

From the data at its disposal the Board estimates the increase in the "expenditure on living" at the minefields from 1913 to about September, 1918, to be about 35 per cent. at the most. Table 87 shows how this increase is distributed over the five standard classes of expenditure.

A more intensive investigation is necessary.

The chief factors tending to counterbalance the rise in the cost of living have been the increases in the rates of wages to mine workers, which, together with improvements in the conditions of their work, increased opportunities of employment, and in some cases a longer working-year, have resulted in substantial additions to their actual annual earnings. In the case of many of the underground workers the additional earnings have fully compensated for the rise in the cost of living even at the pre-war standard, although the adjustments made in the rates of pay by means of the bonuses granted in 1916 and 1917 (as well as in 1918) lagged behind the increases in their expenditure (see Chapter VI, section 4, pp. 79-80). In other cases, and particularly in the case of the surfacemen on day wages, the increases in actual earnings do not appear to have fully compensated for the increased expenditure necessitated by living at the pre-war standard.

Other compensating factors, such as any increase in actual family earnings as distinguished from individual earnings, it was not possible to determine statistically from the available material.

We take the view that the order of reference does not require us to express our opinion upon the question whether wages-rates ought to be raised whenever and because the cost of living increases.

REFERENCE NO. 8.—THE INCREASES SINCE THE COMMENCEMENT OF THE PRESENT WAR IN THE EARNINGS OF THE MEN ENGAGED IN THE PRODUCTION OF COAL, DISTINGUISHING BETWEEN INCREASES, IF ANY, PRIOR TO AND SUBSEQUENT TO THE SAID AGREEMENTS.

Up to September, 1918, the rates of pay to miners (hewers) had increased by $17\frac{1}{2}$ per cent. by two bonuses, one of 10 per cent. in the first half of 1916 and the other of $7\frac{1}{2}$ per cent. about the middle of 1917; all other workers in and about the mines received two bonuses each of 10 per cent. at the same time. From September to October, 1918, miners received 25 per cent. increase on the 1914 rates of pay, and other workers 30 per cent.

Mine workers generally, as explained in Chapter V, section 3, pages 65-6, have received increased actual earnings beyond the increases in the rates of pay. The increase in labour-cost of production has been already stated in this summary (see p. 92). Underground workers' earnings have increased in some cases beyond 50 per cent., and the average increase cannot be far from 30 per cent. as between 1913 and 1918. These increases have been due not only to the increase in the rates, but also to the fact that the mine-work has during the war been concentrated largely on those parts of the mines where the conditions of production are most favourable to a high output per worker, and that more time in the year has been put in by workers in many cases.

The increase in the wages actually earned by surface workers does not exceed the increase in their rates of pay to such a degree as in the case of miners, but earnings in excess of the increased rates are the rule.

The increases in miners' actual earnings have a very close connection with the increases in the rates of pay provided for by the industrial agreements of 1916 and 1917; these were followed in most cases by a more than proportionate increase in actual earnings, the whole of which, however, as pointed out above, cannot be ascribed to the increased rates alone. (For the several factors bearing upon actual earnings see Chapter V, section 2, pp. 63-5.)

While the mine-worker's income has increased, his expenditure on tools and other necessities used in the mine, which he provides wholly or in part, has increased by at least £10 a year. His cost of living has also increased (see last section).

The "real wages" of the mine-worker as defined and discussed in Chapter V, pages 69-76, had increased very little, if at all, by September, 1918, unless the unknown factor, family earnings, had increased. The effect of the third bonus then granted should be to increase them beyond their level in 1913-14.

It is to be noted that these results, like those in respect of profits, are generalizations or averages true of the mass, and that there are to be found within the period particular cases, both of individuals and mines, showing considerable divergency on either side from the average.

The Board was of opinion after careful consideration that some form of nationalization was urgently needed as an essential step towards relieving the shortcomings of long standing, effecting improvements of a positive kind, and avoiding evils that threatened to turn the industry out of the course of healthy and sane development, and recommended the immediate institution of a Dominion Coal Board (for development and conservation) consisting of representatives of (1) the existing coal-mining companies, (2) employees of these companies, (3) the Crown.

In making this recommendation the Board hoped to achieve by reorganization of the industry—

- (1.) The introduction of economies in the cost of producing the output of coal;
- (2.) The conservation of the coal resources of the Dominion, with due regard to the most equitable distribution of the available supplies as between present and future needs; the systematic and easy development and expansion of the industry to satisfy the growing requirements of the community;
- (3.) The concentration of the industry at any given time in the most profitable fields;
- (4.) The removal of the causes of labour unrest; subsidiary to this is the institution of proper housing for mine-workers;
- (5.) The inauguration of an efficient system of distribution;
- (6.) The regulation of coal-prices in the interests of consumers.