

Fabian Tract No. 171.

The Nationalization of Mines and Minerals Bill.

BY

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THE FABIAN SOCIETY, 3, CLEMENT'S INN, STRAND.

THE NATIONALIZATION OF MINES AND MINERALS BILL.

THE following draft Bill for the Nationalization of Mines and Minerals, prepared by the writer of this Tract on the instructions of the Executive Committee of the Miners' Federation of Great Britain, was adopted by the Annual Conference of that body at its meeting at Swansea in October 1912, and subsequently introduced by the Labor Party in the House of Commons.

As the first Bill prepared by a Trade Union for the "Nationalization" of its industry, the measure is one of no small interest. The Fabian Society accordingly publishes it in a convenient form, with the consent of the Executive Committee of the Miners' Federation, for public information.

The Bill is the Bill of the Labor Party and the Miners' Federation; the Fabian Society is responsible only for the notes which have been added for convenience of reference.

A Bill to Nationalize the Coal Mines and Minerals of the United Kingdom and to provide for the National Distribution and Sale of Coal.

WHEREAS it is expedient that the coal mines and coal of the United Kingdom should be taken into the possession of the State.

Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled, and by the authority of the same, as follows:

1.—MINISTER FOR MINES.

(1) There shall be a Minister for Mines to be appointed by His Majesty and to hold office during the pleasure of His Majesty.

(2) The Minister for Mines shall at the same time be capable of being elected to and of sitting in the Commons House of Parliament, and his office shall be deemed to be an office included in

Schedule H of the Representation of the People Act, 1867 ; Schedule H of the Representation of the People (Scotland) Act, 1868 ; and Schedule E of the Representation of the People (Ireland) Act, 1868.

(3) The Minister for Mines shall take the oath of allegiance and official oath, and shall be deemed to be included in the First Part of the Schedule to the Promissory Oaths Act, 1868.

(4) The Minister for Mines shall appoint one secretary, such assistant secretaries, and such other officers and servants as the Minister for Mines may with the sanction of the Treasury determine.

(5) There shall be paid to the Minister for Mines, out of money provided by Parliament, a salary at the rate of two thousand pounds a year, and to the secretary, assistant secretaries, officers, and servants such salaries or remuneration as the Treasury shall from time to time determine.

(6) All expenses incurred by the Minister for Mines under this Act, to such amount as may be sanctioned by the Treasury, shall be paid out of money provided by Parliament.

(7) The Minister for Mines shall have an official seal, which shall be officially and publicly noticed, and such seal shall be authenticated by the Minister or the secretary or one of the assistant secretaries, or some person authorized by the Minister for Mines to act on his behalf.

(8) Every document purporting to be an order, licence, or other instrument issued by the Minister for Mines, and to be sealed with his seal, authenticated in manner provided by this Act, or to be signed by the secretary or by one of the assistant secretaries, or any person authorized by the Minister for Mines to act on his behalf, shall be received in evidence and be deemed to be such order, licence, or other instrument without further proof, unless the contrary be shown.

(9) A certificate signed by the Minister for Mines that any order, licence, or other instrument purporting to be made or issued by him is so made or issued shall be conclusive evidence of the fact so certified.

(10) There shall be transferred and attached to the Minister for Mines such of the persons employed under any Government department in or about the execution of the powers and duties transferred by or in pursuance of this Act to the Minister for Mines as the Government department may with the sanction of the Treasury determine.

These are the usual formal clauses required for the establishment of a new Ministerial office. The salary (£2,000) proposed to be assigned to the Minister for Mines is the same as that now paid to the President of the Board of Education, the Chancellor of the Duchy of Lancaster, and the First Commissioner of Works and Buildings. It is less than that paid to the Postmaster-General (£2,500), and much less than that (£5,000) paid to the various Secretaries of State, the President of the Board of Trade, and the President of the Local Government Board.

2.—TRANSFERENCE OF COAL MINES AND MINERALS TO MINISTER FOR MINES.

On and after the appointed day :

- (a) Every colliery and coal mine, whether in actual work or discontinued, or exhausted, or abandoned, and every shaft, pit, level, or inclined plane in course of being made or driven for commencing or opening any such colliery or coal mine, including every patent fuel plant, coke oven, coal washery, railway rolling stock, and all other works belonging to or connected with such colliery or coal mine, and every house belonging to the owners of any such colliery or coal mine which is occupied by workmen employed at such coal mine (all of which are herein included in the expression "coal mine") and ;
- (b) All coal, anthracite, lignite, or other mineral used for fuel, whether at present being worked or not worked, or connected or not connected with any coal mine, beneath the surface of the ground (all of which are herein included in the expression "minerals")

shall be vested in and held by the Minister for Mines in his corporate capacity and his successors.

This "vesting" clause enables the Minister for Mines to enter into possession on the appointed day (see clause 18), without waiting to obtain separate conveyances from all the owners of all the various interests. For the compensation to owners, see clauses 4 to 7 ; and for its distribution among them, see clauses 7 and 11.

3.—PURCHASE OF COAL MINES.

The Minister for Mines shall purchase the coal mines of the United Kingdom (other than those which are the property of the Crown at the time of the passing of this Act) at the price and in the manner provided by this Act. Provided always that the value of any minerals or right to work minerals or mineral way leave shall not be taken into account in computing such price, for all of which no compensation shall be paid.

According to the recent Commission on the subject, the coal supplies thus acquired are estimated to last 100 years in the North of England, and in the rest of the United Kingdom 250 years.

The owner of minerals, mineral rights, or mineral way leaves, would be compensated only in so far as he was also the owner or part owner of a colliery, which was either working, or had ceased working, or was in course of preparation for working (see clause 2 a); but it is probable that practically all persons owning minerals, mineral rights, or mineral way leaves, other than surface way leaves, are also interested in collieries, past, present or future.

The annual income from mining royalties (i.e., "rights to work and way leaves"), which is, however, not all from coal, was, in 1911-12, £8,763,916, on which sum the Mineral Rights Duty (an additional income tax of one shilling in the pound) was paid (House of Commons Returns, Nos. 190 and 317 of 1912). Of this total, perhaps four-fifths is in respect of coal. This estimate agrees with that of Mr. T. Mardy Jones in the *Economic Review*, 1908.

On the Continent, royalty rents are practically non-existent. In France the surface owner of the land does not own the minerals beneath his property. French law does not recognize any private ownership of minerals which are not the subject of a lease or concession.

The State may grant a concession to a person for a nominal royalty to work minerals, and in this case the concessionaire may have to pay a small royalty to the surface owner, but the amount of the royalty is fixed by the State and is fixed permanently in the first instance, the amount, which is small, being determined by custom and local usage. Similar systems obtain in Belgium, Germany, and Spain.

In early years in England it was doubtful whether coal belonged to the Crown or private individuals. It was held, however, in 1568 that gold and silver mines belonged to the Crown, but "base" metals to the landowner.—Bainbridge, "Law of Mines and Minerals."

The growth of the value of royalty rents may be illustrated by the following case. In 1748 the Marquis of Bute leased to Anthony Bacon eight miles of mineral property at Merthyr for 97 years at an annual royalty of £100. In 1848 the same property was re-leased at £20,000 a year.

4.—MINES COMMISSIONERS.

(1) For the purposes of assessing the purchase price of coal mines it shall be lawful for His Majesty, by warrants under the sign manual, to appoint ten commissioners, to be styled the Mines Commissioners (herein called the Commissioners) of whom one, appointed by His Majesty, shall be Chairman.

(2) Three of the said Commissioners shall be nominated by the Mining Association of Great Britain, three of them shall be nominated by the Miners' Federation of Great Britain, and two of them shall be nominated by the British Trade Union Congress.

(3) At the expiration of twelve months from the passing of this Act, in the event of a majority of the Commissioners failing to agree as to the purchase price of a particular coal mine, it shall be lawful for the Chairman himself to fix the purchase price of such coal mine, but, save as herein expressly provided, the finding of the Commissioners as to the purchase price of coal mines shall be final and conclusive and binding on all parties.

(4) It shall be lawful for the Minister for Mines to remove any Commissioner for inability or misbehavior. Every order of removal shall state the reasons for which it is made, and no such order shall come into operation until it has lain before the Houses of Parliament for not less than thirty days while Parliament is sitting.

(5) The Commissioners may appoint and employ such assessors, surveyors, valuers, clerks, messengers, and other persons required for the due performance of their duties as the Treasury on the recommendation of the Minister for Mines may sanction.

(6) There shall be paid to the Commissioners and to each of the persons appointed or employed under this section such salary or remuneration as the Treasury may sanction; and all such salaries and remuneration and the expenses of the Commission incurred in the execution of their duties, to such amount as may be sanctioned by the Treasury, shall be paid out of moneys provided by Parliament.

5.—VALUATION OF COAL MINES.

(1) The Commissioners shall, as soon as may be after the passing of this Act, cause a valuation to be made of all coal mines in the United Kingdom, showing respectively the total ascertained value of the coal mine and its profitable rights, and the total ascertained

value of the coal mine exclusive of such rights ; and the owner of every coal mine and any person receiving any rents, interest, or profit from any coal mine, on being required by notice by the Commissioners, shall furnish to the Commissioners a return containing such particulars as the Commissioners may require as to his property, rent, interest, or profits in such coal mine.

(2) The Commissioners may likewise cause any coal mine to be inspected, require the production of documents, or do any other thing which may in their opinion be necessary to fix the purchase price of the coal mine.

The powers given to the Commissioners under this clause resemble those which are now possessed by the Land Valuers under the Finance Acts.

6.—ASCERTAINMENT OF PURCHASE PRICE.

(1) The purchase price of the coal mine shall be computed by ascertaining, and on the basis of the average annual number of tons of minerals actually raised during the five preceding years, provided that in no case shall the maximum purchase price be taken to be more than the following :

When 100,000 tons or less have been raised per annum on the average during the five preceding years, a capital sum equal to one such year's output at	s. d.
When more than 100,000 tons have been raised per annum on the average during the five preceding years, a capital sum equal to one such year's output at	12 0 per ton
	10 0 per ton

(2) Subject to the provisions of sub-section (1) of this section, the Commissioners in arriving at such computation shall also have regard to the actual gross and net profits which have been made in the coal mine during such years and to the amounts which may have been set aside from time to time for depreciation, renewals, or development, and to the probable duration of the life of the mine, and to the nature and condition of such coal mine, and to the state of repairs thereof, and to the coke ovens, washeries, and other works and houses which may for the purposes of this Act be deemed to be a part of the coal mine, and to the liabilities of any coal mine undertaking existing at the time of purchase which are transferable to the Minister for Mines under section 11 of this Act.

(3) Provided further that where a coal mine, in the opinion of the Commissioners, has not been fully developed, the amount which would be raised under full development shall be taken as the average annual number of tons raised, and the maximum purchase price in such case shall be taken to be a capital sum equal to the product of such number of tons and 12s. or 10s. per ton respectively, for the purpose of ascertaining the maximum value per ton under sub-section (1) of this section.

The purchase price is to be based, in the main, on the annual output of each colliery ; and ten or twelve shillings per ton of such output is named as the maximum price. This is a common method of valuing colliery property. Thus, when the late

Sir George Elliott proposed that all colliery owners should unite in one great National Coal Trust, the basis at which they were to come in was fifteen shillings per ton of annual output. He considered in 1893 that all the collieries in the country could be converted into one concern at a capital cost of £120,000,000. For present assessment purposes, the rateable value is based upon the gross vend and selling price of the usually preceding year.

The average annual output for the years 1906-10 was 261,726,945 tons, so that the maximum purchase price would be (at ten shillings per ton) about £130,863,475, say £140,000,000, that is £20,000,000 more than Sir G. Elliot's estimate of twenty years ago, a difference which would include the cost of colliers' houses, etc., taken over by the Bill.

7.—ISSUE OF COAL MINE STOCK.

(1) The purchase price of coal mines, as ascertained under the provisions of this Act, shall be paid by the Minister for Mines in Coal Mines Purchase Stock to the persons who in the opinion of the Commissioners have established their title to such stock. Provided that an appeal shall lie to the High Court from the decision of the Commissioners as to the title of any such persons, but for no other purpose.

(2) For the purpose of paying such purchase price the Treasury shall, on the request of the Minister for Mines, by warrant addressed to the Bank of England, direct the creation of a new capital stock (to be called "Guaranteed Three Per Cent. Coal Mine Stock") and in this Act referred to as "the stock," consisting of perpetual annuities, yielding dividends at the rate of three per cent. per annum on the nominal amount of capital.

(3) The annuities shall be payable by equal half yearly or quarterly dividends at such times in each year as may be fixed by the warrant first creating the stock.

(4) The stock shall be redeemed at the rate of one hundred pounds sterling for every one hundred pounds of stock at such times and in such amounts and manner as may be fixed by the Treasury.

(5) The stock may be issued at such times and in such amounts and subject to such conditions as the Treasury may direct.

(6) The dividends on the stock shall be paid out of the income of the Coal Mines Fund, and if that is insufficient shall be charged on and paid out of the Consolidated Fund of the United Kingdom and the growing produce thereof.

(7) The stock shall be transferable in the books of the Bank of England in like manner as other stock is transferable under the National Debt Act, 1870.

Payment is to be made in Three per Cent. Government Stock at par. The exact terms would doubtless be settled according to the state of the market at the date of passing the Bill. At the present price of Consols, it may be doubtful whether £100 of such stock would sell for more than 85.

The annual profits of all sorts of mines averaged during the five years ending March, 1910, £11,697,120; and of this it is estimated that eleven twelfths, or £10,500,000, is from coal mines (Sir A. Markham). The interest on £140,000,000 at three per cent. under the Bill would amount annually to about £4,200,000. A sinking fund which would redeem the capital debt in twenty years would amount to £5,000,000 annually.

There would be a surplus of £7,300,000 in the hands of the Minister for Mines if the £6,000,000 a year now paid to the royalty owners, which the Bill proposes to terminate, be added to the £1,300,000 saved in interest after £5,000,000 for redemption has been paid.

The difficulty of distributing the compensation by the Commissioners is greatly lessened by the fact that the great bulk of the capital held in mines is held in companies, where the respective rights of shareholders are easily ascertainable. The following calculations show that, in fact, only one-fifteenth of the total capital held in mines is held by private individuals. The capital value (of all the individual, non-company property interests in all sorts of mines) passing by death in 1909-10 (there being 128 such estates) was £560,424 net, the value being taken at thirteen and two-fifths years' purchase. (Fifty-fourth Report of Commissioners of Inland Revenue, Cd. 5833 of 1911.)

Assuming that one-twentieth of the total property passes each year by death, the aggregate capital value of all kinds of property in all sorts of mines in the United Kingdom not owned by joint stock companies is, on this Government valuation, which is accepted by the owners for taxation purposes, about £11,200,000. That of coal mines alone must, of course, be less, perhaps, four-fifths of these totals—*i.e.*, about £10,000,000, or only one-fourteenth of the total capital held in mines.

Evidence of the extent of company ownership is also shown by the fact that the total number of separate coal mines at work in the United Kingdom is about 3,500. The number of separate firms or companies is, of course, much smaller: it has been estimated at 1,500.

8.—WORKING OF COAL MINES AND SALE OF COAL BY MINISTER FOR MINES.

(1) Subject to the provisions of this Act, it shall be lawful for the Minister for Mines on behalf of His Majesty, to open and work coal mines and generally to carry on the business of coal mining and vending in all its branches, together with all other industries usually carried on in connection therewith. Provided that it shall not be lawful for the Minister for Mines to lease any mine or mines to any person.

(2) The Minister for Mines may compulsorily purchase land or acquire such rights over land as he may require for the purpose of this Act, and shall have, with regard to the compulsory purchase of land, all the powers of purchasers acting under the Land Clauses Acts.

(3) For the purposes of this section the Minister for Mines may from time to time, in such manner and on such terms as he thinks fit :—

- (a) Appoint managers, engineers, agents, workmen, and servants; and
- (b) Construct, erect, or purchase, lease, or otherwise acquire, buildings, plant, machinery, railways, tramways, hulks, ships, and other fixed or movable appliances or works of any description, and sell or otherwise dispose of the same when no longer required; and
- (c) Sell, supply, and deliver coal and other products the result of coal-mining operations; and
- (d) Enter into and enforce contracts and engagements; and
- (e) Generally do anything that the owner of a coal mine might lawfully do in the working of the mine, or that is authorized by regulations under this Act.

(4) In addition to the powers conferred on the Minister for Mines by the last preceding sub-section he may, in such manner as he thinks fit, work any railway, tramway, hulk, ship, or other movable appliance acquired by him for the purpose of supplying and delivering coal.

The Minister for Mines is to work the mines by his own staff. Coal mines are worked by the State in Germany, Austria, Sweden, Russia, and several other countries in connection with their military and ordnance departments.

The German Government owns eleven coal mines in Westphalia, employing about 5,000 men. The coal is used for the State railways and navy.

New Zealand and Australia provide the only instances where coal mines have been nationalized, and are worked by the State for the supply of community needs. In New Zealand, in 1912, of 271,629 tons of State coal, 60,847 were sold for State purposes and 184,412 tons to the public.

The Victoria State Railway Department owns the Plowett coal mine and sells coal to the Melbourne Metropolitan Board, and whatever can be spared to the public.

In this country a number of municipalities own coal mines, as also do the Ecclesiastical Commissioners, but in every instance the mines are leased out to private companies.

The power to purchase land is necessary in order to enable the Minister for Mines to open new coalfields. As mineral rights, under the Bill, are to lose their value, the compensation awarded under the Lands Clauses Acts would of course not take account of this particular right. The recent Royal Commission on Coal Supplies estimated the available supplies of British coal at a depth of 4,000 feet in unproved coalfields at about 40,000,000,000 tons, compared with about 100,000,000,000 tons in proved coalfields.

9.—ACCOUNTS.

(1) The Minister for Mines shall cause full and faithful accounts to be kept of all moneys received and expended under this Act, and of all assets and liabilities and of all profits and losses, and shall annually lay such accounts before Parliament.

(2) The Minister for Mines shall annually cause a balance sheet of accounts to be made, including a capital account and a profit and loss account for each mine worked under this Act.

(3) Such balance sheet and statement shall be so prepared as to show fully and faithfully the financial position of each such mine, and the financial result of its operations for the year.

10.—COAL MINES ACCOUNT.

(1) All moneys raised under the authority of this Act shall, as and when raised, and all other moneys received hereunder shall, as and when received, be paid into a separate account called "The National Coal Mines Account."

(2) All moneys withdrawn from the National Coal Mines Account constituted under this Act shall be withdrawn only by the order of the Minister for Mines or such other person as the Minister may from time to time appoint, countersigned by the Treasury.

(3) All moneys in the National Coal Mines Account, or payable into that account by any person whomsoever, and also all moneys owing by any person under this Act, are hereby declared to be the property of the Crown, and recoverable accordingly as from debtors to the Crown.

11.—TRANSFERENCE OF EXISTING ASSETS AND LIABILITIES.

(1) There shall be transferred to the Minister for Mines all the existing assets and liabilities of coal mine undertakings, other than liabilities for royalty rents, wayleave rents or any other underground rents or charges, payable or due at the time of the passing of this Act to any person.

(2) On the passing of this Act, there shall be ascertained by the Commissioners the amount of all moneys due to or from all coal mine undertakings, and the finding of the Commissioners as to the amount of such moneys shall be binding and conclusive on all parties.

(3) The net amount of all moneys due to any coal mine undertaking, after all debts due from any such undertaking have been deducted, as ascertained under sub-section (2) of this section, shall be paid by the Minister for Mines to the persons to whom in the opinion of the Commissioners such debts are due and shall be deemed to be expenses incurred under this Act. Provided that an appeal shall lie to the High Court from the decision of the Commissioners as to the title of any such person but for no other purpose.

The sums now payable as royalty rents, way leave rents, and other underground rents or charges will cease to be payable as from the appointed day.

12.—PAYMENTS OUT OF MONEYS PROVIDED BY PARLIAMENT.

(1) All sums expended or payable under this Act in the construction, erection or acquisition of buildings, plant, machinery, railways, tramways, hulks, ships or other appliances or works, or for other expenses required for the working of any mine, shall be payable out of moneys provided by Parliament.

(2) Provided that moneys received under this Act in respect of the sale or supply of coal (including the moneys received from the Government Departments) may be directly expended in or towards carrying out the purposes of this Act.

The effect of paying out of "moneys provided by Parliament" is to make parliamentary criticism more effective than if such expenses are paid out of the Consolidated Fund.

13.—PAYMENT OUT OF CONSOLIDATED FUND.

(1) After full provision has been made for all outgoings, losses, and liabilities for the year (including interest on securities created and issued in respect of moneys raised as aforesaid, and on moneys paid out of the Consolidated Fund), the net surplus profits then remaining shall be applied in establishing a sinking fund and, subject thereto, in establishing a depreciation fund in respect of capital expended.

At present, taking the average of twenty prosperous companies, ten per cent. of the net profit is set aside annually for depreciation and development.

Assuming the profits, after interest and redemption have been met, to amount to about £9,500,000, about £1,000,000 should be allocated annually to the depreciation and development fund.

14.—MANAGEMENT.

Every coal mine worked under this Act shall be managed and worked subject to the provisions of the Coal Mines Regulation Act, 1908, the Coal Mines Act, 1911, and any other Act regulating the hours, wages, or conditions of labor in coal mines.

The "Eight Hours Act," the various Acts regulating labor in mines consolidated in the Coal Mines Act, 1911, and the "Minimum Wage Act," 1912, are formally unaffected by this measure. It may be assumed that the responsibility of the Minister for Mines for casualties, etc., in mines will be made far more direct and effective than is that of the Home Secretary at the present time. Thus in 1909 over 150,000 men and boys were seriously injured in mines; in 1910 nearly 160,000. In 1910, 1,769 persons were killed in mines. Under this Bill, for all these deplorable accidents the Minister for Mines would be answerable to Parliament. In New Zealand in 1911 only four fatal accidents occurred in State coal mines, having an output of 281,525 tons.

15.—TRADE UNIONS. PARTICIPATION IN POLITICS.

Notwithstanding anything in any Act or Order any society of workers employed in a National coal mine may be registered or constitute themselves as a Trade Union, and do anything individually or in combination which the members of a Trade Union or a Trade Union may lawfully do. Provided further that notwithstanding any regulation to the contrary, it shall be lawful for any person employed under this Act to participate in any civil or political action in like manner as if such person were not employed by His Majesty.

The persons employed under this Act are to be free to join trade unions—a right not expressly, though often in fact, denied to other Government employees—and they are expressly not to be subject to the political disabilities to which, for instance, the employees in the Customs, Inland Revenue and Post Office Departments are, whether by custom or departmental regulation, now subjected. The freedom from political disability does not extend to *legal* as distinguished from *customary* disability. Thus, notwithstanding this clause, it would be as illegal for an employee of the Minister for Mines as for any other civil servant to sit in the House of Commons.

16.—REGULATIONS.

(1) The Minister for Mines may, from time to time, make such regulations as he thinks necessary for any of the following purposes:—

- (a) The management of coal mines under this Act;
- (b) The functions, duties, and powers of all persons acting in the management and working of coal mines under this Act;
- (c) The form of the accounts to be kept and the balance sheets to be prepared in respect of coal mines under this Act;
- (d) The mode in which the sinking funds and other funds connected with coal mines under this Act shall be held and administered;
- (e) Generally any other purpose for which, in the opinion of the Minister for Mines, regulations are contemplated or required.

(2) The Minister for Mines, before making or altering any of such regulations or conditions of employment, including wages, as

affect workmen engaged in the mining industry, shall consult with the duly accredited representatives of the workmen, and, in the event of such representatives and the Minister for Mines failing to agree, the matter in dispute may be referred to arbitration on such terms as may be mutually agreed.

17.—DUTY OF MINISTER FOR MINES TO SUPPLY COAL.

It shall be the duty of the Minister for Mines to ensure that there is a sufficient supply of coal at reasonable prices throughout the United Kingdom, and for this purpose it shall be the duty of the Minister for Mines to establish stores and depôts and to employ vehicles and to use all other necessary means for the selling of coal within the area of every local authority, and further for this purpose it shall be the duty of the railway companies of the United Kingdom to provide such facilities for the conveyance of coal as the Minister for Mines may deem necessary to enable him to carry out the duties imposed upon him by this section at rates not greater than such railway companies are now entitled to charge for the conveyance of coal.

Clause 17 "nationalizes" the wholesale, retail, and export trade in coal, besides giving the Minister for Mines a monopoly in the getting of coal. This is a novel provision of far-reaching scope. Provision is made in Clause 8 for the Minister for Mines to take over the premises, stocks of coal, and business arrangements of existing coal merchants, exporters, dealers, retailers and hawkers.

In the reign of George II. the price of coal in Manchester and its environs was fixed for forty years at 4d. per cwt. Under this clause the State would once again fix the price of coal.

Under the existing system the very poor pay for their coal anything from 7s. to 10s. above the current rate for larger quantities; that is, in the aggregate, nearly half as much again as the wealthier classes. There is also much overlapping in distribution. In London alone there are 420 coal merchants; their average profit is considerable.

In the country the profits and prices are both greater. In Dearham, a mining village, the miners now pay 1s. 2d. per cwt.; 35 years ago, in the same place, the price was 5d. per cwt. According to Councillor Phillips, of Manchester, the working class families of this city are paying 10½d. per cwt., or 17s. 6d. per ton. In the same town the Corporation buys superior coal for 12s. per ton.

The present average selling price of coal at the pit-head may be taken at 3s. to 5s. per ton for small and dust, 10s. for best steam, and 11s. for best household. The Government Coal Tables give an all-round average for 1910 of 8s. 2½d. per ton.

According to Sir Hugh Bell, the price realized for one ton of coal being 100d. (8s. 4d.), the cost would be distributed as follows:—Royalty, 4½d. (according to other authorities, 6d.); wages, 56½d.; administrative expenses, 2d.; railway dues, taxes, cottage rents, 27½d. If £2,300,000, approaching one third of the sum of royalty rents, were placed to the reduction of the price of coal, the pit-head price would be reduced to about 8s. per ton average. Working on this pit-head minimum, the economies of distribution, and saving of overlapping and middlemen's profits might further reduce the average price to the consumer.

Five shillings out of the present price of 25s. coal in London is to be ascribed to middlemen's expenses, apart from wagon hire and railway rates. According to Mr. Hylton Dale, the wastage due to retransferring coal and reweighing is about 20 cwt. to the truck of ten tons. "After the coal arrives in London," he says, "it is necessary to add an average of 5s. a ton to its price for general expenses before any profit is seen by the merchants."

In New Zealand, before the State acquisition of mines, the average price of coal was 35s. per ton; it is now as low as 25s. In Germany the Westphalian Syndicate,

which is partially under Government control, has abolished the dealer and vends to the public direct at a low price.

18.—TRANSFERENCE TO MINISTER FOR MINES OF POWERS AND DUTIES OF HOME SECRETARY.

There shall be transferred to and be vested in the Minister for Mines all the powers and duties of the Secretary of State imposed upon him by the Coal Mines Regulation Act, 1908, the Coal Mines Act, 1911, or any other Act regulating or affecting coal mines or the hours or conditions of labor therein.

The Nationalization of Mines may be expected to entail a revision of minimum wages under the 1912 Act.

Trustworthy estimates put the average earnings of all the workers in the coal mines at 28s. per week per adult man, making a total wage-bill for the 1,067,213 persons employed (both above and below ground, and including boys and women) of about £60,000,000. In New Zealand in 1911 the average wage per person employed in a State coal mine was £140 per annum, or 17s. per day shift.

To ensure a minimum wage to every adult male worker in or about coal mines of 30s. per week would involve an increase on the present wage bill of about £4,000,000, or more than half the sum now paid in royalties. This £4,000,000, together with £2,300,000 spent in reducing the price of coal (clause 17), and £1,000,000 in depreciation (clause 13), and £5,000,000 in redemption (clause 7), could all be paid out of the annual profits, which amount to £16,500,000 (£9,500,000 existing profits and £7,000,000 saved in royalty).

19.—TITLE AND COMMENCEMENT.

This Act may be cited as the Nationalization of Coal Mines and Minerals Act, 1912, and this Act and the Coal Mines Regulation Acts, 1887 and 1908, and the Coal Mines Act, 1911, may be cited together as the Coal Mines Acts, 1887-1912, and shall come into operation on the first day of the sixth month after the passing of this Act, and all valuations, purchase, and transference of coal mines and minerals to the Minister for Mines and all other arrangements for the carrying out of this Act shall be concluded on or before the first day of the fifth year after the coming into operation of this Act.

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