anniel Repor Benham, Ky., Feb. 4, 1919. Mr. B. W. Batchelder. Gen'l Supt. of Mines, Mashwauk, Minnesota. Dear Sir: Herewith please find my report for the year ending December 31, 1918. PRODUCTION The tonnage for the season was 419,166 net tons, an increase of 37,058 tons over the year, 1917. This tonnage was curtailed to a large extent due to scarcity of labor and some trouble with our white and colored labor. The cost of coal for 1918 averaged \$1.7754. This large increase in cost was due (1st) to the increased price of labor, (2nd) to improvements which were charged directly into costs, (3rd) to the increased cost of materials. I am attaching statement showing the increased cost of material over the year, 1917. You will also note from statement the increased cost of wages for the year in the several departments. IMPROVEMENTS IN MINE The improvements during the year inside the mine cover the extension and completion of side tracks or partings in each face entry for the proper handling of the cars. A new 150 H. W. motor generator set was installed and the proper wiring taken care of temporarily. Plans have been made for putting in 4/0 wire instead of 2/0 for each section of this system and when this is completed we will have sufficient additional wire capacity for the proper operation of these generator units. Man holes have been made all along the main entry at considerable cost. This work should have been done as the mine progressed and it was necessary for us to do it as a safety measure as well as a requirement of the State Mining Law. Two hundred fifty seven brick stoppings were built during the year. 3500 ft. of brushing top and bo tom was done. Seventy new mine doors were built. 13,000 ft. of 20% iron was replaced with 40%. Sixty five 40% switches were laid. Three section foremen's offices were built. One sub-station house was completed and the rock blasted and cleared out for new pump house. 2,000 ft. of 6" wood line was placed and 2,000 ft. of 4" wood line was placed to take care of our drainage proposition. We also took out a large number of timbers that were improperly placed and did a lot of slabbing on entries to get the necessary width. Man holes were white washed. electric lights placed at all doors and switches, cut-out switches were placed at all intersections and a general improvement made through out the mine. We can if necessary place 60 men in entries and we have ready 360 rooms with switches laid ready for operation. IMPROVEMENT ON PLANT A new carpenter shop was completed the latter part of the year. This will allow us to repair our cars as they come from the tipple and will do away with the delay in taking cars over to the machine shop. A new