Coal reserves held sufficient for gas needs

AMERICA'S vast coal reserves offer the gas industry an opportunity to provide the nation with fuel for many centuries in the future.

This was the view of Neil P. Cochran, chief of the Division of Utilization, Office of the Administrator, U.S. Department of the Interior, when he spoke at a recent American Gas Association meeting in Philadelphia. He foresees a division of usable coal into two groups—coal for electric power generation and coal for gasification.

Cochran said that developing coal gasification will be important for commercial investment, and the movement toward cokeless coal utilization creates job opportunities in many of our coal-producing areas. He also stated that the removal of movement of population to urban areas is not expected to diminish. "Such plants would also help reduce air pollution in urban areas," he said. "A coal plant can eliminate some fuel emissions by burning coal that contains substantial amounts of sulfur—to what he called a "clean burn." The coal used in gasification is distributed widely across the nation, Cochran said, so "coal supplies are aplenty" in the norhern Great Plains states.

Servicemen in Vietnam receive home-baked goods

OVER 200 packages of home-baked goods went to servicemen in Vietnam this Christmas as the result of a baking contest held by Boston Gas Company. Cookies, fruit cakes and other holiday baked goods suitable for shipping to Vietnam were submitted by Boston Gas personnel. Added incentive was given to the contest by a $250 prize offered by Boston Gas.

New merger terms agreed on

OFFICERS of The Brooklyn Union Gas Co. and New Jersey Natural Gas Co. announced today that they have agreed in principle to a proposed merger of the two companies, terms slightly modified from those announced last October.

The merger is subject to a number of conditions, among them, if consummated, Brooklyn Union would exchange a new common preferred stock over a period of 10 years for New Jersey's common stock. The rates of preferred stock would be 8 per cent.

The exchange would be made in a share of Brooklyn Union common stock for each share of New Jersey common stock exchanged. The number of shares of either would be divided by $1.75.

Each share of Brooklyn Union common stock would be convertible into a full share of Brooklyn Union common stock or a cash payment of $1.75, as determined by the stockholders of that company, the membership of the New Jersey company and the New Jersey board of directors at the time of the stockholders' action.

Concentration of the transaction in the petroleum industry and the lack of any other companies in the industry or outside the industry that could successfully merge with Brooklyn Union at any time. The call price of the preferred stock is $20 per share.

Consummation of the transaction in the petroleum industry is contingent upon the consent of stockholders of the companies and the agreement of the companies to a merger agreement. The agreement will be arranged, in most cases, of the agreements of the merger and regulatory authorities.

CGA offers Hawaiian holiday

A TEN-DAY vacation for two in Hawaii will be awarded the winner of a drawing sponsored by the Canadian Gas Association. The drawing will be held in connection with the Ninth Annual Meeting of the American Gas Association, which will be held in New York City, Boston, Chicago, Pittsburgh, Seattle, Los Angeles, and New Orleans.

Henny P. Stockbridge, A.G.A. director of marketing, predicted that by the end of 1969, Operation would result in gas range sales by the industry. The company furnished gas for 100,000 ranges last year, and sales for this year are expected to reach 650,000. The estimated market for gas ranges at the time of writing is 1,500,000.

La National pollution control program to be launched

LAKE CITY, Minn.—A program to help control industrial pollution will be launched by the Minnesota Pollution Control Agency, it was announced today. The agency will spend $600,000 on pollution control programs in the state during the next two years. The agency will work with local governments and industries to develop pollution control programs in their areas.

The program will include the establishment of new pollution control facilities, the development of new pollution control technologies, the enforcement of existing pollution control laws, and the development of new pollution control legislation.

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LAKE CITY, Minn.—A program to help control industrial pollution will be launched by the Minnesota Pollution Control Agency, it was announced today. The agency will spend $600,000 on pollution control programs in the state during the next two years. The program will include the establishment of new pollution control facilities, the development of new pollution control technologies, the enforcement of existing pollution control laws, and the development of new pollution control legislation.
A.G.A. Marketing Division sets the stage for an all-out sales attack on the residential range market keyed to the self-cleaning oven.

**Operation Attack**

The most ambitious coordinated advertising and merchandising program ever undertaken by the gas industry will jump off on April 15 when A.G.A.'s "Operation Attack" opens an intensive promotion and marketing campaign aimed at the household range market.

From that date through June 15 the collective efforts of A.G.A.'s marketing division, regional gas associations, utility companies and manufacturers will be keyed to promotion of the gas self-cleaning range.

First announced last fall, the groundwork for Operation Attack has been carefully laid in a series of regional meetings to acquaint utility companies and other organizations with the nationwide campaign and to enlist their participation. Meetings in the New York City, Boston, Chicago, Pittsburgh, Seattle, Los Angeles, Jacksonville and New Orleans areas developed widespread support of the nationwide campaign to re-establish the gas industry's position in the range market.

The immediate goal will be a 15% increase in gas range sales; the ultimate goal will be to again make the gas range number one in the household market as it is in the commercial market. Theme for the national campaign will be "Now the Self-Cleaning Gas Range for People Who Like to Cook, Period" to focus the homemaker's attention on one of her major dislikes—cleaning the oven.

To obtain the greatest benefit from the united effort, participating utility companies and organizations have been asked, and many have already committed themselves to promoting under this national theme.

The sales thrust will be made at the local dealer, department store and chain department store level. To assist gas
Operation Attack—continued

companies in stimulating action and involvement locally, A.G.A. will provide merchandising and display guidelines. In addition an A.G.A. contact program has been actively soliciting department and chain stores to key their own merchandising programs to the dates and national theme of Operation Attack.

More than 200 major department stores have been alerted to the campaign; among chain stores, J. C. Penney and Sears have already committed themselves to collaboration. In addition, 127 utility companies have announced their intention to support the program in their service areas.

The action plan will encompass national television and commercials, national print advertising to consumer and builder, national advertising and dealer sales and marketing contests, display and point-of-purchase aids, premiums, press kits to develop home and newspaper publicity, regional market information, a contact support program, and trade show exhibits.

A wide selection of "how-to" materials providing guidelines on selling gas ranges for dealers, builders, national chain distributors, department stores and merchandising utility companies has been prepared by A.G.A. Special promotions will tie in with National Kitchen Remodeling Month and National Home Improvement Month.

Among scheduled contests will be a dealer display competition to promote visual merchandising of self-cleaning gas ranges. This contest will be open to independent dealers, chain stores, department stores and discount houses, and will be administered on the local market level by participating gas utilities. Dealers will receive help in display design from local utility representatives and from A.G.A., which has published a "how-to" retail sales book on various ways by which consumers can improve their merchandising techniques for gas ranges.

Each utility will nominate three local winners for national recognition at the annual 1969 S.N. REE Convention to be given for the best self-cleaning gas range display in the nation.

Also scheduled for the April 15-June 15 period is a national gas range sales contest for both retailing and non-retailing utility companies. This contest, which will emphasize the self-cleaning feature, will give both types of companies an opportunity to compete for awards based on sales per thousand meters. The companies will also have the option of naming a dealer to their territory who has done an outstanding marketing job.

An in-store sales training program will be available to utility companies. This will provide both guidelines for training salesmen in how to sell the self-cleaning gas range effectively and material through which floor salesmen can provide customers and prospects with salient facts on the range features. A.G.A. is also making available a professional in-field merchandising consulting service through an arrangement with an organization with a wide experience in market-by-market merchandising, promotion and selling under the concept of industry campaigns with multi-sponsorship and participation. The organization will provide the manpower and ideas in collaboration with the utility to develop a comprehensive dealer participation campaign under the self-cleaning range banner.

Additional support will come from Home Service personnel of the utility companies, who will be enlisted to carry the campaign messages to the consumer. They will receive detailed planning guidelines, and workshop sessions will include in-depth discussions on the merits of both the pyrolytic and catalytic types of self-cleaning ranges.

Product publicity as well as advertisements are carrying the campaign story to the public. Several articles about the gas self-cleaning range have appeared in a number of consumer magazines, among them Ladies’ Home Journal. The trade press is also being kept informed of the industry’s activities so the dealers and builders will know what is going on and be encouraged to participate.

Planned national television commercials and print advertisements in consumer and trade magazines will provide over $30 million sales impressions. Advertisements keyed to the appropriate themes for self-cleaning and continuous-clean ranges will appear in a number of such magazines as Life, Reader’s Digest, Good Housekeeping, Better Homes & Gardens, American Home Panorama, Ladies’ Home Journal, Home and Garden, and others.

The industry’s campaign story will be carried to the building market through advertisements in trade magazines such as American Builder, Home & Commercial Builder, NAHB Housing Journal, Builder Supply News, Killion Business, Builders Kitchen Guide, Apartment Condominium and American Builder Supply.

The range campaign will be supported on television by four specifically oriented commercials on three of the gas industry's television spots. The overall effect of these broad-cast promotions will be to bring the industry's message to two of every three of the nation’s homes at least once.

Describe the homes as the most ambitious advertising and merchandising program ever undertaken by the gas industry, more than $13 million will be invested in the campaign.

It is the last night to ten weeks, many of our member companies and manufacturers of our industry's regional associations will be told of a marketing plan called "Operation Attack." The presentations have been staged by Harry Stockbridge and his marketing oriented team of the American Gas Association's staff.

This is the team that likely has amalgamated in the few short months since it came to A.G.A. as director of marketing— the nucleus of the plan that has foreshadowed the full implementation of the Association's TV Habit Formation Marketing Effort—T.I.M.E. Program.

The operation kicks off in mid-April and continues until mid-June. It is planned to help the gas utilities, gas appliances, gas appliance dealers, and manufacturers put self-cleaning and continuous-cleaning ranges of gas manufacturers into the dwellings of millions of people who are in-use. (That's what the national sales and TV commercials say in a most believable manner.)

It is my purpose to go into the details of this program—and beyond these—are spelled out in other pages of this month's VOLUME.

There are some observations related to "Operation Attack" and the T.I.M.E. Program which, I think, can bring the immediate operation into perspective as to the long-range future.

In the first place, let me repeat one fact that quickly makes a lasting impression. For the first time in the gas industry's long history, in 1958 the digit of gas ranges to market fell below 50% of the total range shipments. This, I believe, was a marketing fault of the industry—in which the manufacturers must be included.

The marketing campaign plan of the "operation" is aimed directly at bringing the homemaker's preference for gas ranges to its traditionally dominant level.

In the second place, the acceptance and the enthusiasm with which the presentations were received have put the brand of vitality on this project even before it gets into the green pastures of the marketplace.

This acceptance, I am told, has been virtually unanimous by the people who have attended the A.G.A. presentations. And the enthusiasm generated at these meetings has been typical of the new vigor that is being demonstrated time and time again in the industry's new approach to the modern marketing concept.

Thirdly, this immediate project is only the beginning. We, of course, cannot stop with the completion of one project which helps do a marketing job for one gas appliance. The Association cannot rest on laurels bestowed because of the success of one project. And, if I read the signs right, there is no intention to do so.

The T.I.M.E. Program is not yet, for all practical purposes, eighteen months old. The director of marketing has been in residence only since May of 1968. Yet, now we have this all-out effort on behalf of the new gas ranges—plus plans that will come to fruition as rapidly as the membership support allows them to grow.

The reorganization of the A.G.A. staff functions has progressed well. They will go forward at an increased pace. As market managers are assigned to departmental functions, more marketing projects will develop.

Two of these lies in the stimulation of industrial and commercial sales. One of our member companies is more concerned with developing this kind of volume than it is in promoting an appliance like the clothes dryer, with its relatively low-unit revenue. Another is concerned about the competition for all gas high-rise apartments. Another lacks to supplying the energy for the production of pre-prepared foods.

All of these areas—and more—are the concern of the Association and are part and parcel of its dedication to the help, expertise, and knowledge that it now gives to its members who embody the total marketing concept.