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Where Shall Coal Be Sold?

(I. F. T. U.)

ALL coal-producing countries are faced with difficulty in selling their coal, and this difficulty grows visibly from day to day. Stocks are accumulating to an alarming extent—in Britain, for instance, there was not long ago provision for no less than 4 months ahead, and these stocks are not likely to have diminished since. Statistics have made it abundantly clear that at a time when any reasonably organised system of world production would have taken precautions against the oncoming of the depression, the output was everywhere growing. Not only was this the case where the production had not yet attained the pre-war output, and where there would therefore seem to be plausible excuses for an increase in activity; it was also seen in countries, such as Germany, the Saar Basin, France, Belgium, Holland, Czechoslovakia, U. S. A., S. Africa and British India, which had already exceeded their pre-war production, Great Britain alone has to record a diminution of output. For all the other countries named above, with the exception of Czechoslovakia, there has been a steady increase even in the two months of December, 1924 and January, 1925.

The increase of output is in many cases startlingly great. The National Coal Mines' Committee of France recently stated that the production in 1919 was 22½ million tons but that, estimated on the basis of the output per day, that of 1925 would probably be 48 million tons. The Alsace-Lorraine Coal Basin gives the following increases in output per day: 126,147 tons in 1913, 75,000 tons in 1919, and 160,445 tons in January, 1925. In the brown coal fields of Central Germany, the output per head for 300 shifts in 1913 was 3.06 tons, while that of 1924 was 3.1 tons. In Britain alone the output per man per shift has fallen, it being now 17.74 cwt. against 20.32 cwt. in 1913; in the opinion of an expert not belonging to the Labour Movement, this is due to "technical and organisational backwardness and the fact that many mines are very old." The same expert adds: "If we compare the output per man per shift, we shall see that the output of the United States is about 5 times that of Great Britain, and that other factors are at work here besides negligent management."

As to the causes of the slump in the coal trade, it is increasingly clear that, except in cases where the consumption of coal has been decreased, these are to be sought in the artificial distribution of coal since the war: this, which is an outcome of the political arrangements made by the victors, has destroyed the equilibrium of the various markets. To give some instances: it has happened twice within a short space of time that the Port of Antwerp authority has placed an order for bunker coal with a German firm, to the exclusion of Belgian firms. Germany, which before the war had both an export and an import trade in coal, although the former was much greater than the latter, became an importing country after the war as a result of post-war developments, especially the obligation to deliver reparations coal. Hence every year since the end of the war up to 1924 she has had to pay 34 million gold marks for British coal in freight alone. In 1923 she imported from Britain 67% more coal than in 1913. But now the tables are turned. Germany has so large a surplus of coal that it is only the high

cost of freightage which prevents her from supplying her northern towns with her own coal, although they were Britain's permanent customers before the war. Her import of coal from Britain fell in 1924 to 24% below that of 1913. Her obligations under the Dawes Scheme make it necessary for her to become as far as possible self-sufficing, and even, if possible, to make large exports. The efforts of both Germany and Austria to attain independence of imports have brought Czechoslovakia into difficulties. Before the war Germany took 70 million and Austria 5 million cwt. of Bohemian brown coal; now Germany takes 10, and Austria 1.1. And Czechoslovakia has no other customer to put in their place! Then again, Austria and Hungary now both buy Saar coal, which was unknown in either of these countries before the war. Poland, to whom the Geneva Convention allotted an export of 500,000 tons, now demands a yearly export quota of 7 million tons; otherwise she says, her industries in the districts recently ceded by Germany cannot be maintained. Germany which has now become a coal-exporting country, is expected to buy coal from Poland, although it (German) has 8 million tons of coal at its pitheads. The Polish districts already announce stocks of 1 million tons. France, formerly a good customer for British coal, now imposes an import duty on coal, with which she is absolutely overstocked. The French state railways have had a coal-purchasing office in Cardiff ever since last century, but this office is now closed; their needs are supplied mainly from Germany. Britain is in consternation, for even the Italian state railways are now sending orders to the Ruhr. Certain kinds of British coal, which were formerly purchased whatever the price might be, are now being replaced by other coal, because the gulf between the prices has become altogether too great. The British coal magnates have lived to see the Stinnes mines book orders even from Greece! Except for Italy, American coal has been practically shut out of Europe since the Ruhr crisis was settled. Most of the American export goes to Canada, from which British coal is completely ousted. In South America, on the other hand, British coal is so far holding its own better than in North.

Absolute chaos! There is not the slightest regard to necessities and possibilities, there is no sign of any comprehensive measure to remedy the evil! Every expert must know how deeply rooted is the cause of the present chaos, and how imperative it is that there shall be well-considered and carefully concerted action. And yet all we hear are the well-worn catch words "wage reduction" and "lengthening of working hours." The most the employers do is to make up their minds to institute a national "enquiry."

In Belgium, where the stocks of coal have mounted to 1,600,000, the employers have profited by the occasion to cut wages again and to notify the termination of agreements. The proposal to create a Compensation Fund, or Pool, to which all profits would be paid in, in order to aid the poorer mines, has been rejected; also a proposal for public enquiry, which would have been only too likely to disclose defective organisation and waste. The unaccommodating spirit of the employers has had its natural reflex in the decision of the recent Miner's Congress to institute a referendum (on the 27th and 28th April)

to decide whether or not there shall be a general strike. Almost certainly there will be a fierce conflict if the Government does not intervene. In Czechoslovakia nationalisation plans are again coming to the fore: these would place the industry on an organized basis, but they would require an expenditure of from 12 to 15 million Czech kronen. In Poland there are idle shifts despite the dismissal of 71,378 miners. In Great Britain, where the Minimum Wage Bill has been thrown out by parliament, the miners' agreement expires next June, and the employers are already seeking to worsen conditions. Cook, the secretary of the Miners' Federation, has rejected the proposal to lengthen working hours on the ground that already the miners are producing more coal than can be sold, and the introduction of the eight hours' day would not help matters.

(This means extending the underground day from 7 to 8 hours.—Ed.)

One of the employers even hit upon the brilliant idea of inviting the workers to take over a pit for their own account. The miners' union warned their members not to fall into the trap, reminding them that those who had pocketed the profits ought to pocket the losses too. The British miners are now exploring two distinct avenues. One of these is to engineer an alliance with the workers of other important trades; discussions have already taken place with the engineers, transport-workers and railwaymen's unions, and it is expected that a joint conference will be called of all the union executives who have been thus consulted. Besides this, a series of joint conferences are being held with the mine-owners in London; Cook, the secretary of the Miners' Federation, is not, however, very hopeful of concrete results from these meetings. In Germany, miners are being dismissed by thousands. Yet, in spite of the gigantic accumulations of coal, the Stinnes and other mines are working steadily on probably in eager anticipation of the rich possibilities of a long stoppage of work in Belgium or Great Britain.

One thing alone is certain. Since the coal slump is international, it is not in the power of the individual nations to take any very effective step towards remedying it. The employers' efforts to hammer a way out somehow do not hide the truth. If the International Labour Office, for instance, instead of merely being able to institute enquiries into past events and questions of principle, were empowered to use its large and highly qualified staff to intervene in acute situations and to provide all information and expert advice it would have seen the significance of such factors as the increased use of oil and water-power and have drawn the inevitable conclusion that less coal would be needed, and permanent adjustments and conversions must be made. The deep lying relations between coal output and the production of manufactured goods in general would be laid bare: it would be realised that a period of decreasing production must infallibly be a period of falling demand for coal, and vice-versa. Even the German Coal Syndicate, although for a long time it was content to deal with coal only, discovered later on the close inter-relation between coal and iron, and learnt to take it into account—in the interests, of course, of capitalism.

Knowing as they do that all such enquiries and tentative attempts cannot fail eventually to show up the unreason and anarchy of the capitalist system, the employers are unanimous in opposing any really thorough enquiry. It is better, they think, to do nothing, and to use the slump to exploit the workers. The comment of a Czech newspaper on the Czech coal-owners is more or less true for all employers: "The employers are glad that nothing is being done. They think the opportunity is an excellent one to abolish the collective agreements which have been wrung from them by the strength of the miners' unions."

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