

The Collapse of the South Wales Coal Trade

(Continued from last edition)
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No wonder Sir Charles Greenway, Chairman of the Anglo-Persian Oil Co., Ltd., whose 52 oil tanks at Skewen are as obvious as a blow between the eyes to the South Wales miner, can say:—

"In the shipping industry it is already clear that the oil-driven vessel is rapidly forcing the coal-burning one from the seas." (Compendium, June, 1921.)

That spells FINIS to the bunker trade of South Wales. It also marks the beginning—or the middle—of the end of the notion that membership of the South Wales Miners' Federation—or the M.F.G.B.—with complete organisation at the point of production, is in any conceivable way adequate to the needs of the present and the future.

The Owners Face the Future

The coal-owners of South Wales have realised, for some considerable time, that the era of inordinate prosperity which they have experienced and which has raised them to such giddy eminence of wealth and power was not destined to continue indefinitely. They have been made aware of the progress of this displeasing revolution brought about by the adoption of oil fuel for merchant and warships. Changes of this sort are always sensed in advance by those who are in daily touch with the rise and fall of prices, either of commodities or of stocks as quoted on the many markets of capitalism. The owners have known that the time was rapidly approaching when they would require to find other markets for their coal, or other enterprises in which to invest their capital, if they were to continue to receive profits thereon at an equivalent rate of interest to those they had been receiving in the past.

Such knowledge has, undoubtedly, acted as an added incentive to their endeavours more thoroughly and more scientifically to organise, not merely the productive side of their business, but also the several stages of marketing the product and of sharing amongst these agencies the profits in the trade, in such a way as to make the various branches of the coal trade one continuous system of collecting tribute.

During the last ten years there has gone steadily forward in South Wales a process of absorption of independent coal producing companies by their more powerful competitors, of amalgamations of great colliery undertakings, of inter-change of shareholdings or of directors, which has resulted in the grouping of the chief firms in the industry and the area around such giants as:—

The Consolidated Cambrian, Ltd.
The Powell Duffryn Steam Coal Co. Ltd.
The Ebbw Vale Steel, Iron and Coal Co., Ltd.
The Tredegar Iron and Coal Co., Ltd.
Cory Brothers, Ltd.
Baldwins, Ltd.

At the head of the group of interests arranged about the Consolidated Cambrian, Ltd., and which now includes the huge business of Guest, Keen and Nettlefolds, are four leading personalities—Lady Rhondda, Seymour Berry, D. R. Llewellyn, and Sir Archibald Mitchelson. There are about twenty-six colliery companies in which one or more of these individuals is a director, whilst the manner and varying intensity and complexity of their financial relations is too bewildering in their thoroughness to touch upon here. There is no man in British capitalism who is a director of more companies than Seymour Berry. He is a veritable Stinnes. The normal production of his collieries is well over 12,000,000 tons a year.

Around the mighty Powell-Duffryn, of Bargoed and Aberaman, joined to it either by extensive shareholdings of themselves or their chief directors,

are the Ocean Coal Co., Ltd., the Lewis Merthyr Consolidated Collieries, Ltd., and the Rhymney Iron Co., Ltd., whilst it has been rumoured that the octopus of the Rhondda and Risca, the United National Collieries, Ltd., is being absorbed by "P.D." D. R. Llewellyn and directors of Baldwins, Ltd., and the Cardiff Collieries Ltd., are also entrenched in the share list.

The Ebbw Vale Steel, Iron and Coal Co., Ltd., which has affiliation with the Consolidated Cambrian, through joint holdings of the Beynons, and of the latter in the Fernhill Collieries, Ltd., has practically monopolised the Western Valleys, and dug itself well into the Eastern Valleys also.

The Tredegar Iron and Coal Co., Ltd., and its subsidiaries, have fourteen square miles of land, about half a dozen up-to-date collieries of the largest size, and the practical monopoly of the Sirhowy Valley. They have, also, a link through Colonel Wyllie, with the United National Collieries, Ltd.

Cory Brothers, Ltd., are established, directly or indirectly, in the Aberdare, Rhondda, Ogmere and Neath Valleys.

Baldwins, Ltd., though chiefly in steel, have interests in some half dozen collieries in the Avon Valley and in South and West Glamorgan.

"A Purely Academic Discussion"

In coming together in these great amalgamations and alliances, the coal-owners have not only brought competition within manageable proportions, but they have also gained control over reserve funds and current revenue accounts adequate to finance big extensions, economies and improvements. They have made it good business to invest heavily in constant capital by way of larger pits, conveyor installations, coke ovens, by-product plants, electric generating stations, and engineering shops. They have been able to effect the many economies only practicable in large scale production and, with added resources, to develop such side lines as patent fuel manufacture and to cultivate new markets.

Gradually, during the last thirty years, the coal-owners of South Wales have trenched upon the interests of the railway companies and broken down the power of the landlords, making themselves, to a great extent, masters of the former, and, frequently, buying out the latter. Today, in ownership as well as in function, the railways of South Wales have become elongated colliery sidings connecting the pit-head with another part of the owner's property, the docks and the ships in which the coal is carried away to home and foreign ports of discharge.

At every stage of production and delivery the coal passes, as it were, along a continuous band, an endless chain of agencies, each of which takes a modicum of surplus-value and transfers it to the common fund, the ultimate and aggregate profit of the syndicate with many tentacles.

Besides those who actually handle the coal are others who, perhaps never seeing it, yet pass it by repeated book-entries and transfers from colliery company to broker, from broker to merchant or exporter, and from exporter to foreign buyer.

The colliery proprietors of South Wales have so utilised their enormous profits and the ease with which they have got bank credits or investment capital through A. Mitchelson and Co., as to establish themselves along this chain also as brokers, merchants, exporters and foreign buying agencies. They have bought up shipping companies and repair yards in which to refit their vessels. Furthermore, they have become their own underwriters and insurance brokers, and, with the totality of these separate parts of the trading profit, have set up their Atlantic and Status Investment Trusts and gone into Amalgamated Industrials, Amalgamated Cotton, Jute Industries, Associated Furnishers, manure man-

ufacture, newspaper and publishing business, cinema operation, and a hundred and one other activities characteristic of finance capitalism.

The end of the steam coal "boom," and the commencement of the slump in the export trade, finds the coal-owners of South Wales able either

- (i) to secure almost the entirety of such profits as there may be left in the coal trade, or
- (ii) to buy and sell coal, at home or on the Continent, or in South America, regardless of whether it is raised in South Wales or in Westphalia, or the Saar or the Pas de Calais, or anywhere else on the planet, or
- (iii) to withdraw their capital from collieries and the coal trade, and to re-invest it anywhere else in the capitalist system.

Moreover, they have contrived a syphon-system of commercial and financial connections of such a character that, within the company and common law, they can, if they so desire, run the profit entirely out of the coal production side of their business into broking, shipping, importing, carriage, insurance, and what they choose.

No wonder that the miners are going to be allowed to examine the books of the companies under these conditions, and with every superficial appearance of equity, have their wages regulated in accord with the rise and fall of the earnings of the colliery companies! It would seem that, after all, the study of the financial organisation of the South Wales coal trade may result in something more informative and more urgent than what a bright, young official of the M.F.G.B. described as "a purely academic discussion"!

The Export Trade.

During the last twenty years the coal-owners of South Wales have established a valuable connection not only with France and Mediterranean ports, but also with consumers in Spain, Portugal, and along the sea-board and the settled parts of Brazil, Uruguay and Argentina. The activities of Lord St. Davids and his brother, Sir Owen Philipps, in developing the railway facilities and shipping-business of South America and the harmonious relations they seem to have maintained with the colliery proprietors, whose business they have not invaded, except for a few years and on a small scale, have resulted in the opening up of important markets for bunker and railway fuel from South Wales. These outlets are, however, threatened today with serious competition from the United States, whose capitalists have very considerably increased their interests in South American concerns as a result of the Great War, and the transfer of British foreign investments to American purchasers. Capital in railways and other public utilities tends to give preference to coal from its own country of origin.

Again, since the Entente Cordiale of 1904, the considerable coal trade which for many years had existed between South Wales and France has, until recently, assumed greater and greater proportions. The connection established from Paris has become, with the expansion of South Wales capitalism, a connection to Paris. The undertakings founded by the Guerets and the Plissons have become auxiliaries of the Consolidated Cambrian and its subsidiaries.

According to a recent authority:

"France is short of coal. She is still shorter of coal that makes good coke; and the foreign coal that lies nearest to her eastern metallurgical districts—that of the Saar basin—is not a good coking coal either."

Now,

"Whether coke moves to ore or ore to coke, in any iron industry, is a matter of relative costs. In the conditions existing as between north-

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