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CABINET

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SCOTTISH COAL INDUSTRY

Note by the President of the Board of Trade

I circulate herewith a draft statement, as agreed by the Distribution of Industry Committee, of the Government's action to deal with redundancies which will flow from the National Coal Board's review of the future of coalmining in Scotland. The Board will make their conclusions public at a press conference on 11th July, and it is intended that the Government's statement should be made on the same day.

My Committee considered that the statement could appropriately be made either by the Secretary of State for Scotland or by myself, but, on the balance of the presentational reasons, considered that it should be made by the Secretary of State.

F. J. E.

Board of Trade, S. W. 1.

3rd July, 1962

DRAFT MINISTERIAL STATEMENT ON THE  
SCOTTISH COAL INDUSTRY

I think the House would like to know that the Scottish Division of the National Coal Board is today publishing a review of the prospects of Scottish collieries, which it is discussing with the trade unions. The Board states that in addition to the Scottish collieries which will have to close down by 1966 through exhaustion of the reserves of coal, there are another 33 collieries which have been generally unprofitable and whose future is doubtful. Against this a substantial number of Scottish collieries have good prospects and will increase their manpower. It would be wrong to expect a definite programme of closures and whether and when any particular colliery closes depends on events which cannot today be precisely foreseen; but the Board expects that many of the collieries whose future is doubtful will have to close down. If this happens, coalmining employment in Scotland will continue to fall during this period.

2. Because large numbers of men leave the industry each year on retirement and for other reasons, the number of men to be displaced would be less than the reduction in mining employment. For these, the first endeavour of the Board would be to offer a job within reasonable travelling distance of their homes. The Board's record in placing men affected by colliery closures is a fine one. For example, of the men affected by closures in Scotland last year, all but a handful had been placed in other employment during the period for which the Board pays redundancy compensation. The long-life and expanding collieries will have a substantial number of vacancies to fill in the next four or five years. These vacancies, and those in other coal-fields, will allow substantial redeployment of men who would otherwise be redundant; and the Board's allowances to transferred men, which have recently been improved will ease the lot of men who move their homes. Though redeployment will present difficulty in some areas the Board is confident that its own efforts will go a long way to meeting the problem of redundancy, which will be small in relation to the Scottish coal industry's labour force as a whole. The Coal Board is discussing the whole situation with the unions today.

3. This problem of the older contracting industries in Scotland is part of the all important question of making the most effective use of our resources and manpower. It must of course be complemented by new growth, the rate of which we all wish to see increased, and this is one of the Government's major economic objectives. This growth, and the higher living standards which it will secure, cannot however be achieved without changes of employment to the expanding sections of industry.

4. The National Coal Board expect to be able to re-absorb in other pits the bulk of the miners displaced and there will continue to be early and close co-operation between local officers of the Department of my rt. hon. friend the Minister of Labour and the collieries, in finding jobs for those displaced.

In some cases the right answer may be to give the men training in another trade. My rt. hon. friend has plans ready for expanding the resources of the present Government training scheme to meet this situation, including an improvement in the training allowances so as to meet the increased demand that will be made upon the scheme on this account. He proposes to consult immediately the unions in the trades in which training might be given, to secure their agreement and co-operation in accepting the displaced miners into their trades. This will provide a much needed augmentation of our skilled labour force. He also proposes to improve the facilities of the Resettlement Transfer Scheme, and to increase the lodging allowances for those who leave home to take up work in other employment areas.

5. We must think not only of providing jobs for the miners who cannot be re-absorbed in the industry but of providing new opportunities for those growing up in the areas affected. The measures operated by my rt. hon. friend, the President of the Board of Trade have already had very considerable success both in introducing new industry to Scotland and in facilitating expansions by Scottish firms.

6. My rt. hon. friend will continue his efforts to encourage the expansion of industry and the development of new industry to Scotland and in pursuance of this policy the Government have decided to take the following action:-

- (a) To develop the site of the Donibristle R. N. Air Station as an industrial estate, as announced to the House on 26th June.
- (b) To acquire a further five sites which will be available for future industrial development.
- (c) To build a number of advance factories.
- (d) To resume assistance, as the House has already been told, for developments in the Bathgate area. This area which includes the recently established new town of Livingstone and other districts which have substantial overspill housing developments under construction, is already providing a new growth point in the Scottish economy.

7. The fuller implications of these and other measures which the Government are taking to stimulate new growth in the Scottish economy will be dealt with in the forthcoming debate on Scottish Industry and Employment.

July, 1962