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DRAFT
OF A
BILL

To
Make provision for facilitating the working of minerals, the better organisation of the coal mining industry, and with respect to the welfare of persons employed therein, and for other matters connected with that industry.

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

PART I.

PROVISIONS FOR FACILITATING THE RE-ORGANISATION OF THE COAL MINING INDUSTRY.

1.—(1) Where with a view to the more economical and efficient working, treating, or disposing of coal the owners of two or more undertakings consisting of or comprising coal mines agree to amalgamate their undertakings either wholly or partially, they may prepare and submit to the Board of Trade a scheme (hereinafter referred to as an amalgamation scheme) framed in accordance with the provisions of this Part of this Act.

(2) Where the owner of any such undertaking, or where the owners of two or more such undertakings who have agreed to amalgamate, consider that in the interests of the more economical and efficient working, treating, or disposing of coal it is expedient that one or more
A.D. 1926. other such undertakings, the owners of which are unwilling to agree to amalgamate or to agree to the proposed terms of amalgamation, should be absorbed wholly or partially by the first mentioned undertaking, or by the amalgamated undertaking, as the case may be, the owner or owners may prepare and submit to the Board of Trade a scheme (hereinafter referred to as an absorption scheme) framed in accordance with the provisions of this Part of this Act.

(3) In this Part of this Act—

(a) companies whose undertakings are to be amalgamated are referred to as constituent companies;
(b) a company whose undertaking is to be absorbed is referred to as an absorbed company;
(c) a company, whether or not an amalgamated company, in which any other company is to be absorbed is referred to as the principal company;
(d) "partial amalgamation" includes the amalgamation of parts of undertakings and arrangements for the joint exercise of powers of working, treating, or disposing of coal, or powers incidental or ancillary thereto, or for the conduct of any business or operations in the common interest of the constituent companies, and "partial absorption" has a corresponding meaning.

2.—(1) A total amalgamation scheme under this Part of this Act may contain such provisions as may be necessary or expedient for giving effect to the objects of the scheme, and in particular, but without prejudice to the generality of the foregoing provision,

(a) may provide either for the dissolution of all the constituent companies and the constitution and incorporation of a new company under the Companies Acts, 1908 to 1917, and the transfer thereto of the undertakings of the constituent companies, or for the continuance (with or without change of name) of one of the constituent companies, and the dissolution of the other constituent companies, and the transfer
of their undertakings to the company so continued (and the new company or continued company is in this Part of this Act referred to as the amalgamated company);

5 (b) may provide for vesting in the amalgamated company the property rights, powers, duties and liabilities of the constituent companies;

(c) may provide generally as to the terms and conditions of amalgamation and for the winding up of the constituent companies or such of them as are to be dissolved, including the allocation to holders of securities of the constituent companies, in substitution therefore and in satisfaction of all claims arising thereunder, of such securities of the amalgamated company and of such amounts as may be specified in the scheme;

(d) may make such provision as may be necessary with regard to the share and loan capital of the amalgamated company, including (where the amalgamated company is a continued constituent company) provision for increasing all or any of the existing classes of loan or share capital of the company, or creating new classes of loan or share capital of the company, with such rights, priorities and conditions as may be specified in the scheme;

(e) may provide for any of the matters for which provision is made by Part V. of the Railways Clauses Act, 1863;

(f) may make such incidental, consequential and supplemental provisions as appear necessary or expedient in order to give full effect to the purposes of the scheme.

3. A total absorption scheme under this Part of this Act may contain such provisions as may be necessary or expedient for giving effect to the objects of the scheme, and in particular, but without prejudice to the generality of the foregoing provision—

(a) may provide for vesting in the principal company the property, rights, powers, duties and liabilities of every absorbed company;
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(b) may provide for the consideration to be given to the absorbed company or several absorbed companies and generally as to the terms and conditions of the transfer, and may provide for the consideration consisting in whole or in part of securities of the principal company, and for that purpose may provide for increasing all or any of the existing classes of loan or share capital of the principal company, or creating new classes of loan or share capital of that company, with such rights, priorities and conditions as may be specified in the scheme;

c) may provide for the winding up of the absorbed company or companies, and may provide on any such winding up for the holder of securities of any absorbed company receiving, in substitution therefor and in satisfaction of all claims arising thereunder, such securities of the principal company forming part of the consideration for the transfer of its undertaking and of such amounts as may be specified in the scheme;

d) may provide for any of the matters for which provision is made in Part V. of the Railways Clauses Act, 1863;

e) may make such incidental, consequential and supplemental provisions as appear necessary or expedient in order to give full effect to the purposes of the scheme.

4. A partial amalgamation or absorption scheme under this Part of this Act may contain such provisions as may be necessary or expedient for giving effect to the objects of the scheme, and in particular, but without prejudice to the generality of the foregoing provision—

(a) may provide by means of the constitution and incorporation of a subsidiary company, or by the constitution of a joint committee or otherwise, for the joint exercise of the powers, or the conduct of the business or operations, to which the scheme relates;

(b) shall provide for transferring to, or conferring and imposing on, the subsidiary company or joint committee or other body constituted for
the purposes of the scheme such property, rights, powers, duties and liabilities as may be specified in the scheme;

(c) may provide generally as to the terms and conditions on which and the manner in which the powers are to be exercised, or the business or operations conducted, for the common interest of the companies concerned;

(d) may make such incidental, consequential and supplemental provisions as appear necessary or expedient in order to give full effect to the purposes of the scheme.

5.—(1) A scheme under this Part of this Act shall not provide for the allocation to any person of securities subjecting the holder thereof to any liability for calls in excess of the liability (if any) to which he was subject as the holder of the securities for which the allocated securities are to be substituted.

(2) No stamp duty shall be payable in respect of any amalgamation or absorption scheme, or on any debentures, or in respect of any share or loan capital of any company issued in pursuance of such a scheme.

6.—(1) The Board of Trade shall consider any scheme submitted to them and shall, unless in their opinion a prima facie case is not made out or they are satisfied that the scheme would not be in the national interest, refer the matter to the Railway and Canal Commission.

(2) Before an amalgamation scheme, total or partial, is referred to the Railway and Canal Commission, the scheme shall be submitted to the proprietors and debenture holders of each constituent company affected thereby in the manner provided by Order 33 of the Standing Orders relative to private business in the House of Commons, and that Order shall apply accordingly as if the scheme were a Bill and as if classes of debenture holders were classes of proprietors, and any instrument required by the Order to be deposited at the Private Bill Office shall be deposited with the Commission.
7.—(1) Where a scheme has been referred to the Railway and Canal Commission, the Commission, if satisfied that the scheme conforms to the requirements of this Part of this Act and that the provisions of this Part of this Act relating to proceedings preliminary to the reference of a scheme have been complied with, shall take into consideration all objections to the scheme which may be lodged by any person or by any class or body of persons within such time and in such manner as may be directed by the Commission, and where any objections have been so lodged shall hear any objectors whom they consider entitled to appear.

(2) The Commission, after hearing such objectors as aforesaid, may confirm the scheme either without modifications or subject to such modifications as the Commission think fit, or may refuse to confirm the scheme:

Provided that the Commission shall not confirm a scheme unless satisfied that it would be in the national interest to do so, and that the terms of the scheme are fair and equitable to all parties affected thereby.

(3) A scheme under this Part of this Act shall, when confirmed by the Commission, be binding on all persons and have effect as if enacted in this Act, and the directors of every company affected by the scheme shall cause a copy thereof to be filed with the registrar of companies.

(4) Where any such scheme provides for the substitution of any securities of an amalgamated company or a principal company for securities of a constituent or absorbed company, any trustee or other person acting in a fiduciary capacity, who at the date of the amalgamation or absorption held and was entitled to hold any securities of the constituent or absorbed company, shall be entitled to hold the securities of the amalgamated or principal company which may be substituted therefor.

(5) Where any such scheme makes provision for additions to existing or the creation of new classes of share or loan capital of any existing company, then, notwithstanding anything in the memorandum or articles of association of the company, the additional capital of each class shall form part of and rank pari passu with the existing capital of that class, and any new class of
capital may rank before any existing class of capital, and the memorandum or articles shall have effect subject to such alteration as may be made therein by the scheme.

(6) Section ten of the Mines (Working Facilities and Support) Act, 1923, as amended by any subsequent enactment, shall apply in respect of the procedure before the Commission under this Part of this Act in like manner as it applies to procedure on the determination of applications under that Act:

Provided that the power of holding inquiries under that section shall extend to the holding of inquiries other than local inquiries, and that the Commission may refuse to allow the public to be present at any proceedings of the Commission or at any such inquiry during the hearing of evidence on matters which in the opinion of the Commission are of a confidential character.

(7) The Lord Chancellor, or in Scotland the Lord President of the Court of Session, may attach to the Commission for the purposes of this Part of this Act any officers of the High Court or the Court of Session, and such officers shall perform such duties as may be assigned to them by the Commission with the consent of the Lord Chancellor or the Lord President of the Court of Session.

8. Where an undertaking to which this Part of this Act applies is owned by a firm, or by an individual, or by two or more individuals jointly, the provisions of this Part of this Act shall apply in relation to the undertaking subject to such modifications as may be necessary.

9.—(1) It appears to the Board of Trade that it is the general wish of the owners of any undertakings that the Board of Trade should assist them in formulating or settling the terms of an amalgamation scheme, the Board may give such assistance.

(2) If at any time after the expiration of three years from the passing of this Act it appears to the Board of Trade that a further development of the process of amalgamation and absorption of undertakings is required in order to secure the most efficient and economical organisation of the coal mining industry, and that the foregoing provisions are not sufficient for the purpose, the Board shall make a report to Parliament to that effect, and thereupon it shall be lawful for the Board
A.D. 1926. after holding such inquiries as they think fit to prepare and refer to the Railway and Canal Commission schemes for that purpose, and any such scheme may contain any provisions which might have been contained in an amalgamation scheme prepared by the companies themselves by agreement, and the provisions of this Act with respect to exemption from stamp duty and to the consideration and confirmation of absorption schemes by the Railway and Canal Commission shall apply to schemes referred to the Commission under this subsection.

(3) The Board of Trade Arbitrations, &c., Act, 1874, shall apply to inquiries under this section as if this Act were a special Act within the meaning of the first-mentioned Act.

PART II.

WORKING FACILITIES.

10.—(1) Any person who is desirous of searching for, working either by himself or through a lessee, any minerals may, under and in accordance with Part I. of the Mines (Working Facilities and Support) Act, 1923 (in this Part of this Act referred to as the principal Act), make an application to search for or work the minerals, and on such an application being referred to the Railway and Canal Commission under the principal Act the Commission may, subject to the provisions of the principal Act, grant the right if they consider that it is expedient in the national interest that the right should be granted to the applicant.

(2) Where the working of any minerals, or the working of any minerals in the most efficient and economical manner, is impeded by any restrictions, terms or conditions contained in a mining lease, or otherwise binding on the person entitled to work the minerals, a right to work the minerals freed wholly or partially from such restrictions or conditions or to work the minerals on other terms and conditions may, on an application for the purpose being made and referred to the Railway and Canal Commission under the principal Act, be granted by the Commission in any case where
the Commission consider that it is expedient in the national interest that the right applied for should be granted to the applicant.

(3) Section four of the principal Act shall have effect as if for the words “for any of the following reasons” there were substituted the words “for any reason including any of the following reasons.”

(4) The principal Act shall have effect as if in section five the words “having an interest in any minerals,” and “those minerals or any adjacent,” and in section six the words “in virtue of which he is entitled to make the application” were omitted therefrom.

(5) This Part of this Act shall be construed as one with Part I. of the principal Act.

PART III.

WELFARE FUND.

11.—(1) Every person liable to pay mineral rights Royalties Royalties duty on the rental value of rights to work coal and of mineral wayleaves in connection with coal, or who would be so liable but for any exception by common law or statute, shall be liable to pay for the financial year ending the thirty-first day of March, nineteen hundred and twenty-seven, and for every subsequent financial year a levy (hereinafter referred to as “the royalties welfare levy”) at the rate in each case of one shilling for every twenty shillings of that rental value.

(2) The provisions of the Finance (1909-10) Act, 1910, relating to the assessment, collection and recovery of mineral rights duty and matters incidental thereto, as set out and adapted in the schedule to this Act, shall apply to the royalties welfare levy, and in cases where the proprietor of the coal, or the person to whom rent is paid in respect of a right to work coal or a mineral wayleave in connection with coal, is liable to the payment of a mineral rights duty, the royalties welfare levy shall be collected at the same time as and together with that duty, and in every other case the royalties welfare levy shall be payable on the first day of January in each year.
(3) For the purposes of this section and the said schedule—

"Coal" shall not include lignite or brown coal, but save as aforesaid shall include bituminous coal, cannel coal, anthracite, and all other minerals worked therewith other than minerals exempt from mineral rights duty;

Other expressions have the same meaning as in the provisions of the Finance (1909–10) Act, 1910, relating to mineral rights duty, as amended by any subsequent enactment.

(4) This section binds the Crown.

12.—(1) The Commissioners of Inland Revenue shall, in accordance with arrangements made with the Board of Trade, from time to time pay over to the fund established under section twenty of the Mining Industry Act, 1920 (hereinafter referred to as the welfare fund), the sums collected by them in respect of the royalties welfare levy.

(2) The Board of Trade shall keep a separate account of the proceeds of the royalties welfare levy paid into the welfare fund.

(3) The committee constituted under section twenty of the Mining Industry Act, 1920, as amended by the Mining Industry (Welfare Fund) Act, 1925 (hereinafter referred to as the Miners Welfare Committee), shall, subject as hereinafter mentioned, apply those proceeds for any of the purposes for which the welfare fund is applicable:

Provided that no part of the proceeds of the royalties welfare levy shall be required to be allocated to any particular district.

13.—(1) It shall be the duty of the miners' welfare committee to endeavour to secure as far as reasonably practicable the provision at all coal mines, to the satisfaction of the committee, of accommodation and facilities for workmen taking baths and drying clothes.

(2) The committee shall appropriate out of the welfare fund for the purposes aforesaid the following amounts—

(a) until the Board of Trade otherwise direct, the whole of the proceeds of the royalties welfare
levy paid into the welfare fund in each financial year;

(b) such part (if any) of the receipts from the contributions of owners of coal mines paid into the welfare fund in each financial year as the Board may prescribe, not exceeding three-fifths of the amount of the proceeds of the royalties welfare levy in that year.

(3) The sums appropriated for the purposes aforesaid out of the contribution of owners of coal mines shall be paid as to one-half thereof out of the sums required under section twenty of the Mining Industry Act, 1920, to be allocated to particular districts, and as to the other half out of the funds not so allocated, and the sums to be allocated to each district in pursuance of that section shall be proportionately reduced; but nothing in this section shall require any part of the sums appropriated for the provision of washing and drying accommodation to be allocated to any particular district.

(4) Section seventy-seven of the Coal Mines Act, 1911, and subsection (5) of section twenty of the Mining Industry Act, 1920, are hereby repealed.

PART IV.

RECRUITMENT.

14.—(1) The Minister of Labour may, after consultation with associations representing respectively employers and persons employed in the coal mining industry, make regulations for securing that in the recruitment of persons over the age of eighteen years for employment to which this section applies preference is given, while this section is in force, to persons who were employed in such employment during the period of seven days ending on the thirtieth day of April, nineteen hundred and twenty-six, or when last before that date in regular employment, and such regulations may in particular impose restrictions on the engagement of persons for employment to which this section applies, and provide for requiring the owners, agents and managers of coal mines and persons employed in or seeking such employment to furnish the Minister of Labour with such information as he may require for the purpose of securing compliance with the regulations.
A.D. 1926.

(2) The employment to which this section applies is employment in or about a coal mine in the getting, handling, hauling, treatment and despatch of coal for sale, and employment of a clerical nature in connection therewith, being employment such as to make the person employed an employed person within the meaning of the Unemployment Insurance Acts, 1920 to 1925, and any question as to whether employment is employment to which this section applies shall be determined by the Minister of Labour.

(3) If any person contravenes or fails to comply with any regulation made under this section he shall be guilty of an offence and shall, in respect of every such offence, be liable on summary conviction to a fine not exceeding ten pounds, or, in the case of a continuing offence, not exceeding five pounds for each day on which the offence continues, and in the event of any such contravention or non-compliance by any person whatsoever the owner, agent and manager of the coal mine with respect to which the offence was committed shall severally be guilty of the like offence and liable to the like fine unless he proves that he had taken all reasonable means to prevent the contravention or non-compliance.

(4) If for the purpose of obtaining employment either for himself or for any other person in contravention of any regulation made under this section any person knowingly makes any false statement or false representation, or if any person required under the regulations to furnish information to the Minister of Labour knowingly furnishes any false information, he shall be liable on summary conviction to imprisonment for a term not exceeding three months.

(5) All regulations made under this section shall be laid before Parliament as soon as may be after they are made, and if an Address is presented to His Majesty within the next subsequent twenty days on which that House is sitting next after any such regulation is laid before it, praying that the regulation may be annulled, it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder or to the making of any new regulation:

Provided that section one of the Rules Publication Act, 1893, shall not apply to any regulations made under this section.
This section shall continue in force until the thirty-first day of December, nineteen hundred and twenty-nine and no longer unless Parliament otherwise determines.

PART V.

COAL MINES EXCESS PAYMENTS AND COAL LEVY.

15.—(1) After the thirtieth day of September, nineteen hundred and twenty-six, except in a case which is an underdetermined case within the meaning of this section, no assessment or additional assessment of coal mines excess payments under the agreement scheduled to the Coal Mines Control Agreement (Confirmation) Act, 1918, or of coal levy under the Coal Mines (Emergency) Acts, 1920 and 1921, shall be made; and no claim for relief from or for reduction or repayment of coal mines excess payments or of coal levy, or for a payment set-off or recovery or for amendment of any payment, set-off or recovery under the aforesaid agreement or for coal award or additional coal award under the Coal Mines (Emergency) Acts, 1920 and 1921, shall be entertained or allowed.

(2) At any time not later than the said thirtieth day of September the Board of Trade may in the case of any person who is or has been the owner of an undertaking within the meaning of the Coal Mines Control Agreement (Confirmation) Act, 1918, or the Coal Mines (Emergency) Act, 1920, give notice to him that they consider his liabilities and his rights under either the Coal Mines Control Agreement (Confirmation) Act, 1918, or the Coal Mines (Emergency) Acts, 1920 and 1921, or both, as being undetermined; and any person who has been assessed to coal mines excess payments or coal levy, or is entitled to make any claim under the Coal Mines Control Agreement (Confirmation) Act, 1918, or the Coal Mines (Emergency) Acts, 1920 and 1921, may give a like notice to the Board of Trade, and where such notice is given to or by any person his case shall be deemed to be an undetermined case for the purposes of this section.

(3) The Board of Trade may at any time give notice to any person whose case is an undetermined case to the
A.D. 1926. effect that all questions as to his liabilities and his rights under either the Coal Mines Control Agreement (Confirmation) Act, 1918, or the Coal Mines (Emergency) Acts, 1920 and 1921, or both, have in the opinion of the Board of Trade been finally determined.

Any person aggrieved by any such notice may, at any time within thirty days from the date on which the notice is served on him, appeal against it in accordance with the provisions of subsection (5) of section forty-five of the Finance (No. 2) Act, 1915, and the provisions (other than the provisions prescribing the time within which notice of appeal may be given) of any regulation made under subsection (7) of that section, in the same manner as if he were a person dissatisfied with the amount of an assessment to Excess Profits Duty.

If where notice has been given to a person under this subsection, that person does not appeal against the notice or the appeal is not allowed, his case shall, as from the expiration of the time within which he was entitled to appeal or as from the date on which the appeal is finally determined, as the case may be, cease to be an undetermined case within the meaning of this section, and subsection (1) of this section shall apply accordingly.

(4) Nothing in this section shall affect any powers vested in the Commissioners of Inland Revenue at the commencement of this Act for the recovery of coal mines excess payments or coal levy; or any powers vested in the Board of Trade at the commencement of this Act for the recovery of any moneys payable by the owner of an undertaking in accordance with the provisions of the aforesaid agreement, or of the Coal Mines (War Wage Payment) Directions and Supplementary Directions, 1918 and 1919, or of the Coal Mines (Emergency) Acts, 1920 and 1921.

(5) Notwithstanding anything in this section, the Commissioners of Inland Revenue may at any time make an assessment in respect of any coal mines excess payments or coal levy which appears to them not to have been assessed by reason of any fraud or wilful default on the part of the person liable to be assessed, and recover the amount chargeable on the assessment; and the Board of Trade may at any time recover any moneys payable by the owner of an undertaking under
the provisions of the Acts and Directions aforesaid A.D. 1926.
which appear to them not to have been recovered for
a like reason; and any person aggrieved by any such
assessment or recovery shall have the same right of
appealing against it as he would have had if this Act
had not passed.

PART VI.

GENERAL.

16.—(1) This Act may be cited as the Mining Industry Act, 1926.
(2) This Act shall not extend to Northern Ireland.
A.D. 1926.

SCHEDULE.

PROVISIONS OF THE FINANCE (1909–10) ACT, 1910 APPLIED.

20.—(3) Every proprietor of any coal and every person to whom any rent is paid in respect of any right to work coal or of any mineral wayleave in connection with coal shall, upon notice being given to him by the Commissioners requiring him to give particulars as to the amount received by him in respect of the right or wayleave, as the case may be, and where the proprietor is working the coal, particulars as to the coal worked, make a return in the form required by the notice, and within the time, not being less than thirty days, specified in the notice, and in default shall be liable to a penalty not exceeding fifty pounds to be recovered in the High Court.

(4) Royalties welfare levy shall be assessed by the Commissioners and shall be payable at any time after the first day of January in the year for which the levy is charged, and any such levy for the time being unpaid shall be recoverable as a debt due to His Majesty from the proprietor of the coal where the proprietor is working the coal, and in any other case from the immediate lessor of the working lessee. As between the immediate lessor and the working lessee, the levy shall be borne by the immediate lessee, notwithstanding any contract to the contrary, whether made before or after the passing of this Act.

21.—(1) Any immediate lessee who under this Act pays any royalties welfare levy, and is himself a lessee of the right to work the coal or of the wayleave in respect of which the levy is paid, shall be entitled to deduct from the rent paid by him in respect of the right to work the coal or the wayleave, as the case may be, to his lessor a sum equal to the royalties welfare levy on a rental value of the same amount as the rent payable; and any person from whose rent any such deduction is made may make a similar deduction from any rent paid by him in respect of the right to work the coal or in respect of the wayleave, as the case may be.

(2) Any person in receipt of rent from which a deduction may be made under this paragraph shall allow the deduction, and the person making the deduction shall be discharged from the payment of an amount of rent equal to the amount deducted, and any contract for the payment of rent without allowing such a deduction shall be void.
(3) If any person refuses to allow a deduction which he is required to allow under this section, he shall be liable to a penalty not exceeding fifty pounds to be recovered in the High Court.

(4) Where in any special ease royalties welfare levy has been charged on a rental value based on a rent which has been substituted under the provisions of this Act for the rent actually payable by the working lessee, the Commissioners shall, on the application of any lessor from whose rent a deduction may be made in respect of royalties welfare levy, make a corresponding substitution or reduction as regards that rent, if they consider that the grounds for the substitution are applicable in the case of the rent with respect to which the application is made.
DRAFT OF A BILL

To make provision for facilitating the working of minerals, the better organisation of the coal mining industry, and with respect to the welfare of persons employed therein, and for other matters connected with that industry.

LXXXV. (2.)

21st June 1926.