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WAR CABINET.COAL PRODUCTION PROGRAMME, 1942-43.*Memorandum by the Lord President of the Council.*

WHEN the War Cabinet considered the Committee's proposals (W.P. (42) 148) for carrying through the coal production programme for the year 1942-43, the Prime Minister undertook to put in writing certain suggestions for reducing the demand for coal, or for sustaining output, which might make it unnecessary to withdraw ex-miners from Field Force units in the Army at home (W.M. (42) 46th Conclusions, Minute 1).

The suggestions communicated to me by the Prime Minister are reproduced in the Appendix to this Memorandum.

2. In the light of these suggestions and of the discussion at the War Cabinet, the Lord President's Committee have again reviewed the production programme, in consultation with the Ministers concerned. In this review we have taken account of new circumstances which modify to some extent the appreciation given in W.P. (42) 148, viz. :—

- (a) The previous estimate tended to mask the recent decline in output of coal per man shift worked. On this account we have framed our new estimate on the basis, not of the additional output of the face workers to be returned to the pits, but of the probable output of the total labour force employed in the industry.

(The discussion in the War Cabinet proceeded on the assumption that 7,000 miners, whose release from the Field Army was then suggested, would produce only 2 million tons of coal in a year and that there would be no need to withdraw these men from the Army if means could be found of reducing consumption by this amount. In fact, if the 7,000 men were face-workers, and could all be re-employed at the coal-face, their production would be nearer 5 million than 2 million tons. But, if the estimate were framed on the basis of the additional coal likely to be obtained by face workers returned to the industry, we should also have to assume a correspondingly higher figure for tonnage lost through wastage from the industry.)

- (b) The War Cabinet are reluctant to authorise the release of ex-miners from Field Force units, and are prepared to run some risk of a shortage of coal rather than risk impairing the efficiency of the Field Army at home.

In these circumstances we are asked to accept a higher degree of risk, *e.g.*, in depleting stocks, than we had previously felt justified in accepting.

- (c) The numbers of ex-miners to be released from non-Field Force units in the Army, from R.A.F. ground staff and from industry, will be larger than we had assumed when our previous estimate was submitted.

3. On the basis that a higher degree of risk is to be accepted, we could make the following cuts in the estimate of production required to meet essential needs:—

- (a) *Stocks*.—On further consideration, the Mines Department are prepared to assume a reduction of stocks to the extent of  $2\frac{3}{4}$  million tons.

This will involve a substantial reduction in colliery stocks, and much of this coal will be of poor quality. It will be necessary for the War Cabinet to support the Mines Department in compelling consumers, e.g., Supply Departments, to accept this low quality coal.

- (b) *Fuel economy in industry*.—The savings to be secured by this means might amount to 1 million tons.

- (c) *Exports and foreign bunkers*.—It is agreed that the estimate for bunkers could be cut by 200,000 tons. In addition, I believe that some reduction could be made in the estimates of (i) 630,000 tons for contingencies, and (ii) 660,000 tons for minor exports to miscellaneous destinations.

I propose that the estimate for exports should be cut by 750,000 tons.

- (d) *Outcrop deposits*.—It is now estimated that the working of outcrop deposits may yield about 2 million tons of usable coal during the year.

(For convenience this is treated here as equivalent to a reduction in consumption, for it reduces the demand for coal produced from the mines.)

4. By these alterations in the estimates, the target for the year's production from the mines (making no allowance for the rationing of domestic fuel) is reduced from 215 to  $208\frac{1}{2}$  million tons.

What labour force is required to produce this output?

If efficiency in terms of output per man were the same as during 1941–42, the reduced target could be reached by an average labour force during the year of 708,500 men. Allowing a net wastage of 25,000 during the year, this would mean a labour force of 721,000 at 1st May, 1942.

But efficiency was falling during 1941–42. Output per man shift worked overall, which was 1·086 tons in the first quarter of 1941, had fallen to 1·057 tons in the corresponding period of this year, a fall of 2·6 per cent.

If output per shift continues to fall at the same rate during 1942–43, we should need an average labour force of 726,000 to produce  $208\frac{1}{2}$  million tons in the year. Allowing for wastage, this would mean a labour force of 738,500 at the 1st May, 1942.

We cannot afford to assume that efficiency will continue to decline at this rate during the coming year. Measures of reorganisation which are now being considered, though they may not become fully operative during the year, should at least arrest the downward trend of output per shift. I therefore propose that, for the purpose of the present estimate, we should assume that the output per shift during 1942–43 will, on the average, equal that secured during the first quarter of 1942, though it is at present somewhat lower.

On this assumption, the reduced target could be reached by an average labour force of 713,000 men. Allowing for wastage, this would mean a force of 725,500 at the 1st May, 1942.

5. What progress have we made towards raising the labour force to this level?

- (a) *Army*.—As a result of the decision endorsed by the War Cabinet on the 10th April, 6,033 ex-miners had been released from the Army for return to the mines up to the 23rd May.

The War Office estimate that under the existing decision we may obtain about 6,500 ex-miners from the Army.

- (b) *R.A.F.*—The Air Ministry have furnished lists of 2,700 ex-colliery workers who might be released from the ground staffs of the R.A.F. It is unlikely, however, that more than half this number will be returned for underground employment in the mines. First, these are men who have indicated their willingness to return to particular

collieries of their own choice. Secondly, the lists include a fairly high proportion of men who are not underground workers, and it is known that collieries will not be able to absorb many surface workers. For these reasons it is unsafe to assume that more than 1,300 men will be obtained from this source.

- (c) *Industry*.—The Minister of Labour, in consultation with other Ministers concerned, has concluded arrangements for releases of coal-face workers from industry and Civil Defence which could result in the return of a maximum number of 4,025 ex-miners to the pits. Previous experience suggests that it will not be possible in practice to secure the release of this maximum total; but we may assume that about 3,500 ex-miners will be obtained from this source.

6. If these special steps had not been taken to secure the return of men to the industry, the labour force would have fallen to 704,000 by the 1st May, 1942. As a result of these measures, the labour force may be raised to a total of about 715,300 men.

Not all of these men, however, were at work in the mines at the beginning of the production year on the 1st May—indeed, the full numbers will not have returned to the pits for some weeks to come. If allowance is made for this, and for wastage, it may be said that the measures already taken for the return of ex-miners from the Services and industry will secure an average labour force, during the year, of 702,300 men.

On the assumption suggested at the end of paragraph 4 above, this labour force could produce during the year a total of 205·3 million tons of coal—representing a deficit of 3·2 million tons on the reduced target of 208·5 million tons.

7. Before considering how this deficit could best be met, we wish to draw attention to some uncertain factors and possible new commitments which may have the effect of increasing the gap between production and consumption:—

- (a) The estimate is based on the assumption that output per shift during the year will, on the average, equal that of the first quarter of 1942, notwithstanding that output per man shift declined during 1941–42 by 2·6 per cent. and that the decline is still continuing.
- (b) The programme, as now revised, provides no margin for contingencies. In the case of exports, in particular, there can be no guarantee that events will not force us to meet new demands for which no provision has been made. For example, we may be compelled, on strategical grounds, to increase our exports to Egypt in order to make good a loss of supplies from India which could not be met from other sources. And it has already been suggested that we should export more coal in ships sailing to North America in ballast, so as to set free American ships now engaged in the coastwise carriage of coal, and so increase the pool of tonnage available for Anglo-American purposes.
- (c) In addition to these factors of uncertainty, there is a potential new commitment of which no account has so far been taken. If certain military projects which are now under consideration mature, heavy additional demands for coal are likely to be made for various military purposes during the winter of 1942–43. I need not specify the nature of these demands in detail. The Committee will appreciate that these projects might involve a heavy increase in coal consumption for a variety of reasons; and no provision has so far been made for this in the production programme.

There is the further point that these projects will involve the temporary withdrawal of a substantial number of vessels from the coastwise trade, most of which would ordinarily be engaged in the coal trade. These ships would be withdrawn at a time when an exceptionally heavy strain was being placed on the railway system; and, to meet this, steps will have to be taken in advance to build up substantial stocks in certain areas. This must be done during the summer of 1942, but it can only be done if production during the summer can be maintained at a level sufficient to provide a surplus after meeting both current consumption and the amounts required for minimum stocks in other parts of the country.

8. For the reasons indicated in the preceding paragraph, the deficit against which we have to provide may, in the result, be found to be substantially more than 3·2 million tons.

There are three possible ways of meeting such a deficit :—

(a) Some economies could be secured through a system of allocating coal to industry analogous to that for allocating raw materials—*cf.* (b)–(d) in the Appendix. The Mines Department are now working out a scheme for making definite allocations to the main coal-consuming industries. Such a scheme will present substantial administrative difficulties, for coal supplies are not under the direct control of the Mines Department to the extent that raw materials are controlled by the Ministry of Supply. The only course open to the Department is to work towards such a system progressively by determining the minimum needs of selected industries, one by one, and dealing first with a few of the less essential industries whose coal consumption appears to be excessive.

The Department will need the full co-operation of the Supply Departments, and other Departments concerned with particular industries, in determining the allocations to be made; and it will be necessary for the War Cabinet to give specific directions that all Departments concerned shall collaborate in securing the necessary economies in industrial consumption.

If this system can be brought into effective operation during the summer, even over a limited part of the field, there is a reasonable prospect that substantial economies may be secured during the course of the year. At this stage it is not possible to frame any reliable estimate of the savings which might be obtained by this means; but they might well amount to more than 1 million tons during the year.

(b) Full account has not so far been taken of the increase in production which might be expected to result from the proposals for the reorganisation of the industry which have been outlined in W.P. (42) 224.

It has been assumed (paragraph 4 above) that these measures of reorganisation will serve to arrest the downward trend of output per shift. If the decline in output per shift continued at its present rate during the whole of 1942/43, the effect would be a loss of 4 million tons on the year's production assumed in this memorandum. Thus, a substantial contribution has already been assumed on account of reorganisation. If, however, these measures of reorganisation are pressed forward speedily and vigorously, and if they secure the whole-hearted support of both sides of the industry, the gain will not be limited to that directly resulting from the practical measures proposed, *e.g.*, concentration on the more productive pits and seams. The psychological effect of these changes, on workers and managements alike, should also have a considerable effect on output. It is permissible, therefore, to assume that, during the latter part of the year, we can look not merely to arresting the decline in output per shift, but to a further increase in production.

(c) Further economies in consumption could be secured by the rationing of domestic fuel. The full scheme of "points" rationing outlined by the President of the Board of Trade in his memorandum W.P. (42) 225 would save about 6 million tons in the year, if introduced with effect from the 1st July.

9. In these circumstances the Lord President's Committee do not wish to press their previous suggestion (W.P. (42) 148) that the labour force of the industry should be increased by the withdrawal of ex-miners from Field Force units in the Army at home.

10. The remaining question for decision by the War Cabinet is whether it is necessary to proceed with the scheme for rationing domestic fuel.

In the view of my Committee, the position will be materially altered by the adoption of the reorganisation scheme. It is important to enlist not only goodwill, but even enthusiasm, for the successful operation of this scheme; and we think it preferable that, at this stage, we should place the emphasis on the increased production which is likely to be secured through this reorganisation, rather than on bridging the gap by economies to be enforced by a scheme of compulsory rationing. This does not mean that we can afford to do without economies in domestic fuel consumption. If we are to close the gap and to provide against the contingencies mentioned in paragraph 7, we must aim at securing, by

voluntary means, reductions in domestic consumption not substantially less than those which would be secured under the rationing scheme. The Mines Department must also proceed with the scheme for allocating coal to industry, with a view to securing the maximum possible reduction in the industrial consumption of coal.

11. My Committee do not, therefore, recommend that the rationing scheme should be introduced at this stage. They think it essential, however, that we should be ready to ration domestic fuel consumption at short notice; and they therefore recommend that all administrative preparations should be made for the introduction of the "points" scheme of rationing outlined in W.P. (42) 225. Moreover, they suggest that these preparations should be carried to the stage of issuing the forms and making the assessments. These steps should be associated with an appeal to all members of the public to practise economy in the use of all forms of fuel. There should be sustained publicity designed to persuade people to restrict their fuel consumption, voluntarily, as nearly as practicable to the limits which would be imposed on them if a rationing scheme were introduced.

Finally, the Committee recommend that the position should continue to be closely watched, in the light of the output actually secured; and that in any event a special report should be made to the War Cabinet in September next on the result of the decisions now to be taken.

J. A.

*Great George Street, S.W. 1,  
May 28, 1942.*

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## APPENDIX.

*Minute from the Prime Minister.*

LORD PRESIDENT.

1. There is general agreement about the proposals in your paper about coal, except for the transfer of 7,000 trained soldiers from the Field Army to the pits. These 7,000 men, if they produced the same as the average mine-workers, might hew 2,000,000 tons of coal in a year. The effect of such a dislocation in the Army at this critical time is so serious that I hope all other alternatives to find these 2,000,000 tons will be exhausted. There are many alternatives, it seems to me at first sight, which are less injurious to our general war effort :—

- (a) Drawing from the coal reserve of 12,000,000 tons.
- (b) Economies might be effected by a system of allocating coal to various users such as obtains in other raw materials.
- (c) Further economies in the War Production Departments.
- (d) Reduction in industrial users other than munitions.
- (e) A possible reduction in the export programme.
- (f) Monetary rewards to miners for surrender of a portion of their customary coal allowance.
- (g) Directing a large number of untrained youths of 18–19 years into the pits.
- (h) Persuading or allowing a proportion of ageing men to work for another year.
- (i) Possible expansion in outcrop working.
- (j) Get miners to work an extra 15 minutes a week.

With all these possibilities in view, each of which might mean nearly 1,000,000 tons a year, there should be no difficulty in finding the 2,000,000 tons, and thus avoiding the injury to the Army.

2. Further help will be given by all your long-term projects, including the financial point about relating E.P.T. to tons mined.

3. Meanwhile the War Office are to specify how many miners they have in the Metropolitan Field Force, what proportion are face-workers, and how many of them are with the fighting formations; that is to say, excluding Transport, R.A.S.C., R.A.O.C., and other ancillary services. The War Office will of course find the 5,000 men out of the 12,000 asked for, which are to be given from A.D.G.B. and other Field Force branches.

4. I hope all these possibilities will enable us to round the corner without taking the very grave step at this juncture which would derange the solidarity of the Army.

(Initialled)

W. S. C.  
11.4.42.



