fall, however, took place, and the satisfactory result is ascertained that English wheat was just 20s per quarter cheaper than in 1867-8. That result not only benefitted the consumer, but the grower also, for it is evident that an abundant crop producing 53s 3d per quarter is far more remunerative than a scanty crop yielding 63s 5d per quarter. With regard to the future, it does not appear probable tha