

THE BRITISH COAL INDUSTRY

H. Townshend-Rose

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Volume 21

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First published in 1951 by George Allen and Unwin Ltd

This edition first published in 2018

by Routledge

2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge

711 Third Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

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British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-1-138-10476-1 (Set)

ISBN: 978-1-315-14526-6 (Set) (ebk)

ISBN: 978-1-138-30356-0 (Volume 21) (hbk)

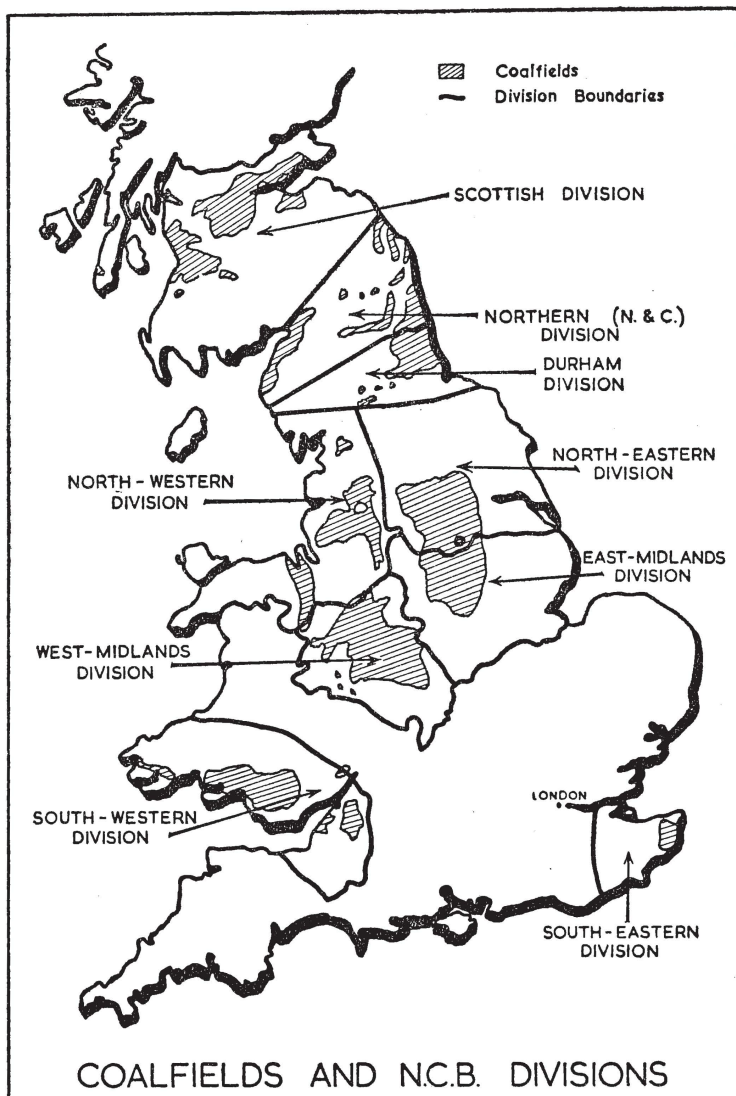
ISBN: 978-0-203-73092-8 (Volume 21) (ebk)

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LONDON
GEORGE ALLEN AND UNWIN LTD
RUSKIN HOUSE MUSEUM STREET

FIRST PUBLISHED IN 1951

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PRINTED IN GREAT BRITAIN
in 12-point Fournier type by
SIMSON SHAND LTD
London and Hertford

Preface

In this book I endeavour to give a simple account of the way in which the British coal industry was nationalized, and of the new organization. My purpose has been to describe, not to criticize; for it would be presumptuous in me, as an employee of the National Coal Board, to attempt to evaluate what has been achieved. I hope that the book will be of use to new entrants to the Board's service, and of interest to all who are concerned with this great experiment in industrial organization.

The information contained in the book is based on material generally available at the beginning of 1950. I am indebted to the anonymous writers of the Annual Reports of the National Coal Board, not only for the wealth of information contained in those Reports, but also for the exemplary style in which the information is presented. I would also thank my colleagues for the help which they have given me in writing this account of the nationalized coal industry. I am grateful to the National Coal Board for the facilities afforded me in writing this book, but responsibility for statements of fact or opinion is mine, and what I have said does not represent in any way the official view of the Board.

The printer's house style has demanded the use of the letter 'z' in words, such as 'nationalization', where I would have preferred the use of the letter 's'. I have reluctantly agreed to this style.

H. TOWNSHEND-ROSE

Chiswick, W.4

January 31, 1950

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BACKGROUND TO NATIONALIZATION

The Sankey Commission

The desirability of nationalizing the British coal industry was the main feature of the reports emanating from the Sankey Commission, published in 1919. The Commission had been appointed in consequence of unrest in the industry after the 1914-18 war, and consisted of workers' and employers' representatives (not limited to the mining industry) in roughly equal numbers. A judge—Mr Justice Sankey—was chairman. The members of the Commission reached markedly divergent conclusions as to the future of the industry, and for that reason interest has attached to the report of the independent chairman.

The reports of the Commission were made in two stages. The first stage dealt with wages and hours of work and resulted in an increase in wages and a reduction in hours of work underground from eight to seven hours, plus 'one winding time' (see page 113). The second stage reports dealt with future organization of the industry.

The chairman in his report condemned private ownership of the minerals (i.e. the coal in the seams) because it had hindered development, wasted millions of tons of coal in barriers left between the properties of different owners, and resulted in the abandonment of coal and collieries because of lack of co-operation between different owners in drainage arrangements. He recommended that the unworked coal should be transferred to the State on payment of compensation. He also stated that relations between employers and workers in the industry were of such an unfortunate character that it seemed impossible to better them under the existing system of ownership of the mines. As he saw no hope of improvement he recommended State ownership of the mines on payment of compensation.

The workers' representatives were in substantial agreement with the chairman, but thought that coke and by-products plant associated with the collieries should also be acquired by the State. The mineworkers' representatives were not in favour of paying compensation to the mineral owners except in cases of hardship. The employers' representatives reported that they found no evidence that the coal industry could or would be as effectively conducted by the State as by private enterprise. They did not believe that nationalization would reduce the price of coal or prevent strikes, and they denied that there was any general antagonism between employers and workers in the industry. They considered that nationalization of the coal industry in any form would be detrimental to the development of the industry and to the economic life of the country. They agreed that the unworked coal should be transferred to the State on payment of compensation, and made a number of recommendations for improving the conditions of mineworkers, and for establishing machinery for conciliation and consultation.

On consideration of these reports the Government agreed in principle with nationalizing the minerals but decided against public ownership of the mines, and introduced the Bill which became the Mining Industry Act 1920. Part I of this Act established the Mines Department of the Board of Trade. Part II provided for the establishment of joint pit committees with power to make recommendations concerning safety, health and welfare, output, inspections and wages. There was to be a superstructure of district committees, area boards, and a national board, and the Board of Trade would have power to require compliance with recommendations made through this joint machinery. This Part of the Act never had effect. Part III of the Act contained a number of general provisions, one of which was a welfare levy on coal output.

Disputes and Settlements

During the years 1920-26 the British coal industry was in serious economic difficulty and was troubled by disputes as to wages and hours of work. It is beyond the scope of this book to examine in