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AN "UNSETTLING" COAL SETTLEMENT

Another battle has been fought in the war between miners and mine-owners. Many workers who obeyed the order to advance did not wait for anyone to sound "the retreat," and the leaders were left in mid-November with a broken and dispirited army.

Six months were spent in a vain attempt to reconcile conflicting interests. During that time busybodies seized their opportunity to apportion blame. Miners were reminded by would-be mentors that they must accept economic facts. The principal idea that some people would like the miners to accept, as a fact, is that it is necessary for them to work laborious days at unremunerative rates in order to establish industrial prosperity. What they ask, they say, is for the benefit of the nation. We are to understand when country or nation is mentioned that there are people who do not wish to protest against injustice, who have no word to say against elegant ease, and very little sympathy with unrequited toil. Naturally the miners and their leaders have doubts about what such people describe as an economic fact. There is a twist in it somewhere, they feel sure, which needs to be straightened out.

In 1913, eleven miners and one landlord got each eleven sixpences (5s. 6d.) when eleven tons of coal reached the surface. Profits and on-cost absorbed the difference in the price, namely, 8s. 9d. per ton. One shilling was credited to profit which leaves 1s. 9d. for charges. How much of that sum was paid in way leaves, etc., it is impossible to say.

In 1918 the price per ton had risen to 24s. 10d. and the profit to 3s. 6½d. There was by that time Government control. Consumers spent £25,000,000 extra on coal and miners got at most £10,000,000. Consumers could be found who could pay high prices; the miners got a share—a small share—in the artificial prosperity. Poor collieries were subsidized to the extent of ten million pounds; the taxation of idlers was subsidized by another ten millions taken by the Treasury, and, not for the last time, some mines which were making a profit were given a subsidy also.

So strife arrived in the early part of 1919, and a Coal Industry Commission was appointed with Mr. Justice Sankey as Chairman. That Commission recommended a seven hours day to be followed later by a six hours day, subject to the economic position of the industry. The foregoing phrase simply means—if prices could be kept up. Instead of the six hours day promised we have had a recent Act of Parliament cancelling the seven hours day and re-enacting one of eight hours.

It is not to be overlooked that mining, like other industries, has to meet increased on-cost in the shape of rates and taxes. Expert opinion seems to suggest that its proportion of increased rates is greater than the average increase. In any case, prices have reached a point at which the number of purchasers are diminishing, and the old troubles are exhibiting themselves.

The coal problem is not new; one may trace it back to the discovery of steam power without difficulty. With invention and steam power there arrived fuller opportunities for idlers to collect tolls from workers. But, we are told, even by some workers—that such tolls are not of any great account in explaining the problem. We have been told much the same thing about other problems notably that of housing.

We shall see. Let it be remembered that what the royalty owner gets is a small matter compared to what he prevents other people from getting. The chattel slave with a rivetted collar round his neck was hardly much more tied to his industry than miners seem to feel themselves to be. In any case it was land monopoly in other spheres that drove so many men to seek employment away from the undiluted air and the sunshine. Were it not for this absence of opportunity to change from less profitable to more profitable employment we should hear little about accepting alleged economic facts. But for such lack of opportunity the miner would accept different employment and the others would have to accept the consequences; in other words some reward would require to be offered to induce people to continue in an occupation in which fatal accidents average four per day.

We have set up Coal Industry Commissions to devise impossible schemes; we should advise such Commissions to accept "economic" facts. If they study facts they will not expect to improve the conditions for everybody and take nothing away from anybody. That is what they ignore when they seek out methods for enabling the royalty owner to get his royalty, the mine-owner to get a profit, the consumer to get coal at reasonable cost, and the miner to get profitable employment. All these objects cannot be secured at the same time. All that Coal Commissions can suggest—in the most favourable circumstances—is that when consumers can be got to pay high prices the miners should get a share. So far that is the only useful function they have ever performed.

When consumers cannot, or need not pay, Coal Commissions cease to be of interest to the workers. Either through disinclination or want of courage they fail to get at the root of the matter. Steel manufacturers cannot pay, foreign consumers will not pay, and those who must pay buy as small quantities as possible. A Coal Commission with courage might inquire if Prof. Jevons is correct or approximately correct in his estimate. He has a reputation both in Geology and Political Economy. He says that 194,355 million tons of coal lie within 4,000 ft. from the surface. Sir Edgar Harper quotes these figures and assures us that two thirds of our existing collieries have seen their best days. Mine-owners like miners seem tied to these inefficient "workings," sometimes by dead-rents and at other times by legal obligations. Investors get their fingers burnt in these ventures, and expect to make their losses good at the expense of the miners, or perhaps the tax-payers.

The Commission over which Mr. Justice Sankey presided found the "economic position," in plain words "the prices" sufficient to enable it to suggest a shorter working day for miners. The Royal Commission over which Sir Herbert Samuel presided found the demand for coal so poor that they could only ask the miners to make a sacrifice. Summed up it amounts to this, that one Commission was able to propose shorter hours and another to suggest a reversion to old conditions of work and wages.

Both Commissions had what they might claim to be constructive proposals. Both were in favour of nationalizing coal though they differed in some other details. The nationalization of rent—the diverting of royalties—from the purse of the landlord to the purse of the State was not proposed by either of the Commissions if we except a minority report compiled by the representatives of the miners in 1919. In that proposal they were not backed by academic or "intellectual" Labourists. These so-called "intellectuals" doubtless hold that investors relied on the moral perceptions of the people in making their investments. That is untrue; these people have sinned against the light for more than a generation. They have been calculating not on the presence of moral, but on the absence of intellectual attributes on the part of the disinherited. Any investment made at a time when royalties on coal were regarded as moral must be so remote in its origin as to have been liquidated long ago.

Some other proposals have come from our Royal Commissions, the principal one being for co-ordination and economy in distribution. All such proposals leave miners with their problem still to solve. They themselves look with more favour on nationalization than on economy. It has to be emphasized that coal will not sell at a higher price because it comes out of a nationalized mine. Royalties will still be a burden on the industry even if we change the name; if paid by the Government on an interest-bearing bond the royalty owner need not complain. Mine-owners will be in a better position (especially those who are unable to get a profit now) if their incomes are guaranteed by the Government which nationalizes their mines. Steel smelters will still want coal at a price which will enable them to manufacture plates which shipbuilders can see their way to buy. Where the increase will accrue, out of which is to come the advance in wages for miners, is still to seek even when nationalization of mines has been accepted.

What is wanted is access to new seams of coal which can be worked profitably. If this can be secured the unprofitable mines can be abandoned—not nationalized. But if the Government begins to make terms with royalty owners in order to open up new state-owned collieries; if they set royalty owners up as interest-mongers not much progress will be made. Certainly control will be diverted from the landowner to the Government if that is any advantage. To judge as to that we may refer inquirers to the ventures already controlled by our own and other Governments.

So far as the economy proposition is concerned, the miners were probably right in rejecting it, or in pressing for its immediate fulfilment. If such proposals are sound why can they not be instantly initiated? For the Government to offer alternatives of longer hours or less wages is a pathetically easy way of escaping from immediate difficulties. The only difficulty then left is the one encountered and not overcome by the Government.

It was left with the task of convincing the miners and their leaders. The rank and file as well as the spokesmen felt that they were not getting a square deal. It was a case of "Jam yesterday, jam to-morrow," but no jam to-day. There is no evidence that the miners have changed their minds, and even if they were to change their leaders all we can conclude is that the miners have yielded to the force of circumstances. Some one has proposed a five years' truce; this is not the way to get it.

One day; perhaps soon; maybe late; miners and non-miners may begin to recognize facts in Political Economy. The basic fact is that products in coal or any other commodity owe their origin to labour applied to land. If idlers are to share the products the labourers will perforce need to take less; if consumers have to compensate those who live on the industry as well as those who live by it, their coal or other commodities will cost them too much. When such a fact is recognized, time will not be wasted in a search for schemes to equalize profits between good and bad mines.

Opportunities will then be equalized; the rich seams of coal will be assessed for taxation. The Nation should require the royalty owners to pay a rent to the State for the coal which they hold under the protection of the State. This is a sound canon of taxation promulgated by Prof. Adam Smith, though misunderstood by many readers. As in another famous dictum the sense is lost by leaving out the latter part, so prone are we to forget such things as "our neighbour" and "the protection of the State." Against such a simple, practical, and just proposal, the ransoming of coal by an undefined and cumbersome purchase of royalties ought to fade out of memory.

Where the coal seams are unproductive there would then be no relentless demand for dead-rents, royalties, taxation and rates. Surpluses would be expected to yield revenue, but there would be no charge either on behalf of idlers or the State, where the seam was only able to remunerate workers and on-cost. Relentless landlordism expects such payments now. Nationalization of rent, or in other words, taxation of land values, solves the problem of poor mines by removing the burdens of rent, taxation and rates. This method of raising revenue would transfer the burdens to the richer seams of coal and would unearth the ungotten minerals, for it would tax their value whether they were worked or not.

The idlers would get less under such a system, while wage earners and consumers alike would benefit by the change. In addition the margin of production—that is the most unremunerative seams of coal worked—would be raised to a higher level by the abandonment of poor and exhausted seams.

What is overlooked in all these coal inquiries and negotiations is the Law of Rent. Like other laws it is a generalization from experience; it applies to coal, agriculture, wool or anything one likes to name.

Expressed popularly the less that industry has to yield to monopoly (natural or artificial) the more it can retain for its own needs. With poor opportunities for rendering service or for producing commodities, the competition to secure better advantages in production grows, and the greater the competition becomes the more it is possible for the monopolist to obtain. With limited supplies of coal, agricultural or building land at our disposal, we have to pay more than if all the available natural supplies were set out for use. With a choice of better we should not waste our time on the worst, not to speak of paying privileged people for permission to use the poorer land. There is no scarcity of rich seams of coal if the surveyors and statisticians are reliable people. In such circumstances why should miners be asked to creep into tunnels to reach coal that is hard to win, and afterwards be told that their industry does not pay? It would be just as nonsensical to send ploughmen up the hillsides and then tell them that their industry did not pay. Like wise men the miners should see that coal is worked under the most favourable conditions, not only for replacing and rewarding capital, but for yielding them maximum returns as a reward for their toil.

It was Benjamin Franklin who said that "Experience keeps a dear school."

WILLIAM REID.

"A BOOM IN LAND VALUES"

The London Underground railway stations are at present displaying posters indicating the public utility of the service in many new directions. One of the conspicuous illustrations featured in these advertisements is named "THE BOOM IN LAND VALUES," due to the recent and coming extensions and the flow of population in search of housing accommodation. The system is in process of being linked up with tram and omnibus connections, and the ground landlord, the residuary legatee of all such improvements, is reaping a harvest described as beyond the dreams of avarice.

A correspondent (F.B.), sends the following news item from *The Estates Gazette*, 20th November, which explains how the thing works:—

ROMANCE OF EDGWARE: MILL HILL

"The chief interest probably centred in a building estate of 12 acres fronting Edgwarebury Lane, Edgware, within a few minutes of the Tube station, shops and bus routes. Anent the rise of Edgware, a remarkable and breath-catching romance was related. In 1920 an old lady was turned out of her house in Finchley Road and went to Edgware, where she purchased a house and 7½ acres for £7,500. In 1924 she was able to sell the latter property for £30,000. The same thing is probably going to happen in a minor degree all over Edgware. Rapid building development has taken place along Edgwarebury Lane during the past year and the houses erected along this particularly attractive parish road have commanded ready sales. The Watford bypass road, which crosses Edgwarebury Lane close to the estate, is rapidly nearing completion and the route of this road will provide easy means of access to the West End and other districts. There is no doubt such a compact little estate is ripe for immediate development and medium-size houses would probably sell very rapidly. Mr. Handman said he wondered if those present had any idea of the value of Edgware land. This estate was well known and in a part of the district which would probably become a second Golders Green, where land was changing hands within six months of the opening of the Tube at an increment of 200 to 300 per cent. Values in Edgware would not rise so rapidly, because builders could not build so quickly as in those days. A remarkable fact about Edgware was that more development appeared to be going on some distance away from the station, speaking in terms of yards, not miles, rather than at the actual rail centre. In those places houses were springing up unfettered and selling very well. Prices in Edgware varied from £10 to £8 per foot frontage and from £1,500 per acre. By constructing a new road 3,240 ft. additional could be made, or 3,680 ft. in all and 122 houses erected. After excellent competition, the land was passed at £9,500, representing about £800 per acre."