

The Collapse of the South Wales Coal Trade

(Continued from last edition)

BY J. T. WALTON NEWBOLD

Diamond cut Diamond

The most notable feature of French economics and politics, during the last fifteen years, has been the enormous expansion of the French steel industry and the financial and other means taken to promote this, the essential industry of militarism. The French foresaw a clash between British and German industrialists. They foresee another between the British and the Americans. They hope, on the morrow of this latter conflict, to stand forth as mortgage-holders and military dictators of the World. Hence, the French have not been content with the Saar coalfield and remembering that "at best the whole (Pas de Calais) field is only the tail of the more accessible Belgian coal measures," have been drawing closer their bonds with Belgium and exploring ways and means for seizing the Ruhr coalfields. Having taken over the ore-fields and blast furnaces and steel plants of Lorraine during 1919, in 1920 they commenced a clamour for the delivery to them of German coal from the Rhineland.

By the Spa Agreement of July 16th, 1920, they obtained from Germany the promise to deliver 2,000,000 tons of coal per month. "One of the conditions" was, however, "that Germany should be paid the f.o.b. prices which were current in England." We are told that, "at the time, the French resisted this condition very strenuously, as the British coal-owners were quoting very high prices" (Compendium, 6/12/20.) By October—when the M.F.G.B. Executive approved of a strike on the datum line—Germany was delivering 250,000 tons more coal than were required of her under the Agreement.

The coal was transferred by the German Government to the French Government. It did not necessarily remain the property of the latter, but might be sold to some bonafide "societe anonyme" with headquarters in France and its owners in Cardiff, or to some South Wales speculator with his agents in Rotterdam, Antwerp, Rouen and elsewhere over Western Europe. Neither was the coal, necessarily moved from the German pit-tank. Its buyers could stock it on the Ruhr coalfield, out of sight of Messrs. Smillie and Hodges, or move it to some Continental depot, ready for release on the morrow of the strike, so as to depress the demand for South Wales coal and to convey the impression to the readers of the *Western Mail* that this was the direct result of "the disastrous action of the men."

How They Smashed the Miners

The German coal deliveries, in themselves and in accord with the Spa agreement, were a god-send to the coal-owners and the Government. When the miners had threatened to strike in February, 1919, the *Colliery Guardian* (21/2/19), was reporting:—

"In January, 1918, the stocks of coal in the Ruhr district amounted to 3,000,000 tons, but at present there are none."

The French and Belgian mines were either out of action of quite incapable of producing an export surplus, and very little, if anything, was available from the Saar. Had the leaders of the M.F.G.B. advised a strike in February, 1919, and not been flattered and fooled by Mr. Lloyd George, who, in his terror, permitted Mr. Smillie "to dictate" to him—the selection of four members of the I.L.P., one Fabian and a typical miners' leader as nominees for the Sankey Commission, which was to give these innocents the job of talking till the Army was demobilised, and the popularity of Workers' and Soldiers' Councils diminished, the miners would have won the day, and, horrid thought, brought the "Coupon"

Parliament to terms. The same Sir Robert Horne, who was the Minister of Labour, who sold Mr. Smillie the Sankey pup, was the President of the Board of Trade who, on July 26th, 1920, ten days after the Spa Agreement, assured him of alternative supplies of coal, informed Mr. Smillie and his colleagues that the Government could not see its way to grant their demands for higher wages and reduced selling price of coal. For some reason—reasons are always forthcoming for these things—the M.F.G.B. delayed forcing the matter to an issue for nearly three months. Then, they struck, when the Government was quite ready to defeat them. But some will say, the result was a compromise. Yes, at the moment.

In November last, three things followed on the Strike. E.P.A. was enacted; the price of coal began to fall; and, thirdly, the world crisis, aggravated, if not precipitated by the organised action of the British and American banks to refuse all but the most urgent credits (see *Sunday Chronicle*, 23/1/21), broke over industry.

In December, things went from bad to worse. Collieries went on stop. Ships were laid up. Tens of thousands of miners found themselves without work. The great financial conspiracy to force down prices temporarily as a means to force down wages next; the great financial effort to stabilise the tottering edifice of credit by deflating values, was taking effect. The money magnates were battling against the financial interests of industry and commerce, and they were all battling against the workers in the professed interest of "the public."

The Road to Ruin

Across this welter of conflict cut the active hostility of the French coal consumers, "seeing an opportunity to depreciate prices here and . . . intent to do so, in order that they may have less to pay Germany under the Spa Agreement." (Compendium, 6/12/20).

Three months later we are informed that:—

France has been able to get coal so cheaply from Germany that she has dictated the price she will pay to England, on the take it or leave it principle. . . . France encouraged both German and American deliveries as a foil to British export prices. She bought American coal heavily. Today France has as much coal as she needs, and she has declared that she is not going to buy from Britain except on her own terms." (Compendium, March, 1921.)

In December, there were 900,000 tons of coal stocked in the Ruhr. About the same time the coal trade received a hint to stock coal here "to be held well into March." The British coal-owners were not enjoying themselves, but the opportunity was too good to be missed. The attack on the miners must be precipitated and preparations made to do battle to regain the French and other foreign markets.

It had been one thing to permit France to receive coal from Germany at prices ruling in Britain. Means could always be found to regulate her supplies from that quarter, and with France heavily in debt to Britain for coal deliveries and shipping services, it was always possible to take from France a considerable part of what she took from Germany. French industrialism was weak. It was quite another thing to find France asserting her independence with the aid of the United States. Before Spa and coal there had been San Remo and oil. American industrialism was strong, stronger than British. America was the creditor of Britain. America was, financially in a position to put the credits of the War Finance and other Edge Law Corporations behind her coal exports. It was not good to hear of a glut of American bunker-coal at Rotterdam.

Beginning in November, becoming drastic in December, and terrible in January, the prices of Cardiff and Newport export coals have tumbled from the prosperity of 1920 down into the abyss of 1921.

—Here are a few typical figures:—

| Best Admiralty Large, per ton, f.o.b. Cardiff. | | | | |
|---|------------|------------|------------|---------------------------|
| Sept. 1920. | Nov. 1920. | Dec. 1920. | Jan. 1921. | |
| 115/— | 120/— | 107/6 | 115/— | 95/—, 115/—, 57/6, 85/— |
| Aug. 1921. | | | | |
| 32/6 | 45/— | | | |
| Best Steam Smalls, per ton, f.o.b. Cardiff. | | | | |
| Aug. 1920. | Nov. 1920. | Dec. 1920. | Jan. 1921. | |
| 95/— | 97/6 | 90/— | 97/6 | 75/—, 95/—, 25/—, 55/— |
| Aug. 1921. | | | | |
| 18/6 | 25/— | | | |
| Best Black Vein, per ton, f.o.b. Newport. | | | | |
| Aug. 1920. | Nov. 1920. | Dec. 1920. | Jan. 1921. | |
| 112/6 | 115/— | 112/6 | 115/— | 95/—, 112/6, 55/—, 80/— |
| Aug. 1921. | | | | |
| 29/6 | 45/— | | | |
| No. 3. Rhondda Large, per ton, f.o.b. Cardiff. | | | | |
| Aug. 1920. | Nov. 1920. | Dec. 1920. | Jan. 1921. | |
| 112/6 | 115/— | 110/— | 115/— | 110/—, 115/—, 70/—, 110/— |
| Aug. 1921. | | | | |
| 42/6 | 50/— | | | |
| Best Large Anthracite, per ton, f.o.b. Swansea. | | | | |
| Aug. 1920. | Nov. 1920. | Dec. 1920. | Jan. 1921. | |
| 90/— | 95/— | 100/— | 112/6 | 115/6, 120/—, 75/—, 105/— |
| Aug. 1921. | | | | |
| 57/6 | 62/6 | | | |

(Compendium, 15/9/21).

With Welsh coal of good quality at 32/6 a ton, and selling at a loss; with the exporters stating that it must come down still further to 20/— or 25/— a ton, and with no improvement visible in the European exchanges but rather the reverse, the outlook for South Wales has become, not brighter, but darker, as the months have rolled by. The French coal production is rising; the mines of the Pas de Calais have been repaired in about half the time that the British coal-owners were led to expect, and the quality of the coal is better than formerly.

It is not surprising that collieries are being shut down and that work is irregular. It is not only the miners but the railwaymen and the dock-side workers who are suffering, and must continue to suffer. Freights have toppled down; hundreds of ships are laid up—something like 5,000,000 tons, and are selling at one-fifth of the price at which they were acquired. Liquidations of companies are the order of the day in Cardiff. Mushroom fortunes are collapsing and millions of money have been lost in shipping in South Wales during the last nine months.

Many miners have been deceived by the lavish expenditure "out of revenue" on extensions and improvements by the Powell-Duffryn and other big colliery companies. Millions of money that would otherwise have had to be paid over to the Exchequer as Excess Profits Duty have been charged to "capital expenditure," and used with little hope of high return but in a feverish desire to make such economies as may make it possible to continue production at a profit. It might as well be spent in that way, think the companies, as be handed over to Sir Robert Horne, who, elevated now to the Exchequer, never seems to forget that he was once legal adviser to the Scottish coal-owners, and has tempered the wind to the shorn lamb.

With Horne at the Exchequer, and Stanley Baldwin, formerly director of Baldwins, Ltd., and the G.W.R. Co., at the Board of Trade, not to speak of Sir Philip Lloyd Greame, of the F.B.I., at the Department of Overseas Trade, the coal capitalists are getting sympathetic treatment, but, for all their scheming, their friends are getting deeper and deeper into difficulties.

difficulties.—"The Communist" (London.)

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