

GOSSIP OF THE STREET—PHILADELPHIA MARKETS

TWO DOLLAR COAL AT THE MINE IS IMPOSSIBLE, SAY SOME OPERATORS

There Are Two Sides to the Coal Question, Is the Opinion of Others—Gossip of the Street

“I CAN'T be done,” said one of the big soft coal operators with offices in the Commercial Trust Building yesterday morning, when asked his views as to the price-fixing schedule provisionally put out by President Wilson under the authority conferred upon him by the recent act of Congress.

“The result,” he said, “will be an immediate curtailment of output. The demands of labor have to be met, and in this vein alone the usual wage to the miner alone is \$1.60 per ton. Add to that the other labor charges, taxes, sinking funds, etc., and not only is there nothing left for the original investment, but there is actually a deficit.

“Of course, a great deal depends on the magnitude of the operation and the thickness of the vein,” he said, “but it will be found that nearly all the large operators have contracts for their output and can continue even at \$2 a ton, as the magnitude of their operations cuts down many of the overhead charges to a minimum.

“Many industrial plants,” he continued, “contracted for double the quantity of coal they would need when the prices were \$3 a ton and upward. They were afraid that if they didn't they would get left in the matter of coal cars and limited output, and the operators were giving them all they could use right along. Now these fellows will get all the coal they contracted for, shot into them whether they can use it or not.”

“If labor could be kept down to the present rate of wages that is being paid now, can the majority of the soft-coal mines be operated with a small profit at \$2 a ton for the output?” he was asked; to which he replied, he believed they could if sufficient cars could be supplied.

Another operator, who owns some small mines in West Virginia, said: “To operate for \$2 a ton is simply impossible.” He opened his books to show the cost of operation and receipts for some months past for two of his mines, and the figures certainly showed the actual cost to him was \$2.60 a ton for each mine. “Customers,” he says, “are begging me to purchase coal for them to operate their plants at a price nearer to \$5 than it is to \$4 a ton.

The general impression among coal operators is that the President's figures must soon be revised or the output will sink to a dangerous point.

“There are two sides to the coal question it must always be borne in mind,” was the remark of a member of a large investment house, “the public's side and the operators' side.”

“I don't pretend to know the situation well enough to say whether the prices tentatively fixed by the President are fair or not, but my impression is that the Federal Trade Commission supplied the information on which President Wilson based his figures, and from the little experience I have had with that body I concluded that, as a rule, they know what they are doing and can hold up their side of the argument.

“Personally,” he continued, “I am very glad to see this reduction in price as it will mean much to the public utilities all over the country whose contracts had run out, and were obliged to pay extortionate prices for coal to keep their plants going. And then,” he continued, “I remember when I lived, a young man, in West Virginia, when eight-five cents a ton at the mine was considered a good price. I am willing to allow a big margin for the increased cost of labor, and everything in the way of rails and supplies for mine equipment, but I still think there will be a neat profit for the operators at \$2 a ton. As for the mining out West where deep shafts have to be sunk, that is a different matter and I am not prepared to say what would, in my opinion, be a just price.”

Demand for Short-Term Equipment Notes

Cassatt & Co. report unusual activity in high-grade short-term equipments, for which there seems to be a good demand.

Location of a Government Nitrate Plant

It is reported that the Government has about decided to locate one of the new nitrate manufacturing plants near Tuscaloosa, Ala., where millions have been spent by the Government in the construction of locks and dams on the Black Warrior River.

“There are hundreds of thousands of horsepower going to waste over the locks on that river,” said the manager of Morris Brothers, in the Morris Building, “especially over what is known as Lock 17. This lock,” he said, “was finished in May, 1915, and represents a total cost to the Federal Government of \$3,750,000.

“The Government plant,” he said, “will manufacture nitrate from the air, by the hydro-electric process. This can only be done economically where there is a large, cheap supply of electric power, and as hundreds of thousands of horsepower are there going to waste the plant should be successful.”

Morris Brothers virtually control all the public utilities of Tuscaloosa.

Excess Profits Taxation

The Investors Public Service, Inc., of New York, has just issued a very instructive circular on that much-discussed and little-understood subject of Excess Profits Taxation, in which it says:

“The application of the excess profits tax to a corporation that is actually earning excess profits cannot in any degree be regarded as a hardship. The company that is making only 15 per cent more than it made before the war pays only 1.6 per cent on the basis of its former average profits; and surely this cannot be considered a crushing or exorbitant tax levy. A corporation that is making hundreds or thousands per cent greater profits than it made before the war, surely is able to split those profits fifty-fifty with Uncle Sam without suffering serious consequences.”

Tables accompanying this article showing among other things the excess of 1917 profits over the pre-war average during the years 1911, 1912 and 1913, of thirteen of the largest “war” industries in the country. Notable among these is Bethlehem Steel with excess of 1917 profits of \$64,924,833, or 2111 per cent; Lackawanna Steel with 1917 excess profits of \$23,000,000, or 1833 per cent, and Republic Iron and Steel with 1917 excess profits of \$25,736,242, or 1069 per cent.

These excess profits would be taxed at the rate of about 50 per cent, and when this is compared with the flat rate of 80 per cent on such profits imposed by Great Britain; there is little ground for complaint from these corporations. Even the stupendous levy of 80 per cent was not crippling British industries.

Are Price-Fixing and Excess-Profits Tax a Bugaboo?

Asked for his ideas on the two important subjects which seem to claim the attention of thoughtful men in financial and business circles, namely, price-fixing by the Government and taxation of excess profits, a prominent banker of this city said: “It is my belief that most of the things that occur in life which cause us worry and anxiety come as the result of anticipation of things which really never come to pass, and it has been my observation that on many occasions business has been more or less handicapped through the creation of an improper or unfair public sentiment, which has misguided the public into anticipating calamities which never have happened.”

Aviator Biddle was Connected With Well-Known Bond House

Julian C. Biddle, the young Philadelphia aviator who was killed in the recent fighting on the European western front, was a member of the sales force of Montgomery, Clothier & Tyler, the well-known bond and investment house in the Bullitt Building, on South Fourth street.

July was Best Month for Colorado Power Company

Bonbright & Co., in the Lafayette Building, report July as the best month in the history of the Colorado Power Company as a new business. In that month it closed seventeen new power contracts, aggregating 3259 horsepower with an estimated annual revenue of about \$112,000. Business disconnected during the month aggregated 656 horsepower with an annual revenue of about \$23,000, leaving a net gain of 2995 horsepower and \$89,000 per annum, respectively.

This company guarantees more than 90 per cent of its energy hydraulically, and under the terms of certain contracts it can substitute retail for wholesale sales. The plant is equipped without any appreciable additional investment to serve approximately 15,000 horsepower additional retail load.

Gold Going Out

The total outward shipments of gold for the week to date was \$3,500,000. The total exports for July and August to date are \$59,000,000, and since we entered the war \$200,000,000.

Since the beginning of the European war our imports of gold have been \$1,233,500,000.

Steel and Copper Affected by Coal Price-Fixing

The head of one of the largest brokerage houses in the city in speaking of the effect of the coal and steel price-fixing of soft coal. “It is reasoned,” he said, “that if coal prices are fixed so low steel and copper will be fixed proportionately, that if coal prices are fixed so low steel and copper will be fixed proportionately low, as the Government is not going to for all. The general impression of another, so we look for the same trend for price will be fixed at \$2.50 for soft coal on the street,” he continued, “was that the price will be fixed at \$2.50 for soft coal, and many had been buying with that figure in view. There is one thing, however, which must not be lost sight of,” he said, “and that is the price-fixing does not interfere with existing contracts, and as I understand it the larger part of the contracts now in force call for a price greater than \$2 a ton at the mine.”

PHILADELPHIA MARKETS

GRAIN AND FLOUR. WHEAT—Receipts, 20,430 bu. The market was quiet. ... GRAIN AND FLOUR. WINTER STRAIGHT, NEW, \$1.07 1/2; KAISER, \$1.11 1/2; ...

PROVISIONS. There was a fair jobbing demand and the market ruled firm with some light activity. ... SOFT CORN—Receipts, 55,300 bu. ...

REFINED SUGARS. The market was quiet, but stands on a basis of 8.47 1/2¢ for extra, but unannealed. ... DAIRY PRODUCTS. BUTTER—Sold fairly and ruled firm under last week's advance.

CLOSING LIVE STOCK PRICES. CHICAGO, Aug. 22.—HOGS—Receipts, 14,000 head. ... CATTLE—Receipts, 2000 head. ...

NEW YORK BUTTER AND EGGS. NEW YORK, Aug. 22.—BUTTER—Receipts, 7500 tons. ... EGGS—Receipts, 2000 cases. ...

SHIP ARRIVALS. Following is the list of arrivals of vessels from foreign countries at piers on the Atlantic coast and Gulf of Mexico for twenty-four hours ending August 21, 1917.

NEW YORK MARKET LOCAL MARKET REPORTS. This daily report is sent out by the Bureau of Markets of the United States Department of Agriculture, Washington, D.C.

VEGETABLES. Demand was only moderate, but values generally were well sustained on choice stock. ... FRUITS. Apples, nearly all a bushel basket (9-9 quarter peck), hand-picked, 10-14¢; poor, 20¢.

BAR SILVER. RAILROAD EARNINGS. LOUISVILLE AND NASHVILLE. Today Year. Thru. 1917. Low. ... ANN ARBOR. CALLS FOR STATE BANKS' REPORTS.

Financial Briefs. The board of managers of the New York Coffee and Sugar Exchange has passed the following resolution: “Resolved, That a liquidation committee of five be appointed by the chairman to facilitate the liquidation of open sugar contracts.

District 14. Board sits 431 Main. Resounded by Winesapling, School lane, Schuylkill and North-eastern ave.

District 15. Board sits 28th and York stia. Resounded by 28th and York stia. Resounded by 28th and York stia.

District 16. Board sits 28th and York stia. Resounded by 28th and York stia. Resounded by 28th and York stia.

District 17. Board sits 28th and York stia. Resounded by 28th and York stia. Resounded by 28th and York stia.

District 18. Board sits 28th and York stia. Resounded by 28th and York stia. Resounded by 28th and York stia.

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District 27. Board sits 28th and York stia. Resounded by 28th and York stia. Resounded by 28th and York stia.