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WAR CABINET.



FUTURE OF BRITISH COAL MINING.

MEMORANDUM BY THE MINISTER OF FUEL AND POWER.

THERE is little need to argue the importance of re-establishing the British coal-mining industry, on which so many of our other industries, particularly iron and steel, depend. As the Reid Report has shown, the industry, taken as a whole, is not efficient. Recruitment is unsatisfactory, both in numbers and in quality; labour relations remain poor; output per manshift is far too low and the cost of production uneconomically high.

2. There is already general concern at the condition of the industry. Although the question of ownership must clearly be left to the electorate at the forthcoming General Election I consider that Parliament and the country will expect me, in the Debate promised for the 29th May, to state what steps the Government propose to take following the Reid Report. I suggest that it would be greatly to the public interest if the present Government were to accept the basic recommendations of that Report, *i.e.*, that there shall be a National Authority endowed by Parliament with really effective powers to ensure (i) the merging of the industry into units of such sizes as would provide the maximum advantages of planned production, and the conservation of our coal resources in the national interest, and (ii) the efficient working of the coal-fields by these units.

3. The proposals of the Reid Committee have received support in almost every quarter. Indeed, the arguments advanced in paragraphs 752-758 of the Reid Report (see Annex) in favour of the establishment of a National Authority on the lines indicated above appear to me irresistible if a serious endeavour is to be made forthwith to regain lost ground, reduce substantially the costs of production and recapture our export trade in coal.

4. In October 1943 the Prime Minister gave the House of Commons an assurance that the present system of control would continue until Parliament had decided on the future structure of the industry, either by agreement between the great parties or by the verdict of the electorate.

5. Acceptance of the need for a National Authority with powers such as those outlined in paragraph 2 would in no way prejudice the free choice of the electorate in the question of ownership. It would, however, show that all parties were resolved to restore as soon as possible the efficiency of the British coal-mining industry.

G. L. G.

*Ministry of Fuel and Power, S.W. 1,
16th May, 1945.*

ANNEX.

*Extract from the Report of the Technical Advisory Committee on Coal Mining,
Cmd. 6610.*

752. There are mines on the point of exhausting their reserves; mines which should be closed down altogether and their reserves worked from adjoining collieries; mines where the remaining reserves can, under no scheme of

reconstruction, be worked profitably; mines between which valuable coal has been sterilised to form barriers; and mines which, for a period of their reconstruction, will have to be completely closed down.

753. There are undertakings which have a lease of coal that could be worked to better advantage by another undertaking; and undertakings whose mines are widely spread through a district, and even among several districts.

754. There are new sinkings required where the reserves which should be worked from them are leased to two or more undertakings; and new sinkings where, by reason of the depth to be reached, so long a view has to be taken and such heavy interest payments incurred, that the cost of the shafts, plant and development is likely to be beyond the resources of the undertaking owning the leasehold.

755. There are surface plants to be erected which should serve a number of mines, which may be under different ownership.

756. There are districts where the reconstruction of certain mines would enable the output required to be maintained, leaving, for the time being at least, no place for the remaining mines in these districts.

757. There are many other spheres also, including systematic research into methods of work, and a wide range of problems from mines drainage to the training of the personnel of the Industry, in which combined action upon a broad basis presents the only satisfactory solution.

758. Unfortunately, there is a serious dearth of mining engineers who possess the knowledge and experience necessary to undertake the far-reaching schemes of reorganisation which are essential. The services of those who are so qualified will consequently be required for the wider benefit of the Industry.
