

But it is not only rates and similar charges which the Engineering Industry cannot itself control. It cannot directly control the cost of its own raw materials such as coal and iron, or the cost of transport of its products. Nor can it spread these charges over a greater output as in the case of rates because the more it produces the more it has to pay for materials and transport.

These considerations, elementary though they are, are set out in order to explain why, in what follows, the conditions of depression *external* to the Industry itself are examined, that is to say, the conditions beyond the control of those engaged in the Industry.

For this purpose we shall first look briefly at conditions prevailing in certain other industries which supply materials to the Engineering Industry, or use engineering products, or both.

#### **COAL.**

The *Coal Industry* is a very obvious example. It will be clear that the Engineering Industry itself uses coal in many ways, directly or indirectly, and also causes its employment in transport.

On the other hand, the Coal Industry itself employs products of the Engineering Industry.

Each therefore affects the other. If the coal supplied to Engineers is dearer, the machinery supplied to the coal mines is dearer, and both the coal and the machinery supplied to the Transport Industry are dearer. If the Transport Industry puts up its charges for carrying coal to the Engineering Industry and machinery to the mines the prices of coal and machinery again go up.

Having shown that there is a direct connection between coal mining and engineering it will be useful to set out the facts regarding the Mining Industry.

In this industry the present Government has recently passed legislation which can hardly avoid raising the cost of producing British coal and therefore the cost of British coal to all British industries using it.

The intended result of the Coal Marketing Scheme is briefly that coal consumed at home shall be dearer so as to enable coal to be sold cheaper to our competitors abroad.