THE PROFITS OF COAL MINING

By F. W. Gray.

Mr. Blake Walker, one of the best known colliery owners and mining engineers of Great Britain, was recently presented by his workpeople with a portrait of himself as an appreciation of 42 years as the head of the Wharncliffe Silkstone Collieries, in South Yorkshire. Mr. Walker is an example, all too few alas in these days of corporations, of an employer whose relations with his workmen have been very intimate, and in whose mind the well-being of his employees has always taken first place.

Some of the remarks made by Mr. Walker in his speech on this occasion are worthy of note.

Mr. Walker mentioned that Wharncliffe Silkstone Colliery — which may be taken as typical of many other collieries — had been working sixty years. In that time there had been disbursed in wages some $27,500,000, and approximately 5,000 people had been kept in comfort by this disbursement over a long period of years. The above mentioned sum represented 89¼ per cent. of the total amount disbursed in wages, royalties and profits. The royalty payments had been 8½ per cent. of the total, and the return to the shareholders 2¼ per cent. The speaker said he wondered how many people realised that this was the financial return on a colliery that had mined coal for sixty years, and added that he thought if the figures were available from other collieries in South Yorkshire the results would not be greatly different.

Some years ago Lord Joicey, an eminent North Country coal-owner, said that the net return to the capitalist on coal-mining investments over a long term of years would not exceed five per cent. interest on the investment, without any return of principal.

Much the same statement could be made with reference to coal-mining investments in Canada. It is hardly expected that the capital invested in a colliery should ever be returned, and it would be hard to discover a Canadian coal company which to-day could return the capital invested in its properties. It would also be hard to find a coal company in Canada that had paid a continuous divided of five per cent. on the original capital. We read occasionally of collieries that have paid ten and fifteen per cent. dividends. At the present time, because of the abnormal and inflated state of the coal market, there are collieries in Great Britain that are showing very large returns; but if the history of these same collieries comes to be reviewed from the sinking of the shafts until the last pillars are taken out, it is probable that the percentages of returns to shartholders, landlords and labor will not be very different to the figures quoted by Mr. Walker.

Mr. Walker pleaded for recognition of the essential identity of the interests of capital and labor, and the necessity in these times for both to adopt all the aids that science and machinery can afford. With this all thinking men will be in hearty accord.

Apart however from the desirability for co-operation between capital and labor, a condition which would be much easier of attainment had all employers the same high sense of duty that the speaker possesses, there are other features which explain to some extent the small returns on coal-mining investments.

A disproportionately large part of the ultimate price to the consumer is made up of transportation charges and middlemen's profits. There seems no good reason why large colliery combines should retail coal through the medium of dealers, and quite recently Lord Rhondda, speaking of the acquisition of the Northern Navigation Collieries, expressed the intention of his company to eliminate the middlemen in the sale of coal. The average man would hardly believe how small is the price received for coal at the pit-mouth compared with the price he has to pay for the same coal delivered into his cellar. Anything more wasteful and unscientific than the manner in which coal is peddled out to the ultimate consumer could scarcely be conceived. The amount of re-handling, storing, trucking and bagging that some coal undergoes is ridiculous, and it results in an equally ridiculously high price to the consumer, and a low yield to the colliery owner.

Some day it may dawn upon us that it would be easier to transport the energy that lies in coal by converting it into electricity than by hauling a heavy material thousands of miles in ships, and cars and horse teams, and re-handling it until all semblance to the original mined product is lost.

If the colliery owner wishes to obtain the legitimate reward of his investment and his labor, he must prepare not only to mine coal, but to sell it to the ultimate consumer. He must apply scientific methods to the transportation of coal, and must be prepared to sell power in many cases instead of the raw material that he mines. Lord Rhondda, in the statement previously referred to, said he intended to establish a bureau of research, in which would be concentrated all the brains that could be secured, and in which would be collected also all possible information regarding new and improved mining methods in all parts of the world. Some little attention on the part of this bureau to sales and transportation would repay the trouble. A greater increment of profit per ton of coal is added by the dealer in many cases than is received by the colliery owner. The reason is not far to seek. The archaic methods of transportation seen in many cities, where half tons of coal are hauled over bad roads by decrepit steeds, are in sharp contrast to the great sums invested at the modern colliery to cheapen and quicken the cost of transportation underground. The cost of hauling coal on steam railroads is so tremendous as in many instances to be absolutely prohibitive. The reason again is not far to seek. Bad grades, poor rolling stock, inadequate sidings, single tracks, and a general inability to haul heavy loads for long distances at reasonable rates of speed, characterise too many railroads. It is evident then, that if the coal-owner wishes to reap his proper share of the ultimate cost of coal as it is landed in the cellar of the householder, or the bins of the factory, he must extend his interests, and must engage himself not only in the actual mining of coal, but in its transportation and sale. Colliery engineers consider themselves to be justified in expending large sums to save a cent or a half-cent per ton on the coal output, but how many cents are wasted once the coal has passed out of the colliery yard and started on its long and chequered journey to the factory boiler-house, or the humble domestic fireplace?

It is often said of a certain class of miners that they work for wages like horses and spend the wages like asses, and the analogy seems to hold good in respect of the material they mine.