

## COMPETITION OF APPALACHIAN COALS, FUEL OIL, NATURAL GAS AND OTHER FUELS WITH ILLINOIS COAL IN THE ILLINOIS COAL MARKET AREA.

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### ABSTRACT

Illinois supplies coal to seven states in the Upper Mississippi Valley. In this same area vast quantities of coal from West Virginia, Kentucky, and elsewhere, fuel oil from the crude petroleum supplies of the Mid-Continent field, and natural gas from Kansas and the Panhandle of Texas are also marketed. This Upper Mississippi Valley is a battle ground for competing fuels that originate in widely separated districts. Each fuel industry is equipped and prepared to supply a far greater quantity of fuel than the normal market of the area requires. Each fuel has been driven, by the keen competition for the market, into lower and lower price levels until a balance between costs of production and selling prices have been all but disregarded.

The boundaries of this territory, in which 90 per cent of the Illinois output is sold, have been determined by the competition of fuel oil and natural gas in the Southwest; the eastward movement of coal from Colorado, Wyoming and Montana into Kansas, Nebraska and the Dakotas; ex-lake coal in the shore counties of Minnesota and Wisconsin; and Indiana and Appalachian coals in the territory east of Illinois. Consumption of energy in the Illinois market territory in 1929— a year when the total Illinois output was 60,658,000 tons—is shown in the following table.

Summary of Energy Consumption in Illinois Market Area in 1929  
(Gasoline Excluded)

	Quantity	Coal or Coal Equivalent, Tons
Bituminous coal, tons.....	102,858,155	102,858,155
Coke, tons.....	4,580,764	4,580,764
Briquets, tons.....	687,377	687,377
Anthracite, tons.....	2,705,946	2,705,946
Fuel oil, barrels.....	28,871,165	6,880,000
Natural gas, 1,000,000 cu. ft.....	95,410,000	3,816,400
Water, power, 1,000,000 kw.-hr.....	2,814,435	2,388,000

Low-cost transportation to lake territory offers a difficult problem for Illinois producers, but in the case of Appalachian coals, the preference engendered by the special qualities of some of these coals and the lower prevailing wages do not offer insuperable difficulties. The situation with respect to fuel oil may be expected to improve when the output of crude is controlled and the price raised sufficiently to make more cracking profitable. Markets in the states producing natural gas are becoming saturated, and future development means that outside outlets must be found, of which the Illinois market territory is the most important. Eventually these competitive interests must enter into closer cooperation to obtain for each a fair share of the market on the basis of scientific distribution.