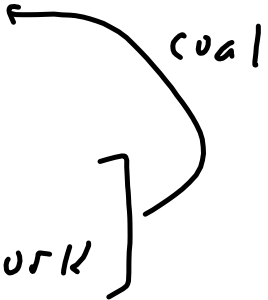


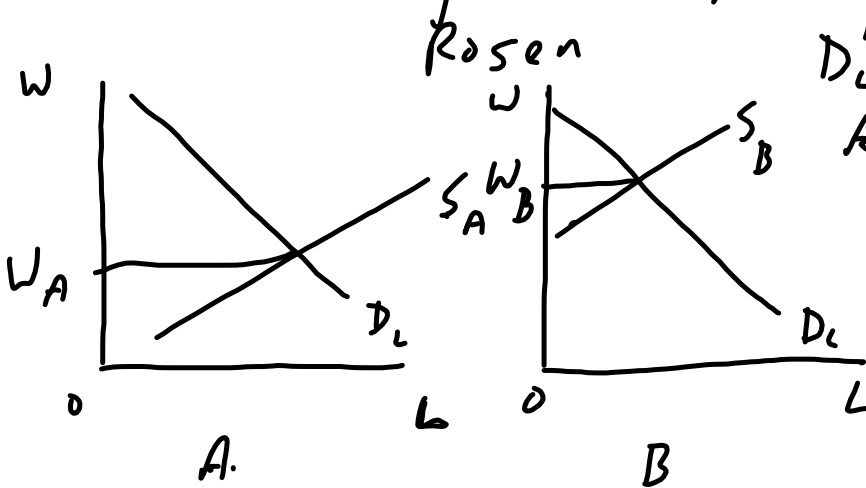
Coal.

- conditions of work
    - piece rate pay \$/ton
    - own tools
    - no pay for prep work
      - setting pit props
      - drilling & powder work
  - working conditions
    - dangerous
    - non cash payment
- 

lack of competition in labor markets

- compensating wage theory
- characteristics of job (safety, security) reflected in wage

hedonic wage theory Sherwin



Rosen

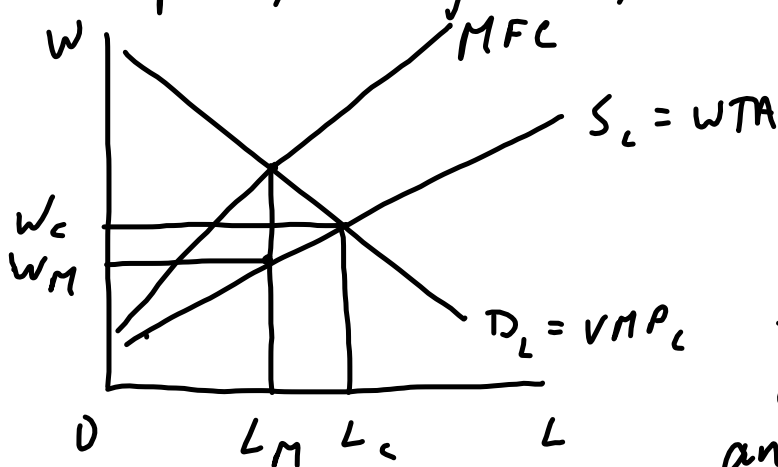
$$D_L^A = VMP_L = D_L^B$$

A - safe

B - unsafe

$W_A < W_B$   
requires  
job mobility

- mine → company town - one employer
- monopsony - single buyer



to hire additional worker  $W \uparrow$  pay new wage to ALL workers - marginal cost of hiring another worker

$$W_M < W_c \quad \& \quad L_M < L_c$$

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company town - wages ↓ (monopsony)  
 no competition - no compensation for risk so no incentive of mine operator to improve safety

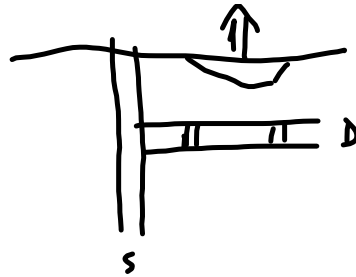
mine labor - wages ↓  
- risk ↑  
- non-cash comp.

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### Landowners

- "Broad Form Deed"
- all minerals (all subsurface minerals)
- "any & all means practicable or necessary"
- no comp to landowner for surface destruction

- shaft + drift
- subsidence risk
  - mitigate pillars of coal
  - mine - costs ↑
    - reduce coal (pillars are coal.)
- PA passed Kohler Act
- Penn Coal v Mahon - 1922
  - "taking" without compensation
  - 5th + 14th Amend. - "just compensation"
  - Eminent Domain.



Oliver Wendell Holmes - ruling  
 surface owners could have  
 bought subsurface rights

- "reason for decision" - majority
  - dissent - minority
    - ↳ Brandeis - foreseeability
      - expectation of continuous habitation
  - modified Kohler Act -
    - subsequent ruling US SC
    - overturned Penn Coal.
- 

1985 - PA SC overturned Penn Coal ruling

- req either subsidence protection or purchase of surface rights

- BFD → date to 1900-1910
- 1956 - strip mining  
Buchanan v Watson KY  
ruled strip mining covered by BFD  
allowable exercise of owner  
of mineral rights  
lower court ruled in favor of landowner  
& required mine to comp for loss of  
land value  
landowner & mine owner appealed  
1956 ruling - no comp required  
& strip mining right upheld
- 1987 Alkers et al v Baldwin, & Falcon Coal.  
KY SC - ruled strip mining reduces  
surface value to zero & so req. comp.

VA 1976 Phipps v Lefwich  
ruled strip mining req. purchase  
of surface rights  
WV. - 1974 surface rights purchased



TVA - role of coal.

- ↳ first interstate organization for policy area
- integrated policy region

TVA - development agency to electricity generation -

- ALCOA
- Oak Ridge National Lab ]

Rural Electrification - refrigeration