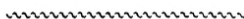


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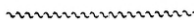
MINING RENTS

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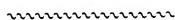
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MINING RENTS AND ROYALTIES.

IF there be one thing in this world more astonishing than that individuals should claim private property in the surface of this planet, and have their claims allowed by the Legislature of a free country, it assuredly is that they should pretend to have a right to the contents of its interior. A coal-hewer descends into the bowels of the cold earth, and with infinite toil and danger raises a ton of fuel for tenpence or even eightpence. Another man, calling himself a landlord, who is meanwhile, perchance, gambling at Monaco or bear-hunting in the Rocky Mountains, successfully exacts a toll of thirteen or fourteen pence per ton on the entire output of a mine, or, it may be, a score of mines! Could there be a more startling anomaly? "O Lord what fools these mortals be!" is all the comment that any rational being can, in the circumstances, make.

Yet this was the kernel of the case which the influential deputation of Members of Parliament, who, in April, 1886, brought the question of mining royalties before the Liberal Home Secretary, had to submit. True, Mr. Childers' mind was a *tabula rasa* as regards mining royalties, and not one of the deputation ventured to suggest their nationalisation—the only true remedy for the serious evils complained of. Still much good was effected by the bare recital of the atrocious exactions which the landlords habitually make both on mine lessees and miners.

Mr. Stephen Mason, representing one of the divisions of Lanarkshire, where trade depression is peculiarly severe, instanced the case of a ducal highwayman who preys on the mining industry of the district to the extent of £114,000 per annum. His method of blackmail is this:—He benignly grants leases for twenty-one years at fixed “rents,” varying from £500 to £5,000. These are payable whether the mine is worked or not. If worked, the moment a certain output is attained “royalties” come into play. These vary from 9d. to 1s. 6d. per ton. No mediæval Rhine robber ever devised a more effectual system of brigandage. Indeed, the landlord is the undisputed master of the situation, and it is a marvel that he has not succeeded long ere now in completely

destroying the industrial supremacy of the country.

Mr. Mason told of an instance where a company spent £50,000 to get at a seam of coal. They reached it, but found that rent and royalty would together absorb every penny of profit. The landlord would, nevertheless, have his entire pound of flesh. Consequently the machinery has been standing idle for four years!

But it is when leases come to be renewed that the landlords' harvest is really ripe. Mr. Conybeare, who represents a mining division of Cornwall, revealed a state of things in his neighbourhood of a singularly aggravated kind. When the lease of the Dolcoath mine was renewed a fine of £25,000 was exacted, The Duke of Bedford, in the case of the Devon Great Consols Mine, levied a £20,000 fine. As for the unfortunate lessees they might like it or lump it. If they lumped it their engine-houses and all their improvements went to the landlord without compensation. The landlord, moreover, on the ground-rent monopoly principle, charged from five to ten times agricultural value for the surface.

As to the amount of annual tribute paid by the nation on its mineral wealth to the landlords, no exact figures can be given. But it has been estimated that in the year 1883 they pocketed on coal and iron ore alone the vast sum of eight millions sterling. This enor-

mous drain in the face of falling and stagnant markets, it is not too much to say accounts for half the privations which working men are now suffering from low wages and no wages. Our two staple industries are admittedly iron and coal. They are controlling elements in rails, ships, and manufactures of every description. Every private toll levied on them is a blight on every related form of employment.

Mr. Mason gave an instructive example of the effect of a comparatively low royalty. In Scotland the minimum royalty on pig-iron is 6s. Some of the Cleveland royalties on the other hand do not exceed 3s. 3d. per ton. What is the consequence? Scotland, where all the other conditions of production are rather more than equal, is invaded weekly by Cleveland iron to the extent of from 6,000 to 7,000 tons.

Nor is this the worst. Differential home dues might be endured, but to handicap the British iron trade in its strenuous grapple with foreign competition is a much more serious affair. In most parts of Germany the royalty on pig iron is 6d. per ton; in France it is 8d., and in both these countries royalties are national dues, and not, as with us, private blackmail. In Belgium the ordinary State royalty is 1s. 3d. per ton, and even that handicap not improbably accounts in no small degree for the prevalent turbulence in that country of miners.

I quote the following weighty sentences from an admirable address by Mr. William Forsyth, the eloquent President of the Scottish Land Restoration League:—"Out of the eighty blast furnaces in Cumberland forty are at this moment standing idle, and the others are but partially employed. There are many causes which might have the effect of keeping these forty blast furnaces idle. They might be idle for want of capital; they might be idle for want of men willing to work. Well, gentlemen, the Cumberland furnaces are put out not because of any lack of capital, for only within the last week or two a company of employers there were willing to sink £20,000 in raising iron ore, and were only prevented from doing so by the landlord's ultimatum that he would not reduce his royalty of 2s. 6d. per ton on the ore which might be raised. The company found that with this charge they could not raise ore as cheaply as it could be imported from Spain, and they, therefore, abandoned their project. Neither can it be that there are not men able and willing to work, for an ironmaster in Cumberland writes saying that there are thousands of men unemployed who would be glad to find work of any kind in order to save their wives and children from starvation." . . .

"I am informed that the girders of the St. Enoch Railway Station, in our city, were imported from

Belgium, and we know that the Barnsley Railway Station was built of imported iron. The Midland Railway Company is at present importing large quantities of iron and steel sleepers from Belgium. The streets of London, Liverpool, Dublin, and Belfast are being laid with tramway rails of foreign manufacture. Our Glasgow Municipal Buildings are at this moment being built with iron girders brought from Belgium, and paid for from the taxes collected from the people of Glasgow. On looking up at these girders we see in prominent letters the name "Maclellan," and in our innocence we think that if the cost of these buildings is great at any rate the work is done by our own people. But this is not so. The ironmaster to whom I have referred is himself the owner of eight furnaces specially adapted to the manufacture of pig-iron and steel rails. Four of these furnaces are idle, and yet he is actually importing thousands of tons of iron and steel from Belgium and Germany."

Talk of high wages and short hours of labour "driving trade out of the country!" Why, if these royalty footpads are not speedily got rid of there will soon be neither trade nor wages left in it. One blast furnace produces in a week six hundred tons of pig-iron. On that quantity the landlord's royalties amount to £202; while the wages of the employes

—managers, engineers, chemists, workmen all told—average less than one half, or £95. The royalties on British steel rails paid to the landlords amount to 9s. 6d. per ton; in Belgium they average 1s. 9d. Is it any wonder that the Indian Department of Government is monthly sending out to India thousands of tons of imported iron and steel rails and sleepers? Is it any wonder if in most cases it costs about three times as much to construct a mile of British railway as any other?

A Cunard liner making the double or return journey across the Atlantic consumes four thousand one hundred and twenty-five tons of coal. This means a royalty to the landlord of £206 5s., or more than the wages of the entire crew from captain to cabin boy. In a word, the owners of steamers pay to the lords of land a tribute of £274,100 per annum. Of course passengers and the producers of exports and the consumers of imports are the ultimate victims.

What, then, is the remedy for this ruinous system of exploitation? Is it to be cured, as the deputation suggested, and as Mr. Conybeare's Mining Rates Bill weakly proposes, by establishing a sliding scale as between landlords and mine-lessees? Certainly not, unless the State is to step into the landlord's shoes. Every scheme to enable landlords to rob in moderation is bad.

We are not without examples of the true solution of the royalty problem in other lands.

In Germany, speaking generally, the Prussian law of 1865 prevails. It vests all mineral royalties in the State. No freeholder can raise minerals on his freehold without a concession from the Government. He dare not even, after due notice, prevent private persons from entering on his land to bore for the discovery of minerals. The concessionaire of a mine is entirely independent of the lord of the surface. Concessions are made to any qualified person or persons by a district *oberbergamt*, or office, on certain conditions. Concessionaires must (1) pay to the State in royalty and inspection dues 2 per cent. per annum on net produce; and (2) form a Benefit Society, or *Knappschaft Verein*, for their workmen, they contributing one-half the funds, the "hands" the other. The *Knappschaft Verein* supports and doctors invalid and injured miners, pensions widows, and educates children free of expense.

In France private royalties were abolished at the Revolution and made national property. The present law bears date 1810. It is the same in principle as the German law. The concessionaire pays 5 per cent. net produce to the State plus 10 centimes per franc additional to form an Accidents Relief Fund. A strictly limited rent is also payable to the lords of the surface.

The Belgian law (1810) is in the main similar to the French law, but concessions made under the law of 1837 are of a less favourable character, and in some cases the dues mount up to 4s. in the pound.

But we need not go beyond the limits of our own Islands for a sound model of mining legislation. An admirable Act of the Scottish Parliament (1592) still in force, but audaciously set at defiance by the landlords of Scotland since the union with England, appoints a "Master of the Metals," with full State control of all mines and minerals in the realm. He is to secure 10 per cent. to the State, and is allowed 5 per cent. for inspection dues, &c. "And by reason that the said miners are in daily hazard of their lives by the bad air of the mines and the danger of falling in the same, and other infinite miseries which daily occur in the said work, therefore our Sovereign Lord (James VI.) exempts said miners from all taxation whatever, both in peace and war, and takes them all, their families and goods, in his special protection," &c.

This is the sort of thing that is wanted, and not sliding scales to give perpetuity to a system of palpable robbery, by which the State is defrauded of some ten millions sterling per annum. And the robbers!

What are they? The drones of the community!
 They feed on the mechanic's labour;
 The starved hind for them compels the stubborn glebe
 To yield its unshared harvest.
 And yon squalid form, leaner than fleshless misery,
 Drags out his life in darkness in the unwholesome mine
 To glad their grandeur.
 Many faint with toil
 That few may know the cares and woes of sloth.

