The depression of the interwar British coal industry caused the free play of market forces, which had regulated the coal trade, to be partially set aside. When output, employment, and prices failed to return to acceptable levels in the aftermath of the 1926 stoppage, groups of coalowners formed voluntary organizations to control output and/or prices. Under the Labour government of 1929–31, similar bodies were set up on each of Britain’s coalfields; and membership in them was mandatory. From 1 January 1931 both the amount of coal mined in Britain and the prices at which it was sold were regulated by the state. Successive governments also assumed responsibility for the structure of the coal industry. In 1926 Baldwin’s Conservative government armed the industry with the legal means to effect amalgamations where the spontaneous operation of supply and demand failed to bring them into existence. Subsequent legislation went further, establishing a government agency to combine the industry’s undertakings into larger and, it was hoped, more efficient units. Thus, in the course of the 1920s and 1930s the coal industry’s output and sale prices and the number, size, and shape of its constituent firms were subjected to state intervention. In neither sphere, however, did intervention prove particularly effective; and market forces continued to influence the coal trade.

Both Northumberland and West Yorkshire were among the districts in which coalowners voluntarily banded together to bring some stability to their markets. In Northumberland, the chosen instrument of stabilization was price control. Early in 1927, soon after mining operations resumed, a number of coalowners entered into a verbal agreement to maintain the price of Best Blyth steam coals. Despite their efforts, the price of those top-grade coals fell from 17/- per ton at the end of January 1927 to 13/6 in February 1928. At that point a second, and more ambitious, attempt to regulate prices was launched. It took place under the aegis of the North-
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umberland Coal Owners' Association (thereby extending the scheme to more than 90 percent of the district's production), and it established minimum prices for all the classes of coal produced in the county. As prices held steady through 1928, the scheme appeared to be of some effect. It nevertheless fell into disuse the following year when the demand for coal, boosted in part by inclement weather, pushed prices above the district minimums. By January 1930 the prices of Northumberland's coal were falling once more and, pushed by Polish competition, continued to fall through February and into March. In an effort to halt their decline, the Northumberland coalowners raised the minimum prices to 1/- above the February 1928 level for large coals and to 1/6 above the 1928 level for small coals. Unfortunately, coal merchants, who were not party to the scheme, undersold the coal companies, which in turn had to discount their prices. Demand sustained the prices of small coals, but the prices of large coals continued to fall. In April the coalowners restored the prices of February 1928, but it was to no avail as large coals continued to trade at prices below the agreed level. With government action on the coal industry pending, Northumberland's coalowners took no further steps to sustain prices.1

In West Yorkshire voluntary regulation of the coal trade took the form of output restrictions and was part of a larger effort that extended to nine of Britain's coal-producing districts. In December 1927 coalowners representing 90 percent of the colliery companies in West Yorkshire, South Yorkshire, Nottinghamshire, Derbyshire, Lancashire, Cheshire, Cannock Chase, Leicestershire, and Warwickshire formed the Central Collieries Commercial Association. The association's aims were twofold: to control the quantity of coal coming onto the market in its districts and to promote the export of coal by association members. To achieve the first aim, the association set monthly ceilings on its total output and assigned each company a share of the total based on its past production record. In order that the scheme not founder on changes in firms' production capacities, provision was made for the buying and selling of unused quotas. To stimulate exports, the association funded a subsidy with a levy of 3d. upon each ton of coal mined. Like the Northumberland essay in price control, the CCCA's attempt at the regulation of output ran into difficulties. The association's members were subject to the competition of the 10 percent of the firms in the nine districts that remained outside the association. They also had to contend with firms in neighboring districts that invaded their markets. Finally, the association placed only modest
restrictions on output, in part because it allowed member firms to carry unused shares forward from one month to another. Together these factors ensured that ample quantities of coal continued to come onto the market and that prices, which had been falling for some time anyway, continued to do so.²

The Coal Mines Act, 1930 carried by Ramsay MacDonald’s minority Labour government replaced the geographically limited and voluntary attempts to stabilize the coal trade with a compulsory scheme that covered the entire British coal industry. During the 1929 election campaign, Labour had pledged to restore the seven-hour day the miners had lost in 1926. With more than 20 percent of the coal industry’s capacity standing idle and two hundred thousand miners out of work, the new government realized that unless it found a way to raise the industry’s proceeds, fulfilling its pledge would only increase production costs and make a bad situation worse. The government’s solution—which permitted only the reduction of the miner’s day to seven and one-half hours—was a national system of output restriction combined with price regulation at the district level. Under part 1 of the act there were set up a central council that assigned a quarterly output quota to each of the seventeen districts into which the act divided the industry and district councils that allocated the quota among the districts’ firms. Each district council was free to decide how to operate output restrictions in its area, provided that its method was approved by the Board of Trade, but certain uniformities emerged. Each district, for example, made provision for the buying and selling of unused quotas among its firms. Part 1 of the act also enjoined each district council to establish minimum prices for all the classes of coal mined in its area.³

In practice the system of output restriction and price control set up under the act suffered from several weaknesses. First of all, the method by which the central council determined the national output ceiling for each quarter had been chosen before the severity of the slump of the early 1930s became apparent; and while there was a close fit between allocation and output initially, wide disparities soon emerged. Output fell short of allocation in both Northumberland and the Midland District (in which West Yorkshire was included) through the first three quarters of 1931 but by less than 1 percent on the average. In the fourth quarter, however, allocation exceeded output in Northumberland by 6 percent and in the Midland District by 4 percent. For 1932 the disparity between allocation and output averaged 7 percent in Northumberland and 9 percent in the
Midland District. Improved methods reduced the gap between allocation and output thereafter, but the central council’s allocations continued to exceed production up to the start of World War II. Second, neither the central council nor the district councils placed limitations on the disposal of the tonnage that could be produced. When the slump closed down markets abroad, nothing prevented exporting districts from redirecting their coal to inland markets, thereby nullifying the output restrictions placed on the inland coalfields. The absence of any mechanism for coordinating the districts’ price minimums rendered this sort of action by exporting districts all the easier. As the act stood, nothing prevented a district like Scotland from fixing its sale prices in domestic markets at levels below those set by the inland districts. Finally, individual companies retained the freedom to make their own sales; and it was possible for concerns to evade the price controls by offering illicit discounts or by setting up dummy companies that could sell at whatever price they chose because they were beyond the act’s reach.  

To remedy those defects, part 1 of the Coal Mines Act, 1930 was amended a number of times. In September 1934 both the central council and the district councils were empowered to set quotas on the tonnage produced for export and for domestic consumption in addition to the quotas on total output. In July 1936 the National government, desirous of raising the coal industry’s revenues so that the miners’ wages could be increased, required the establishment of organized selling schemes in each of the seventeen coal-producing districts. Thus the actual buying and selling of individual shipments of coal—and not just the total amounts firms sold and minimum sale prices—came under official auspices. In Northumberland a system known as the “central control of sales” emerged. Under the arrangement individual concerns continued to market their own coals; but no sale could be completed until a district sales committee had approved the quantity of coal being sold, the sale prices, and other conditions of the transaction. To ensure that every concern in the district benefited from the organization of selling, each company was assigned a percentage of the district’s total sales. If a firm sold tonnage in excess of its trade share, a fine was imposed. If a firm sold less than its share, it was entitled to financial compensation. The organized selling scheme adopted in the Midland District was somewhat different. Here individual concerns had previously formed themselves into groups that hired sales agents to act on their behalf. The scheme retained this system of sales through groups’ agents but established committees to supervise
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and control the activities of the agents. As in Northumberland, a schedule of trade shares was drawn up to guarantee that the benefits of organized selling were evenly distributed.5

The amendments to the regulatory structure erected under part 1 of the Coal Mines Act, 1930 did nothing to remedy the central defect of that structure, which was its failure to promote greater efficiency. By guaranteeing every colliery company a fixed share of its district's production and sales, the act underwrote the continued existence of Britain's least efficient mining concerns. That the quota would fall "like a gentle rain from heaven on the efficient and inefficient alike" would not have been a great concern had there not been widespread suspicion that the latter were overrepresented among British colliery companies. Going back at least as far as the Coal Industry Commission of 1919 chaired by Sir John Sankey, inquiries into the industry had concluded that there were far too many production units, most of them of suboptimal size, and that important economies of scale were not being realized. The Royal Commission on the Coal Industry (1925) concluded "that the size of the undertakings usual in Great Britain is not economically the best" and expressed doubts about whether the industry could generate the initiative to overcome its fragmentation by itself. In response to the Royal Commission's concern, Baldwin's Conservative government passed The Mining Industry Act, 1926 that enabled a majority of coalowners to compel an unwilling minority to join an amalgamation scheme, subject to the approval of the Board of Trade and the Railway and Canal Commission. The mining industry, however, made little use of this act, and the industry's undesirable structure remained intact. When the first draft of the Labour government's coal mines bill contained nothing that promised to hasten the emergence of large-scale mining units, it was criticized harshly by the Liberals, particularly Herbert Samuel who had chaired the 1925 Royal Commission and was "disappointed at the slow rate of amalgamations since the introduction of the Mining Industry Act of 1926." To pacify the Liberals, upon whose votes it depended, the government provided under part 2 of the act for the creation of a Coal Mines Reorganisation Commission "to promote and assist . . . the amalgamation of undertakings" and to do so by compulsion if necessary.6

The task of the Coal Mines Reorganisation Commission was not an easy one. Its objective—the unification of existing units into larger undertakings—ran directly counter to part 1 of the Coal Mines Act, 1930,
which provided all existing concerns with a share of the trade. Furthermore, the commission was anathema to the majority of coalowners. Their trade organization, the Mining Association, called for its dissolution already in October 1931. Finally, the conditions that the commission's amalgamation proposals had to satisfy if they were to meet with the requisite approval of the Railway and Canal Commission were stringent indeed. To have the force of law, the commission's schemes had to be found (1) to be in the national interest; (2) to reduce the cost of production or disposal of coal; (3) to be not financially injurious to any of the undertakings concerned; and (4) to be fair and equitable to all the persons concerned. In May 1935 the commission put those conditions to the test. It brought before the Railway and Canal Commission an amalgamation scheme supported by fifty-six West Yorkshire coalowners but blocked by the remaining four firms in the district. The scheme provided for the creation of "a form of joint control" for facilitating the temporary closure of mines and the coordination of marketing activities. The Railway and Canal Commission rejected the West Yorkshire plan, arguing that as there was neither the financial fusion of the participating firms nor the creation of a new corporation there was no amalgamation. With this decision it became apparent that the Coal Mines Reorganisation Commission lacked the power to devise amalgamation schemes that met the conditions set down in the 1930 act. The National government subsequently moved to strengthen the commission and to alter the conditions its proposals had to satisfy; but the 1930s closed without a single compulsory amalgamation taking place.⁷

Despite the failure of government efforts to promote greater concentration, the structure of the British coal industry did change between the wars. In part this was a matter of voluntary amalgamations. Between 1926 and 1938 ninety voluntary unifications took place, and subsequent mergers among the newly amalgamated enterprises reduced some two hundred to three hundred of the industry's constituent firms to sixty-five companies. Together with the abandonment of coal production elsewhere, these voluntary initiatives brought the total number of undertakings in coal-mining down from some fourteen hundred companies in 1924 to just over one thousand in 1938. In large part, though, the change in the coal industry's structure was a matter of the big firms' commanding a growing proportion of total output. Enterprises raising more than one million tons per annum increased their share of total output from 37 percent to 55
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percent between 1925 and 1935, and it is estimated that 146 firms (roughly
15 percent of the total) were mining 76 percent of Britain’s coal by the
late 1930s.8

There was a marked tendency toward greater concentration of output
on the two coalfields under examination in this study. In 1913 North-
umberland’s four largest companies raised 36 percent of the county’s ton-
nage. By 1931 their share had reached 55 percent, and by 1939 it was more
than 70 percent. In West Yorkshire the share of the top four producers
grew from more than 25 percent in 1913 to 48 percent in 1931.9

This chapter considers the performances of Ashington, Throckley,
Briggs, and Waterloo Main between the wars in the context of the pro-
gressive encroachment of voluntary and compulsory bodies upon the free
play of market forces and the increasing concentration of the coal indus-
try. We look at how the managements of the four firms viewed output
restrictions and price controls and at the implications of those measures
for their companies. We also discuss the firms’ responses to the efforts of
the Coal Mines Reorganisation Commission to rationalize the industry
and their contributions to the changes in its structure. The question of
whether government regulation enhanced or diminished the perfor-
mances of the companies lies at the center of our analysis. Did state in-
tervention contribute to the competitive edge that Ashington, Briggs, and
Waterloo Main achieved over rival colliery companies in Northumberland
and West Yorkshire? Did industry regulation cushion Throckley from the
consequences of its inefficiency?

The Ashington Coal Company was ambivalent about collective at-
ttempts to interfere with the free trade of coal in interwar Britain. While
the firm was not averse to price stabilization, it was concerned about lim-
itations placed on an individual firm’s freedom of action. Ashington par-
took in the voluntary arrangements that set minimum prices for
Northumberland’s coals but categorically rejected plans to supersede the
marketing operations of individual firms with sales agencies representing
groups of coal companies or the entire Northumberland coal industry.
Similarly, the company was hostile to attempts to impose on the coal indus-
try a structure different from the one that had evolved spontaneously.
It is unlikely that Ashington’s experience of the collective solutions that
were applied to the British coal industry’s problems did anything to soften
management’s attitude. The company found that neither the output re-
strictions imposed under part 1 of the 1930 Coal Mines Act nor the or-
organized selling scheme adopted in 1936 had been designed with sufficient regard for its circumstances and methods of operation. By persistent pressure Ashington secured some modifications of the schemes, and on occasion the firm was able to work them to its advantage. On balance, however, state regulation did Ashington more harm than good. The firm believed that the central control of sales in Northumberland held down its profits. The limitations on its output certainly inflated the company's costs.

When Northumberland coalowners first attempted to regulate the coal trade by fixing prices for Best Blyth steam coal, Ashington was among the parties to the agreement. The company was unwilling, however, to countenance any other inhibition on its freedom to negotiate sales. In January 1927 Ashington officials met with representatives of the Bedlington and Cowpen coal companies—two firms that worked royalty areas adjacent to Ashington’s and that raised more than one million tons apiece. Among the topics under discussion was the formation of a single sales agency to represent the three concerns in the marketplace. When this proposal was reported back to Ashington’s directors, it received a most chilly reception. The board was equally unenthusiastic the following year when the Northumberland Coal Owners’ Association entertained plans for the unification of the entire district coal industry and the formation of an organization to handle all of the county’s coal sales. The most radical initiative Ashington was prepared to contemplate was a collective arrangement for the sale of household coal within Northumberland.¹⁰

The success of Northumberland’s price-fixing system in 1928 and the resurgence of stiff foreign competition in export markets the next year weakened Ashington’s doubts about the regulation of the coal trade. Speaking to the Newcastle Junior Chamber of Commerce in March 1929, Ridley Warham railed against the “mass of artificially aided competition” with which British companies had to contend—transport subsidies to the Polish and French coal industries, restrictions on coal imports into Germany, “irksome conditions in Spain and throughout Europe . . . artificial barriers to English coal”—and asked what the British government would do to help the coal industry. His hopes for assistance from the state, however, were not strong: “I am afraid it will be left to us to work out our own salvation.”¹¹ Soon it would emerge that the British government was not going to abandon the coal industry to its own devices. Warham was to wish that it had.
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In October 1929 the Labour government published the draft of its coal mines bill. It included a seven-and-one-half-hour day for the miners, an output-restriction scheme with district price regulation, and a compulsory levy to subsidize the export trade, but not a Coal Mines Reorganisation Commission with the power to compel amalgamations. Warham responded critically. Shorter hours, he argued, meant higher costs. The compulsory pricing system would enable firms producing for inland markets to defray the added expenses but would do nothing for exporting concerns. Warham feared worse was yet to come "as a result of the compromises between the three political parties." In particular, he feared that the Liberals would insist on measures to promote the restructuring of the industry—measures whereby "poor collieries can ride on the backs of good ones and the good ones collapse under the weight." The course of events fulfilled Warham's gloomy prophecy. The final version of the bill provided for the creation of the Coal Mines Reorganisation Commission, and the one feature of the original draft of which Warham approved—the levy to support the export trade—fell before the combined opposition of the Liberals and Conservatives. The Coal Mines Act, 1930, Ashington's managing director concluded, would prove a costly mistake: "Every other coal producing country is making great efforts to reduce their costs. We have just had ours seriously increased by Act of Parliament and exporting districts like ourselves are bound to suffer."\textsuperscript{12}

Initially, the controls installed under the act belied Warham's prediction. At the end of their first quarter of operation, Warham admitted that it was "too early yet to know how the new Selling Schemes under the Act, with their Quotas and their minimum prices, will work out. Up to the present the Northumberland scheme has probably done us more good than harm." Just what good it had done is unclear, for the managing director explicitly denied that the scheme was providing "the necessary money to pay the increased costs caused by shorter hours" and that it was bringing "more trade from abroad." The subsequent operation of the output-restriction scheme does not seem to have done the Ashington Coal Company much good. In June 1934 the company discovered that under the production ceiling the central council had imposed on Northumberland, its output quota for the second quarter would fall 80,000 tons short of the amount for which Ashington had customers. The district council protested vigorously, and the central council revised Northumberland's allocation; but it is not certain that the additional 150,000 tons that Northumberland was permitted to raise were sufficient to enable the company
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to meet fully the demand for its coals. In October 1934 Ashington appealed to the Northumberland District Council to raise the base tonnage against which the firm's quarterly quotas were calculated on the grounds that Lynemouth Colliery was about to come on stream. The 200,000 tons that the council added to Ashington's "standard tonnage," however, did not prove sufficient to meet the company's requirements. During 1936 and 1937 the firm purchased 251,907 tons' worth of production quotas from other Northumberland concerns. For the right to increase its output by this amount, Ashington paid out £7,115 or 6.8d. per ton acquired. In 1938 the company's production costs were inflated by the £3,353 that it had to spend in order to ensure that the ceiling on its production matched the demand for its coal.\textsuperscript{13}

When the amendment to the 1930 Coal Mines Act requiring the district-level organization of sales was mooted, Ashington's management was far from enthusiastic. In advance of a meeting to discuss the formation of a county selling organization, the firm's directors decided "that this Company would oppose the suggestion." Ashington's hostility was to no avail, and in 1936 Northumberland adopted a scheme for the central control of sales. Its operation caused the firm a stream of headaches. In May 1938 Ashington arranged through the firm of E. Foster and Company to sell 200,000 tons of washed slack to the Barking Power Station at a price of 17/9 per ton. Deliveries of the coal were to be spread over the rest of 1938 and 1939. The Northumberland District Council found the contract highly objectionable. In the first place, the industry's central council had forbidden the districts to sanction contracts that ran more than twelve months. In the second place, the sales committee believed that the sale price of 17/9 per ton was too low. Ashington's directors were outraged. Warham was instructed to ask the central council to permit the districts to approve contracts of more than one year's duration. The board also contemplated calling for "the appointment of a new Sales Committee with an independent Chairman and perhaps independent assistance" but deferred this move pending an appeal of the committee's judgment. In the event, Ashington secured a partial revision of the decision. The selling price was raised by 1d. per ton instead of by 2d. as the committee had originally directed, but delivery remained confined to a twelve-month period. As a result the Barking Power Station purchased only 75,000 tons.\textsuperscript{14}

Over the next six months, Ashington's problems with the Northumberland selling scheme mounted. In early December Warham protested to the sales committee that the company had been unable to acquire suf-
icient sales quotas during the last three quarters of the year and that it had been forced to build up its stocks. Then in January 1939 the sales committee imposed new regulations that forbade one of Ashington’s customary sales practices. The company had long conducted part of its export business by selling block tonnages to merchants who then distributed the coal among their customers abroad. Under the new policy the sales committee would approve only those contracts for export coal that specified the ports for which the coal was destined. Immediately Ashington lost two contracts. Once again management waxed indignant. The new policy, claimed Ashington’s chief sales officer Dickinson, “would increase hand to mouth selling which was not helpful either in framing the Company’s selling policy or in assisting the regular working of the collieries.” Nor would the firm be the only one to suffer. Unless the committee reversed its policy, the district would experience “a definite loss of trade,” particularly to the Scottish coal industry which labored under no such disability.  

Against these difficulties with the central control of sales must be set the occasion when Ashington was able to profit from Northumberland’s selling arrangements. Toward the end of 1937, the county’s exporters found themselves under increasing pressure from their Polish and German rivals. To maintain its markets Northumberland reduced the export prices of its coals. In some cases the new prices were 2/- per ton below what Ashington had been getting for its produce, so the company decided to withdraw from those markets. Instead the firm “adopted a policy of stocking.” It was forced nevertheless to shut its collieries temporarily, and its miners endured “a much greater proportion of idle time in 1938 than [miners in] the District generally.” Ashington’s total profits for 1938 were reduced as a result, but the reduction was mitigated to the extent that the firm was able to sell its unused sales quota to other concerns. In the absence of the selling scheme, financial compensation for its withdrawal from that trade would not have been available.

In a retrospective assessment prepared in connection with Ashington’s claim for compensation for the nationalization of its coalmining assets, Walter James Drummond concluded that organized selling had been to the firm’s disadvantage. The Northumberland Sales Committee, he conceded, had taken Ashington’s elaborate efforts to prepare its coals into account. It had permitted the concern to charge “1/- per ton above the minimum prices fixed for similar unprepared grades of other collieries in the District,” and in practice the “minimum prices for Ashington coal
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were never the market or the maximum prices and from the commence-
ment the Company's quality controlled products brought premiums of up
to 1/6 per ton over the average prevailing for the District." Nevertheless,
Drummond felt that the premiums Ashington enjoyed would have been
higher had there been no central control over sales. The Northumber-
land selling scheme, he argued, was controlled "by a majority of coalowners
who did not prepare their coals so extensively or so thoroughly" as did
Ashington and who therefore had difficulty marketing their small coals.
Consequently, the sales committee "developed a tendency . . . to fix
prices at too low a figure so that the members could easily dispose of their
unwanted smalls of varying qualities." In the process the prices that Ash-
ington could charge were "held down." 17

Drummond's analysis must be treated with an element of skepticism.
His brief on this occasion was to set the highest possible value on the
company's assets, and it was in his interest to maintain that its prewar
financial performance was an inaccurate guide to its worth. Moreover,
there are hypothetical counterarguments to set against his hypothesis.
Had free trade in coal prevailed, competition might have been so intense
as to drive the sale values of Ashington's coals down below the prices the
company actually obtained. Yet it is conceivable that Ashington could
have charged still more for its coals if the district's minimum prices had
been higher.

Ashington's scorn for the output and price restrictions imposed under
part 1 of the Coal Mines Act, 1930 was tepid in comparison with its con-
demnation of the policy of enforced amalgamations enshrined in part 2.
The company was unrelentingly hostile to any plan for its unification with
other concerns. In 1927 there had been talk of a merger between Ash-
ington and the Bedlington and Cowpen coal companies. The three firms
were neighbors, and their combined tonnage in 1927 represented 36 per-
cent of Northumberland's output. Ashington's directors were unmoved
by the prospect of market power of this magnitude and turned down the
proposal. Similarly, the voluntary amalgamation of the entire Northum-
berland coal industry into a single enterprise, contemplated in 1928, was
anathema to the firm. 18

The reasons for Ashington's antipathy toward amalgamations were
made explicit in the firm's discussions with representatives of the Coal
Mines Reorganisation Commission during 1931. At a March meeting with
the commission's chairman, Sir Ernest Gowers, Warham maintained that
the largest Northumbrian concerns were already of "the most economic
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size.” To compel their merger with each other or with their smaller neighbors would result in units “too big for real efficiency and economy,” as previous voluntary amalgamations elsewhere in the country had shown. In a subsequent interview in October, Ashington’s representatives argued that there was a specific reason why any merger involving the firm was prone to diseconomies of scale. The company had “a special system of organization.” Were it to be amalgamated with other undertakings, either this system would have to be changed or the others would be forced to renounce their systems in its favor. Either way there would be a loss of efficiency. To this particular argument Ashington’s spokesmen added two related general objections to the restructuring of the coal industry. They argued first that mergers that closed down inefficient operations would cause a rise in wages by removing loss-making firms from the calculation of the district’s wage-paying capacity. If the amalgamations increased sales proceeds, then a rise in wages might be accommodated; but Ashington’s second objection to rationalization schemes was that they would not yield additional revenues. “An all-county [amalgamation] scheme would tend to lose trade or reduce prices.” With several units in existence in the district, there was always the possibility that if one failed to win a particular contract, another would secure it. If there were just a single company, “It would be a case of securing it all or none,” unless prices were set so low as to guarantee business regardless of the size of the loss.19

Whatever the merits of Ashington’s general case against compulsory amalgamation, there can be no doubt that the firm was sincere in its fear that mergers would yield diseconomies of scale. In practice, the company eschewed a policy of growth through acquisition. The impressive increase in its output during the interwar period was entirely the result of internal expansion. Only once between the wars did Ashington even contemplate the purchase of an existing colliery operation. In mid-November 1937 the firm entered into talks with the nearby Bentinck West Hartley Colliery about acquiring its one pit, which then employed eight hundred men and raised 230,000 tons. One month later the deal was dead.20

The Throckley Coal Company did not see in the collectivist designs of the late 1920s and 1930s the solutions to its problems. Throckley’s management was not particularly interested in the Northumberland coalowners’ voluntary efforts to regulate the district’s coal trade. Nor did those responsible for the company’s fortunes see any advantage in Throckley’s
amalgamation into a larger undertaking. The output restrictions and price controls imposed under the Coal Mines Act, 1930 brought neither stability nor improvement to Throckley’s financial position. Over the period 1931–39, the company’s financial performance fluctuated radically from year to year as the small surplus on its current account deteriorated into a sizeable deficit.

The management at Throckley may not have been well informed about the attempts of other Northumberland coalowners to regulate the district’s coal trade. On 28 February 1929 the company’s board agreed that the firm would not be “a party to the Northumberland Coal Trade Marketing Organisation Scheme as it is at present.” There was, however, no district-wide marketing arrangement in operation then, and the NCOA’s discussions about a collective approach to sales appear to have come to an inconclusive halt some six months earlier. It is possible that Throckley’s directors had Northumberland’s voluntary price-fixing scheme in mind, but this too was in abeyance since an increase in the demand for the county’s coal had rendered the minimum prices inoperative. Perhaps Throckley had stood aloof from the price controls when they were first launched, and now, seeing that they had fallen into disuse, it decided to remain independent in matters of price.  

Throckley had little choice but to observe the output restrictions and price controls mandated by the 1930 Coal Mines Act. In doing so, the firm reaped no real benefit. The limitation on Throckley’s production came into effect just at a time when the demand for bunker coal—the firm’s principal product—was quite firm. In a letter of protest to the coal industry’s central council written in October 1931, the company maintained that had there been no ceiling on its output its collieries “could have worked full time at minimum prices or better.” Instead, the Margaret pit at Heddon had been closed since 1 June, and both the Coronation and Isabella and Derwentwater pits had shut for two weeks in September. Unable to satisfy its customers’ demands by means of its own production, Throckley had resorted to purchasing “considerable quantities of coal from other undertakings” and had abandoned all stocking of coal. Despite these measures the firm had been forced to “turn away orders from regular customers for Bunker Cargoes”—orders that the company believed had gone abroad, “presumably to Rotterdam.”  

For Throckley the loss of trade combined with the pit closures to produce a financial result far inferior to the company’s performance during the two years preceding
the imposition of controls (table 3.9). In the year from January 1931 to January 1932, the firm’s current account showed a surplus of £3,689. Surpluses the two previous years had averaged £18,182.

If the central council had some remedy for Throckley’s difficulties under the 1930 Coal Mines Act (there is no record of a reply to the company’s letter), it came too late, was of too little assistance, and provided no lasting benefit. In 1932 Throckley’s current account deteriorated by £8,083 (table 3.9). A surplus was restored the following year, but owing to the company’s purchases of tonnage quotas from other firms it measured only £485. In 1934 the firm recorded a deficit of £1,160, and at the close of the year the company filed another protest about the district’s output restrictions. Throckley claimed that the standard tonnage against which its total, export, and inland supply quotas were calculated had been set too low; and the tonnages allocated the firm for 1935 were unacceptable. The executive board of the Northumberland District Council agreed that the division of Throckley’s standard tonnage between export and inland supply required revision but deferred an adjustment of the firm’s standard tonnage. The new provisions made little difference—or at least none of a positive kind. Between January 1935 and January 1936 Throckley recorded a loss of £12,719 on its current account.

The introduction of organized selling in Northumberland coincided with an improvement in Throckley’s fortunes (table 3.9). The firm’s current account showed a surplus of £3,482 in 1936, a gain of £9,918 in the last six months of the year more than compensating for a £6,436 loss that had accumulated in the half year before the new sales arrangements began. The central control of sales in the district, however, could not prevent Throckley from incurring a loss of £5,590 in 1938 and one of £88 in the first eight months of 1939.

The Coal Mines Act, 1930 did not transform the fortunes of the Throckley Coal Company. Government regulation of the coal trade failed to stabilize the concern’s financial performance. During the nine calendar years the act was in operation, Throckley’s current account recorded year-to-year losses five times and surpluses four times. Only in 1936–37 did the firm put together consecutive surpluses, and the total gain of these two years was nowhere near the losses sustained in the single years 1935 and 1936 (table 3.9). Furthermore, amidst the yearly fluctuations a serious deterioration in Throckley’s financial position occurred. The two years preceding the implementation of the 1930 act had seen the firm pile up current account surpluses of £36,364. As a result the £33,820 deficit
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on current account of January 1929 was transformed into a surplus of £2,544 at the time the act commenced operation. With the £3,689 surplus of 1931 Throckley’s current account was £6,233 in the black as of January 1932. Over the next seven and two-thirds years, the net deficit on the firm’s current account totaled £24,044. When the start of World War II brought the era of output restrictions and low prices to an end, Throckley stood £17,811 in debt on its current account. In the light of these figures one is forced to conclude either that the Coal Mines Act, 1930 was harmful to the Throckley Coal Company or that it was too weak to counteract the firm’s inefficiencies.

Throckley’s management had no doubts that the firm’s merger into a larger unit would not raise the return on the company’s coalmining assets. At meetings with representatives of the Coal Mines Reorganisation Commission the firm’s spokesmen expressed their opposition to “any kind of large or compulsory amalgamation.” In defense of this position they advanced a variety of arguments. To the claim that mergers would increase efficiency through economies of scale Throckley director Col. F. R. Simpson replied that he was unable “to see any advantage in any amalgamation of whatever size.” Moreover, any amalgamations that the commission might effect would be beset with crippling financial obligations. It was the nature of the business, Simpson and managing director Maj. W. E. Stephenson argued, that colliery companies accumulated workman’s compensation commitments. Where it was likely that newly amalgamated concerns would close unprofitable pits, the banks would impose “very serious encumbrances” lest their claims on the pits be superseded by those of workman’s compensation.25

Finally, Throckley’s representatives maintained that considerations of equity stood in the way of the restructuring of the coal industry. “Most shareholders” in Northumbrian coal companies, Stephenson pointed out, were “hereditary,” and their shares “were very seldom quoted in the share market.” This tradition put “the management of collieries . . . in the position of Trustees. The shareholders were not articulate except in private, and while they were prepared to trust the present management they would not be willing to trust the management of larger schemes about whom they knew practically nothing.” The solution, in Stephenson’s view, was for the government to give a cash option to people holding shares in firms being merged.26 Whether he meant for the state or the newly created firms to assume the burden of the cash option is unclear. Neither alternative would have been attractive to the government. In view of the dubious
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worth of many colliery assets and the government’s own fiscal problems at the time, the suggestion that the state buy out the owners of unprofitable concerns could hardly have met with the commission’s favor. Nor would the commission have been inclined to saddle the amalgamated concerns with immediate financial obligations that might hamper their rationalization programs. On the other hand, Stephenson’s proposal might have had considerable appeal among Throckley’s shareholders, whose dividend checks were few and far between in the 1920s and 1930s.

Management’s skepticism about economies of scale in coalmining did not deter Throckley from active participation in the colliery market during the 1930s. In August 1933 J. Cummings of the Lemington Colliery Company offered to sell Throckley the firm’s sole mine. At the time Throckley decided that it had no need of the Walbottle Percy pit’s 112 colliers or its 50,000 tons annual capacity. One year later, when the offer was renewed, Throckley changed its mind. For £7,000 (made available by Martins Bank in the form of a special loan) Throckley bought out the Lemington Colliery Company. During the last quarter of 1934 the company worked the pit for 71.5 days and raised 3,764 tons, not quite 1 percent of the firm’s total output. How much further use Throckley made of its acquisition is uncertain. Records of days worked and tonnage raised have not survived for 1935–37, but those for 1938–39 give no indication that the Walbottle Percy pit was worked during these years. In 1936 Throckley considered buying out Callerton Collieries, another one-pit enterprise, but evidently decided not to go ahead with the purchase.27

The Throckley Coal Company was the type of firm reformers had in mind when they devised collectivist schemes to rescue the British coal industry from falling output, rising unemployment, and meager profits. The company was an inefficient, high-cost producer, the demand for whose produce had fallen sharply. Proponents of compulsory amalgamation saw in concerns like Throckley assets that could be made to pay once they were incorporated in larger and better-run undertakings. Throckley’s management thought otherwise, and when part 2 of the Coal Mines Act, 1930 proved a dead letter, it was left to make its way independently. Proponents of cartellization regarded firms like Throckley as enterprises that would make themselves efficient once price maintenance brought them the necessary financial assistance. Part 1 of the act was intended to do just that. In Throckley’s case it failed. Initially output restrictions disrupted the company’s marketing efforts, forced pit closures upon it, and cost it money. The subsequent impact of part 1 upon the firm
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is less well documented, but there is no doubt that it failed to avert the deterioration of Throckley’s financial position. The company was nonetheless able to equip its collieries with modern mining appliances, but there was nothing in the provisions of the Coal Mines Act that insured that they were used in ways that maximized productivity.

Henry Briggs, Son and Company was an ardent proponent of collectivist schemes to revive the fortunes of the interwar British coal industry. The firm’s management welcomed the formation of the Central Collieries Commercial Association and missed no opportunity to praise publicly the association’s success in stabilizing the coal trade of the participating districts. Part 1 of the 1930 Coal Mines Act, Briggs’s leading officials were confident, would extend the benefits of the CCCA’s Five Counties Scheme and would remedy its deficiencies. They were less enthusiastic about part 2 with its provision for compulsory amalgamation, but Briggs’s managers cooperated fully with the Coal Mines Reorganisation Commission in its attempt to rationalize the structure of the West Yorkshire coal industry. Ironically, government intervention was of little consequence to Henry Briggs, Son and Company. Growth through acquisition had long been part of the firm’s modus operandi, and it needed no encouragement to seek further purchases. Output restrictions, price controls, and organized selling brought no improvement to Briggs’s balance sheet, but then the firm had done quite well prior to their imposition.

Briggs unhesitatingly embraced the first proposals for stabilizing the British coal trade. The minutes of the West Yorkshire Coal Owners’ Association’s meeting of 16 December 1927 record that the concern favored the arrangements that were to become the Five Counties Scheme. The operation of those arrangements only strengthened the firm’s approval. At Briggs’s annual general meeting in August 1928, Walter Hargreaves rebutted the charge that the scheme had caused unemployment and insisted that it had brought manifold advantages to the coalfields involved.

Among the benefits obtained by the scheme [according to Hargreaves] were: (1) An enormous quantity of coal had been cleared off the market, having tremendous influence on prices; (2) ground had been gained at the Humber ports towards the recovery of lost export trade; (3) regulation of output had steadied trade; (4) co-ordination of various owners between district and district had brought good results; (5) valuable agreements had been negotiated between owners and exporters on
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the Humber and Mersey, providing fixed remuneration on a tonnage ba-
sis, on rates of exported coal; and (6) abolition of endless competition
and avoidance of coal sent to ports for export being turned back to inland
places with disastrous results to prices.

In March 1929 Hargreaves told a gathering of miners and colliery officials
that “he thought everybody could say with confidence that they had to-
day a much better feeling in regard to the coal trade than they had twelve
months ago” and that “this had been brought about by the operation of
the Five Counties Scheme.” To be sure, Briggs’s chairman and managing
director was not blind to the scheme’s shortcomings, voicing particular
concern about the CCCA’s failure to impose order on the marketing of
coal. Hargreaves had no doubts, however, that “trading had been much
more satisfactory” under the association “than it would have been in the
absence of combination,” and that the Five Counties Scheme had enjoyed
real success “in stimulating the export trade.”

Hargreaves’s favorable judgment of the Five Counties Scheme led him
to welcome the government’s intervention in the British coal trade and to
he declared, “was a real measure with the intention of setting the industry
on its feet.” Instead of standing aloof from the deliberations about the
forms that output and price controls should take, “as the Mining Asso-
ciation seemed to be doing,” British coalowners “should put their backs
into it” and endeavor to make the act a success. Against those like Ridley
Warham who maintained that the “Dear Coal Act” would merely raise
production costs and coal prices, Hargreaves argued that the act would
involve no increase in the price of coal because it would give collieries
“reasonable time of working.”

The initial impact of the 1930 Coal Mines Act did nothing to alter Har-
 greaves’s favorable opinion of it. He told Briggs’s annual general meeting
in August 1931 that “it was to him remarkable that in such a short time
since this Act came into operation such a tremendous amount of good
work should have been accomplished, and he was convinced that next year
at this time, given goodwill and good faith on the part of all concerned,
they would be reaping the results of co-operation.” The subsequent op-
eration of the output restrictions and price controls mandated by the act
caused Briggs very little concern. The firm occasionally bought and sold
quota tonnage, but these transactions appear to have been routine busi-
ness. There is no indication that the ceilings on the company’s produc-

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tion disrupted its mining operations; and one searches in vain among Briggs's records for complaints, letters of protest, or appeals for increased allocations. Furthermore, when the firm did resort to closures, short-time working, and layoffs, management never blamed those measures on the official controls to which the company was subject. Nor does it appear that minimum prices and organized selling caused the concern any hardship. Briggs never claimed, as Ashington did, that state regulation held down the prices it was able to charge. Unlike Throckley, Briggs did not complain that government intervention cost the company sales.

The tangible evidence that exists about Briggs's experience of output and price controls suggests that the collectivist attempts to regulate the coal trade had little effect on the concern. Briggs's sale prices were higher than the Yorkshire average throughout the first half of the 1930s, so state regulation could not have been instrumental in maintaining the company's prices during the first five years the Coal Mines Act was in operation. Briggs's prices rose more slowly than the district's in the late 1930s and eventually fell below the Yorkshire average, but there is no reason to believe that the official minimum prices sustained the firm's sale values. Similarly, the firm recorded profits year in and year out throughout the 1930s, just as it had throughout the 1920s. If Briggs's annual net profits in the years the act was first in effect were lower than those of the years immediately preceding the act, those of the late 1930s were among the company's largest profits between the wars. Such fluctuations were no doubt more the work of cyclical movements of the demand for coal than the result of the government's involvement in the coal trade.

Henry Briggs, Son and Company was an enterprise that had been enlarged through acquisitions. In 1897 the company bought the neighboring Snydale Colliery, and in 1906 it purchased the Newmarket Colliery near Leeds. In 1923 Briggs once more entered the market for active collieries. "The sudden improvement in the fortunes of the industry," D. H. Currer Briggs later recalled, "convinced the directors that it was a suitable time to look for further expansion and they decided to buy the privately owned colliery of Robert Holliday and Sons Ltd. of East Ardsley as the original partners wished to retire." Holliday had sunk the East Ardsley pit in the 1870s; and after serious difficulties in the beginning, he had built up a prosperous business in steam, gas, and household coals. In 1923 his company employed 453 miners. Briggs paid £90,000 for the ninety-five thousand £1 shares of Robert Holliday and Sons. Ten thousand shares were then sold "at the pro rata purchase price" to Walter Hargreaves, D. H.
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Currer Briggs, R. M. Currer Briggs, Percy Greaves, and Briggs's secretary William Green, enabling these members of Briggs's board to qualify as the directors of Robert Holliday and Sons.32

In contrast to Briggs's previous acquisitions, Robert Holliday and Sons was never fully merged into the parent company. The firm retained an independent corporate identity, and though Briggs made the major decisions concerning Holliday's methods of operation and equipment and appointed the personnel to implement them, neither Holliday's production nor its sales were coordinated with those of the larger firm. In addition, the two concerns' costs, proceeds, and profits continued to be calculated separately. In essence Robert Holliday and Sons remained a Briggs's investment and never became an integral part of Briggs's coal-mining business.

As an investment, Robert Holliday and Sons did not prove very profitable to Henry Briggs, Son and Company. When Briggs first took over Holliday and Sons, the operation of East Ardsley Colliery was plagued by the lack of experienced salesmen and the dirtiness of the coals raised from the pit. The first problem was easily solved, but the second proved a continuing drain on the parent company's resources. In the first year of Briggs's proprietorship "£11,000 or £12,000" was spent to improve the East Ardsley Colliery. The boiler plant was reorganized and the conversion to electric power transmission made. Neither a sizing plant equipped with a spiral arrangement for cleaning the coal nor a proper washing plant, however, rendered the pit's produce suitably clean. In April 1925 Hargreaves concluded that the only way to improve the quality of Holliday's coal was to confine mining operations to the top of the coal measures and to extract the coal by mechanical coal-cutters only. Briggs's board agreed to finance the mechanization of production at East Ardsley, but there was to be little to show for the investment. The coals drawn from the pit remained intolerably dirty. "For every single ton of coal you pay the Collier for getting," Hargreaves complained in November 1928, "you find yourself with 18 cwt. of coal and 2 cwt. of dirt." As a result, in each of the first four years that Robert Holliday and Sons was in Briggs's possession, it showed "heavy losses on trading," with the exception of 1927 when sales of outcrop coal produced a profit. The financial year ending on 31 March 1929, Hargreaves predicted, would show the heaviest loss of all.33

In retrospect, Hargreaves's prediction proved excessively pessimistic. Holliday and Sons actually showed a profit in 1929, albeit one of only

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£157. For fiscal year 1930 it recorded a profit of no less than £3,658. By this time Briggs's patience had worn thin, and it was looking for a way to salvage its investment. On 21 August 1930, the firm's directors gave approval to the "Board of Directors of Robert Holliday & Sons Ltd. to continue negotiations with Crawshaw & Warburton of Dewsbury with the object of arriving at the amalgamation of the two companies." Established as a public company in 1900, Crawshaw and Warburton worked three pits and employed 1,050 miners in 1930. During 1925–28 the firm's annual profits averaged £2,556, but in 1930 it earned only £561. Its negotiations with Holliday and Sons ultimately yielded an agreement to merge the two concerns partially. Together they would form a holding company, Crawshaw and Holliday, to take control of the two constituent firms through the acquisition of all their ordinary shares. Those who held shares in the original companies would receive shares in the holding company. It was hoped that through joint working schemes; the pooling of wagons; and joint purchases of stores, machines, and materials the holding company would bestow the benefits of scale economies on the two mining enterprises. The Railway and Canal Commission approved the plan on 22 December 1931, and early in 1932 Crawshaw and Holliday came into existence. In this way Robert Holliday and Sons was distanced still further from the coalmining concerns of Henry Briggs, Son and Company.  

While Briggs was disposing of its troublesome subsidiary, the Coal Mines Reorganisation Commission had been formed and had set about the restructuring of the British coal industry. Toward the commission's overtures, Briggs's management was cool. In his talks with commission officials, Hargreaves indicated that he was "firmly convinced" that Briggs was already "as large a unit as can be run successfully by a single control" and that he disapproved of its amalgamation into a larger unit. He conceded that the 1930 Coal Mines Act "laid down a policy which may well be interpreted by the Commission as being inconsistent" with his own opinion regarding the company's future, and when the commission called on the coalowners of West Yorkshire to prepare plans for the rationalization of the district's coal industry, both Hargreaves and D. H. Currer Briggs responded without reservations. Indeed they both played major roles in formulating and promoting the scheme that the Railway and Canal Commission later rejected. As one example of their various activities, we might point to the article titled "West Yorkshire's Coal Policy. Reorganisation Without Amalgamation" that D. H. Currer Briggs and R. M. Currer Briggs published in a supplement to the Daily Telegraph of 19
March 1934. Here Briggs's joint assistant managing directors surveyed the postwar history of the West Yorkshire coal industry and outlined the case for its reorganization. The district's colowners, they argued, had long recognized that "immense savings could be affected both [sic] in the elimination of unreasonable competition, standardisation of methods of preparation and sizing, concentration of output in most efficient mines and organisation of the most up-to-date and efficient methods of distribution." The proposed "West Yorkshire Collieries Federation," though not an amalgamation of the district's coal companies, would ensure the "organised marketing and co-operative effort" that the realization of those savings required.35

The failure of the West Yorkshire plan to meet the stringent legal requirements that restructuring schemes had to satisfy if they were to be binding upon unwilling concerns left Briggs free to seek amalgamations with other firms. At the very end of the interwar period, Briggs entered into a merger that promised to enlarge considerably its presence in the West Yorkshire coal industry. In 1937 the company began negotiations with the Micklefield Coal and Lime Company, which then worked three collieries with a combined capacity of more than 500,000 tons per annum. Before the year was out, Briggs purchased the whole of the issued shares of Micklefield's parent company, Ledstone Ltd. Briggs then moved to amalgamate partially the three concerns. It created a new company called Briggs Collieries to take over the coalmining properties and activities of Henry Briggs, Son and Company, the Micklefield Coal and Lime Company, and Ledstone. Henry Briggs, Son and Company was to take over the noncolliery assets of Micklefield and Ledstone, and the two firms were to be wound up. On 22 May 1939 the Railway and Canal Commission gave its consent to the arrangements, and on 1 July Briggs Collieries took possession of Briggs, Son and Company's four collieries and the three pits belonging to Micklefield Coal and Lime. The new concern was entirely an affair of Henry Briggs, Son and Company. Now a holding company, Briggs, Son and Company possessed all the shares of Briggs Collieries; and all of the directors of the latter firm already occupied places on the board of Henry Briggs, Son and Company. The mines belonging to Briggs Collieries, together with Crawshaw and Holliday's pits, had raised 14.4 percent of the district's output in calendar year 1937. With its control over those properties, Henry Briggs, Son and Company now held the single largest share of the West Yorkshire coal industry. Owing first to World
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War II and then to the coal industry's nationalization, however, the firm was never able to realize fully the possibilities of this large undertaking.36

The Waterloo Main Colliery Company accepted that collectivist schemes had a part to play in the regeneration of the interwar British coal industry. Within the West Yorkshire Coal Owners' Association, the firm declared in favor of the Central Collieries Commercial Association's plans for output restrictions and an export subsidy. In discussions with the Coal Mines Reorganisation Commission, Waterloo Main's proprietors said that while they preferred "to be left alone," they "were prepared to consider any [amalgamation] plan put before them."37

The output and price controls that the 1930 Coal Mines Act called into existence did not affect Waterloo Main's business profoundly. The company's share of West Yorkshire coal production increased during the period when output ceilings were in effect, so it is unlikely that the operation of the Coal Mines Act unduly constricted Waterloo Main's mining operations even if the concern did occasionally purchase quota tonnage.38 Waterloo Main's sale prices exceeded those of West Yorkshire throughout the 1920s and the 1930s. Therefore, state action to maintain the price of coal cannot have been the principal determinant of the firm's sale values.

The Waterloo Main Colliery Company neither gained particular advantage nor suffered serious harm as a result of government intervention in the coal trade during the 1930s. The firm's power in the marketplace derived from the skill with which its managers conducted commercial affairs and the increasing efficiency of its mining operations—and these advantages owed nothing to state involvement in the coal industry.

Collectivist designs to rescue the British coal industry from depression and decline evoked different responses from Ashington, Throckley, Briggs, and Waterloo Main; and the responses followed regional lines. The two Northumberland firms, whose fortunes were more closely bound up with the export of coal, were unenthusiastic about output and price controls, organized selling, and compulsory amalgamation. The two West Yorkshire firms, for whom the sale of coal abroad was no more than a sideline activity, were more favorably disposed toward actions that superseded the free play of market forces. Neither Briggs nor Waterloo Main wished to submerge its identity in a larger undertaking, but both firms were willing to cooperate with the state in reshaping the West York-
shire coal industry. Both companies also were early supporters of schemes to restrict output and support prices, with Briggs taking the lead in promoting such measures.

The experiences of the four firms with output and price controls and organized selling also diverged according to location and market orientation. The two inland firms were not significantly affected by the Coal Mines Act, 1930. Both Briggs and Waterloo Main regularly sold their coals for prices higher than the Yorkshire standard, so price stabilization was not of direct benefit to them. Both were allocated sufficiently generous output quotas, so there was no dislocation of their production schedules. The two Northumberland companies were not so fortunate. Ashington persistently enjoyed a demand for its coal that exceeded its output allowance, and the district’s sales regulations forced the concern to trade on terms less favorable than it could negotiate with its buyers. Throckley also found that the production ceilings imposed on it did not allow the company to satisfy all of its customers or to work its collieries regularly.

However bothersome, government intervention did not play a prominent part in determining the performance of Ashington or Throckley in the 1930s. The Coal Mines Act may have circumscribed Ashington’s freedom to sell in the dearest markets, but the company recorded enviable profits nevertheless. While Throckley drew no benefit from output restrictions and controlled selling, nothing about the management of labor, works, and markets at the firm suggests that it would have thrived if only the coal trade had been unfettered. After all, Throckley had displayed a proven ability to lose money prior to the introduction of state controls. For both Northumberland firms, output and price controls and organized selling were of secondary importance in comparison with the judgment and skill their managements brought to production and commercial operations. All the more was this the case for Briggs and Waterloo Main.

State regulation of the British coal trade in the 1930s was not of great import to the Ashington, Throckley, Briggs, and Waterloo Main coal companies, no matter how radical a departure it may have been in British public policy. All four firms still had to compete for customers in competitive and variable markets, and their success in doing so still depended on the competence of their managements. Where mining was inefficient and the final product of poor quality, as at Throckley, profits remained elusive and shareholders went unrewarded, government intervention notwithstanding. Where production was well organized and coals that cus-
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tomers could rely on for economical combustion formed the basis of commercial policy, as at Ashington, Briggs, and Waterloo Main, the free play of market forces alone generated high prices and profits. At prosperous and penurious concerns alike, it was private initiative within firms and not intervention from outside that made the difference.