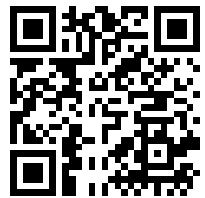


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**HISTORY OF  
THE SECOND WORLD WAR  
UNITED KINGDOM CIVIL SERIES  
Edited by W. K. HANCOCK**

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# COAL

BY

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## EDITOR'S NOTE

In the original plan, the work now published was intended to be the first part of a two-volume history of fuel and power. The pressure of university duties has prevented Professor Court from completing this plan. Nevertheless, considerable research has already been done, under his immediate direction, upon the war-time histories of oil, gas and electricity. Some of this work may be published later on; in the meantime I have thought it desirable to publish *Coal* in its own covers.

W. K. H.





## P R E F A C E

**T**HE purpose of this book is set out at the beginning of its first chapter. It seems unnecessary to say more here, except to point out that the book is intended to be a history, not only of the coal control during the war, but also of the coal industry.

Some statement of the book's origin and of the materials of its composition seems to be called for. It forms one of a series of histories describing civil life in the United Kingdom during the Second World War. The series was commissioned by the Government and may therefore be called 'official'; but I, like the other historians, was invited to use my critical judgement. I have not hesitated to offer an interpretation or to judge, and I am, of course, solely responsible for the opinions expressed.

As this history was written by official invitation, so also it has been composed from the records of government. I was given free access to the papers of all those organs of the Central Government which during the war were concerned with the coal industry. If there has been any failure to use them all, the fault is mine. Some weariness in well-doing may be understood, although not pardoned, by anyone who knows how enormously wealthy in the documents, not only of political and administrative, but also of economic and social history, the archives of modern government are. The industrial records have not been and could not be used in a narrative such as this. The organised mineworkers have, however, begun the publication of the official history of their Federation, which in a later volume will, it is understood, touch upon events here related.<sup>1</sup> The records of the colliery-owners will also, it may be hoped, one day be examined by historians. The industrial records may fill some gaps and correct some parts of the interpretation here offered. I would not, however, expect them to transform the picture. Much of the vital general information about the industry was, after all, kept for long, possibly too long, in official hands during those war years, until the publication of the official statistics of the industry was resumed in 1944.

I wrote part of the book during the war, part soon after, when the events described were still fresh in memory. Proximity to the event is usually better for the historian's sense of atmosphere than for his judgement. It is hoped that the book has benefited, not only from extensive additions, but also from repeated and drastic revision.

The writer of a history such as this enjoys an advantage, which is sometimes also an embarrassment, over the student of remote times;

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<sup>1</sup> R. R. Page Arnot, *The Miners* (London, 1949).

he can compare notes with the actors. Such comparison may or may not increase the value he places upon the written record; it can hardly fail to educate him in the nature of historical evidence. The rule of anonymity among established members of the Government service is strict, but I should like here to acknowledge my debt to many officials, both those who have helped me with their comment or with memoranda, and those others who performed the indispensable clerking and typing. In certain chapters I owe much to research assistants; particularly to Mrs. M. Barbour, who prepared the early drafts of Chapters X and XVIII-XX, and to Mrs. B. Wallen-James and Mrs. K. M. Blanchet, who worked at parts of Chapter XVII. The use I have made of any assistance is my responsibility, but without it a heavy task could never have been brought to a conclusion. I should not forget here the officials and mineworkers at certain coal mines before the war, who were not consulted about the writing of this book but who helped in their own way to write it. Whether they would approve it, should they ever see it, is of course another matter.

W. H. B. COURT

*Birmingham,  
25th January 1950*

PART I

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Before the War





# CHAPTER I

## THE COAL INDUSTRY BETWEEN THE WARS

(i)

### The Scope of This History

**T**HE Second World War was, to use a phrase of the time, a total war. It enlisted whole societies. The activities of every man and woman among many millions of human beings contributed in some degree to its outcome. The prime purpose of this book is to select for examination, out of this vast field, the part played by the British coal industry in the war effort of Great Britain. It was an industry necessary to that effort and, to this extent, to the cause of the United Nations.

Never before in modern history have the powers of government been so great as during those years. The general process by which the government in Great Britain assumed supreme control over the national economy has been elsewhere described.<sup>1</sup> It will be one part of the business of this history to explain how a controlling agency for the coal industry was born out of the war-time processes of British political and administrative life, and to examine the manner in which it functioned, down to the close of the war in Europe.

The industrial war effort of the British people was, however, something vastly greater than a mighty effort of government. It reposed upon a bending of the will of the whole nation towards war. The decisions to be taken were often difficult for free men and women, even when and sometimes especially when their patriotism was unquestioned. They were decisions frequently contrary, not only to routine and inertia, but also to the normal calculations of peace-time, to the promptings of self-interest, to accepted codes of behaviour, perhaps even to conscience.

What was possible in the industrial sphere, what was achieved, what was wanting, cannot be understood without a survey of the technique, the economics and the sociology of each industry. To discuss the influence of the war upon the multitude of persons connected with the coal-mining industry, to investigate the use of the industry's resources in the way of men, in capital equipment and

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<sup>1</sup> W. K. Hancock and M. M. Gowing: *British War Economy* (H.M. Stationery Office, 1949).

materials, in managing and directing ability, and to consider the relations between coal production and distribution and the main structure of the British war economy, will form the other part of the business of this history. These matters peculiar to the coal industry are perhaps further from common experience than the ways of Parliament or the routine of government, but they are necessary to a critical understanding of some important events, not only in the record of the coal industry, but also in the general economic history of Great Britain during the war.

A study of the war history of the coal industry cannot, however, begin with the outbreak of war. It has to take into account, to begin with, the forces which had moulded the coal industry as it stood in September 1939. This means that it has especially to recognise, both before and throughout the war, the potent influences of economic geography and of recent history.

## (ii)

## The Regional Character of the Industry

Many questions in the economics of the coal industry have always been of a regional character.<sup>1</sup> This is largely owing to geological conditions; the uniformity which exists in many branches of manufacture cannot be reproduced on the coal-fields. There is a great difference between a field which is approaching exhaustion such as, say, the Lancashire and Cheshire, and a great centre of unworked reserves such as the Yorkshire and East Midland coal-field, where much new development went on between the two world wars. Again, there is a fundamental difference of condition between one coal-mining part of Scotland and another; for the Lanarkshire field is in decline and the future development must go east, bearing with it much of Scottish industry and national life. Within each coal-field, also, conditions vary indefinitely from pit to pit and from working to working. Every extensive piece of new development meets its own peculiar combination of underground conditions.

The specialised markets which the different fields and pits serve have been scarcely less important in the past in creating the characteristic regionalism of the industry than its physical conditions, with which they are intimately connected. For many purposes it is a serious mistake to think of the coal industry as producing simply coal. Those who run the mines think of themselves as supplying their customers with gas-coal or coking coal or household coal or large steam coal or some other variety of coal which is in demand. Some

<sup>1</sup> Much of this chapter appeared in the *Economic History Review*, Vol. XV, Nos. 1, 2, 1945. It is reprinted here with some alterations and additions.

industries can afford to be catholic in their tastes; but for many industrial purposes the different sorts of coal are no more interchangeable than are the different kinds of steel. The market problems of County Durham, which produces gas and coking coal of high quality for the steel industry of the north and the gas industry of London and the south coast, are consequently different from those of an anthracite region such as the western parts of South Wales. Household coal producers have their own interests and special view of the world. Means of communication between producer and market have also produced important divisions. Above all, in this country there was for long a profound, although nowadays less obvious, divergence of interest between the fields supplying the inland market of Great Britain, whether by railway or coasting steamship, and those which, especially before 1914, used to depend heavily upon overseas exports and the bunkering trade, such as the coal valleys behind Cardiff and the fields which export from the harbours of the north-east coast.

The outside observer must keep the regional character of the coal industry constantly in mind if he is to understand its recent history. Not only does this regionalism mean that the economic interests of the different fields and pits are often divergent and sometimes opposed, but these divergences and clashes have found striking expression throughout the industrial relations and the politics of a highly contentious and most political industry. For the purpose of this history, however, the regionalism of the industry may be taken as a thing given. It was not one of the specific problems of the industry before 1939, for it is as old as coal-mining in Great Britain. The problems of the coal industry in the twenty years before the Second World War were national, in the sense that they affected the volume of employment and the rate of wages, the volume of capital investment and the rate of profit throughout the industry as a whole, although with important regional variations. In so far as there was anything which could be called a coal problem in those years, it lay in the interaction between many causes at work; a mingling so constant and inveterate that the whole only too often appeared a mass of complexity too great for solution. Yet it was just this emergence of formidable national problems at that time which gave the regionalism of the coal industry extraordinary significance. The industry was singularly unfitted, by its past experience and the ingrained habits of mind and temperament which proceeded from it, to cope with a crisis which demanded general conceptions and concerted measures.

(iii)

## The Age of Success

It will be necessary to go back to the period before the First World War, especially to the years of rapid mining development between 1880 and 1913. The extraordinary success and activity of that time, the high profits, the overflowing royalties, implanted standards of what was normal and natural in the minds of many colliery-owners, managements and royalty-owners which were carried over into a different age, when they played an important role. Among the mine-workers, the same period saw a swift growth of trade unionism and political consciousness and a marked radicalising of the social philosophy of most of their leaders. This development belongs to the sphere of social history rather than of economics, but it was to have a decisive effect upon the way in which the economic problems of the inter-war age were met.

The coal industry reached in 1913 a peak of aggregate output and of export sales which had been rapidly expanding for more than half a century. The annual average production of the British mines in the 1850's had been 70 million tons; in the nineties, it was over 200 million tons. The output of the year 1913 was 287 million tons, nearly one-half the European output of these days, of which 94 million tons went out of the country, including coal shipped for steamer use.<sup>1</sup> Yet the swift upward rise in the British coal output was not without parallel elsewhere. The period between the Franco-German War and the First World War was an age of vast coal developments. Production in the United States was ahead of the British in 1913, while that of the country Great Britain was about to fight, Germany, was not only very large but had grown since 1870 far faster than her own.

The truth was that in the industrialising western lands of the nineteenth century the coal industry enjoyed almost a monopoly as the source of fuel and power. It was not until the latter years of that century that the rapid spread of the use of electricity and oil showed that other forms of energy were available than coal burnt in the raw or coked. Electricity developments helped the dazzling progress of German industry in the early 1900's; even conservative Britain, radical where she was most sensitive, began to bunker her battle-cruisers with oil. These things foreshadowed a vast change, which was to be accelerated by the ensuing war, in the fundamental business of supplying energy to the world's industries and warmth to

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<sup>1</sup> *Ministry of Fuel and Power Statistical Digest, 1944 (Cmd. 6639), Table I.*

those of its population who live in temperate climates. But the immediate effect did not upset the rate of growth of the demand for coal. World consumption is estimated to have increased on average by about four per cent. per annum for many years before 1913.<sup>1</sup>

This swift, reliable increase in demand accounted not only for the forward surge of the coal industries, but particularly for the expansion of British coal exports. The output per man per shift in the mines of this country compared favourably with that of all the major coal-producing countries except the United States, where natural conditions were exceptionally good.<sup>2</sup> Combined with her oceanic position and the relatively cheap rail-haul from mine to port, low production costs enabled Great Britain to dominate the seaborne coal trade of the world. The grasp upon big export business, much of it essential for the industrial life of other nations, and of bunkering at ports all over the world, was to be a factor of the greatest political and strategic importance during the four years of war which followed.

The output of 1913 was reached in a world where the conditions of coal production and consumption differed in many ways from those of to-day. It is worth noting that to mining engineers, whose eyes are fixed less upon aggregate output than on output per man per shift worked, this age of the famous peak now appears to have been a pioneering age. The men of the coal industry before 1914, the employers, the mining engineers, the workmen, the machinery makers were, we read, 'a great race of men . . . whatever their faults . . . fit to rank with the greatest of Britain's industrial pioneers'.<sup>3</sup> This description is undoubtedly just, and draws our attention to the technical aspect of coal-mining.

Broadly speaking, coal winning in Great Britain before the First World War was pick and shovel work. While machinery and power were employed in the shaft for taking down and bringing up the men, for bringing coal to the surface, for ventilation, for some of the illumination and other purposes, the actual business of hewing coal at the face, loading it into the tubs and to a small extent of moving these about underground, was done by hand, at the cost of the maximum physical effort of which men are capable. Much of it was not only hard work; it was also an intensely skilled handicraft of a co-operative nature, created in its traditions and practices largely during the nineteenth century.

The introduction of machine mining had been begun before 1914, but it was no more than a beginning. In 1913 the percentage of the

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<sup>1</sup> *The World Coal-Mining Industry* (International Labour Office, Geneva, 1938), I, 75.

<sup>2</sup> The British output per manshift was higher in those days than that in the Ruhr coalfield, Great Britain's only important competitor; Ministry of Fuel and Power, *Report of the Technical Advisory Committee on Coal-mining*, 1945. (Cmd. 6610), para. 154.

<sup>3</sup> *Ibid.*, Para. 19.

## 8 *Ch. I: COAL INDUSTRY BETWEEN THE WARS*

output mechanically cut was only eight per cent. of the whole. The number of mechanical conveyors used at the face was still fewer; about 360 conveyors against 2,900 coal cutters. Other forms of underground transport had scarcely begun to change. Endless rope haulage was general, while at the face hand-tramming and pony-putting persisted by the side of the new conveyors.<sup>1</sup> The roads underground followed the seams and were often undulating and tortuous, as many a visitor to the coal-fields has learned to his cost. They were as a rule unsuitable for any but the form of transport already in use.

The organisation of the industry was dictated by natural conditions, by the scale of demand and the varied habits of consumers, and by the productive methods of the time. Generally speaking, undertakings were numerous, ownership dispersed and the average output per mine small. But there was a tendency, marked though gradual, for the number of pits to decline and average output to go up. Production became concentrated within larger undertakings in proportion as markets expanded and the capital expenditure required for mining at great depths increased. These tendencies continued during and after the war. By 1924, there were in this country 2,481 mines producing coal as a principal product, belonging to about 1,400 colliery undertakings. But of these, 323 undertakings produced, in the year 1923, over eighty-four per cent. of the output.<sup>2</sup> Since so many undertakings were able to survive, it follows that many were very small and the costs of output per ton varied greatly. This industry was at one and the same time the stronghold of an old-fashioned and intensely competitive individualism, and of the most modern and highly integrated concerns, especially at the point where its activities became linked with those of the chemical and heavy metallurgical trades.<sup>3</sup>

The one great unifying factor in the coal-fields, where local and regional influences were paramount, was the labour question. An industry so lavish of the effort of muscle and tendon maintained a huge labour force.<sup>4</sup> Much of the growth of the British mining population was as true pioneering settlement as that of the new farming and mining countries abroad. Where expansion was carried on far from the towns, the colliery companies supplied the houses; hence the miners' rows of Scotland, the dismal townships of North Derbyshire

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<sup>1</sup> *Ibid.* Paras. 20, 21 and 22.

<sup>2</sup> *Report of the Royal Commission on the Coal Industry* (1925), Vol. I, Report (Cmd. 2600), p. 47. For the official meaning of the words undertaking and mine and an explanation of the variations in the official figures, see the Annex to the same Report, Section I.

<sup>3</sup> A valuable general description of the industry on the eve of the First World War is to be found in H. Stanley Jevons' *The British Coal Trade* (1915).

<sup>4</sup> The peak of employment did not exactly correspond with the peak of output. Even more persons were employed for a few years after the war than the 1,107,000 who were working in the industry in 1913. (Cmd. 6639, Table I.) But the immediate after-war years were in some ways exceptional, as will later be seen.

and Nottinghamshire and much other bad and indifferent housing. This tradition was pursued even during the inter-war period on the last new coal-field to be opened up, that in East Kent.<sup>1</sup> Many miners and their families have consequently been segregated, especially in South Wales and the North of England, under conditions which make the worst of their isolation from the rest of the nation. This separation imparts a deep imprint to the mining communities which are subject to it. More than anything else, it helped to give the character of a social war to the economic disputes over questions of wages, hours and working conditions which grew in number and range as trade unionism developed among the miners. It made the miner one of the best trade unionists and often one of the worst politicians in the island and it partly accounts for the rough way in which the interests of the nation were time and again pushed aside by both parties to the big disputes on the coal-fields, as well as for the ignorant reaction to those events of a general public which knew, and was content to know, little or nothing of the causes behind them.<sup>2</sup>

If the structure of the coal industry and its industrial relations were still of a nineteenth-century style, so too it might be added was the British coal consumer. There is often a heavy price to pay for the excitements and the gains of a pioneering age. Much has been heard of the famous dust-bowl of the United States and elsewhere, created by the heedless exploitation of the last century. Nineteenth-century Britain lived without shame beneath the dust-bowl in the sky created by the coal smoke of its cities. We were most wasteful consumers of coal, judged by the standards of a later time. This situation had altered little by 1914 and coal utilisation was not studied seriously in this country until the First World War created shortages of fuel.

From this brief description of the pioneering or heroic age it will easily be seen that the incursion of the state into mine ownership during the 1914-18 war was generally regarded as a move of the most extraordinary kind, since it was judged by the standards of the past. Control was forced on by an accumulation of difficulties in the production and distribution of coal. These led to the taking over first of the South Wales field, which was vital for the fleet and the mercantile marine, in December 1916, and of the entire industry by

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<sup>1</sup> Ministry of Fuel and Power, *Kent Coalfield, Regional Survey Report* (H.M.S.O., 1945), paras. 81-5, contains some interesting comment.

<sup>2</sup> There is a large and growing literature on industrial relations in the coal-mining industry, much of it obviously partial although usually throwing some light. On the immediate pre-1914 period, see, for example, Mr. Jack Lawson's life of Mr. Herbert Smith, *The Man in the Cap* (1914) and Mr. Ness Edwards' *History of the South Wales Miners' Federation* (1938), Vol. I; undocumented and prejudiced but written with inside knowledge. Of a more academic stamp, there is Mr. W. D. Stewart's discussion of the Minimum Wage Bill of 1912 in his *Mines, Machines and Men* (1935) and Prof. D. H. Robertson's contemporary account of the strike of that year, *Economic Fragments* (1931), pp. 58-86. But the true history of those years, making full use of all sources of information, has yet to be written.

the second Coalition Government in March 1917. It is not necessary to say much of the history of the control; it was a war-time expedient, and its main problem, how to obtain coal at any cost, was different from that of the inter-war period, when the question became increasingly how to reduce costs in such a way as to afford a return to capital and labour, even at very low prices.<sup>1</sup> War prices were high, immediate post-war prices even more so. The best work of the control seems to have lain in maintaining the exports which were vital to the conduct of the war, in organising distribution on the inland market and controlling prices at home and abroad. Few improvements in the methods or organisation of production can be recorded as a consequence of its labours. Output per man fell heavily, from causes of which some of the most important were outside the powers of the Coal Controller; for example, no effort had been made to retain labour in the industry, and a quarter of a million men are said to have joined up by August 1915; a heavy blow to an industry which depended much on the muscles of the young adult man.

The story of the decontrol of the coal industry has been told elsewhere.<sup>2</sup> It was done in a hurry, under the pressure of the world-wide collapse of prices and depression of trade, in March 1921. A substantial loss had been incurred. The bulk of this loss was caused by the bad trade from the end of 1920 onwards and would in the ordinary way have fallen upon the industry. But the fact that any loss at all had been suffered was enough to damn the control in the eyes of many, while the accumulation of the deficit had become rapid enough to alarm the Government. Furthermore, the mines had become the centre of violent controversy. For the miners pressed their demand for public ownership of the mines as soon as the war was over, and in the spring of 1919 a Royal Commission was appointed to examine this and other questions under the chairmanship of Mr. Justice Sankey.

The Commissioners were united in recommending that the private ownership of unworked coal should cease and private royalty rights be transferred to the State. They were not agreed on the question of public or private ownership of the mines. The Government of the day chose not to act upon either question. In view of the fact that no convincing refutation of the case for public ownership of the unworked coal had been made out and that private royalties were actually abolished some twenty years later, it is unfortunate that the matter

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<sup>1</sup> The history of the control has been told by Sir Richard Redmayne, *The British Coal-mining Industry during the War* (1923). See also the evidence given by the late Sir Arthur Lowes Dickinson, who had been Financial Adviser to the Coal Controller, before the Royal Commission on the Coal Industry (the 'Sankey' Commission) in 1919, *Minutes of Evidence*, Vol. I. (Cmd. 359.)

<sup>2</sup> R. H. Tawney, 'The Abolition of Economic Controls, 1917-21', *Economic History Review*, XIII (1943).



was not settled then and there. The miners, who thought that the mines too ought to be taken over and who in general much overrated the possibilities of the Commission, felt that they had been let down by the rest of the community, not for the first time. The suspicion of Government promises and fair words so engendered had its influence on the course the miners followed in the next few years. Meanwhile, despite their disappointment, they felt their position strong. The Commission's findings resulted in a wage increase, which was followed by another, to meet the constantly rising cost of living. Most miners valued more than these wage increases the reduction of the working day to seven hours, exclusive of winding times, which had occurred under the Seven Hours Act of 1919.

(iv)

## The Depression

The Sankey Commission was a major incident in the history of industrial relations on the coal-fields. Yet neither the two big parties to the dispute nor the Government discussed the future of the industry in any other terms than those drawn from its highly successful past. In fact, the pioneering age was over; the age of intensive mechanical coal-mining was about to begin. But the ambiguity of events is such that it would have taken a wise head to see great trouble approaching the affairs of this industry in the early twenties. It is true that decontrol was followed immediately by drastic wage reductions, intended to bring labour costs into line with prices as they tumbled down from inflation heights. These reductions were enforced by the owners in the teeth of a desperate strike from April to July 1921. But the stoppage created an arrears of orders to be cleared off in the next six months. The next year saw a big coal strike in the United States and a wholly unlooked-for demand for British coal in that country. The French invaded the Ruhr in 1923, and the decline in German output again left a great gap to be filled. By 1925 the influence of these windfall demands was over, and it began to be possible to see the long-term prospects in something like perspective.<sup>1</sup>

Unfortunately, a cool examination of the prospects was out of favour at that time with the colliery-owners, and no less so with the workers, both of whom found themselves facing an immediate crisis.

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<sup>1</sup> Sir (then Mr.) Ernest Gowers, Permanent Under-Secretary for Mines, pointed out the confusing and misleading influence of these events on the expectations of the industry in his evidence before the Royal Commission on the Coal Industry (the 'Samuel' Commission) of 1925 (*Report*, p. 4). It is interesting to compare with this Prof. J. H. Jones' remark on the attitude of delegates to an international coal conference at London in 1929 towards the impending industrial depression: *The Coal-Mining Industry* (1939), p. 377, footnote.

The export trade worsened rapidly towards the end of 1924 and throughout the first half of the next year. The return to the gold standard in 1925 was the last straw for the big exporting districts such as Northumberland and Glamorganshire.<sup>1</sup> The position in the eyes of the owners was comparatively simple. Output per manshift was still below the pre-war figure, and output was only maintained by the aid of a swollen labour force; coal prices were high, profits negligible.<sup>2</sup> Labour costs formed seventy-one per cent. of the total costs of coal winning; mechanisation might reduce these, but it would be a slow process and by itself it was not enough. Wages must come down or hours of work must be increased, probably both. The owners therefore announced, as they were indeed entitled to do, that they would not renew the national wage agreement which had been reached in 1921 and renewed in 1924.

This announcement carried a double significance; it meant that wages were to come down and that they were to be reduced in competition between the different fields. Every miner, and especially every worker in the export fields, knew what his fate was to be. Before the war, all mining wages had been settled by collective bargaining upon a district basis. Following the flat-rate increases which were granted to meet the war cost of living, national agreements had been instituted. These were highly prized by the miner, who knew the vulnerability of his wages position in an industry where inter-district competition was always lively and in bad times intense. He valued hardly less the principle of the minimum wage which the two national agreements embodied. For the miner, therefore, everything was at stake when the national wage agreement was threatened; and this accounts for his belligerency and tenacity in the struggle that followed, in the General Strike of May 1926, and the long coal stoppage. It lay behind his adherence to the war-cry of 'Not a penny off, not a minute on', and his heroic loyalty to leaders who led his cause to disaster.

So much required to be said of the dispute of the middle twenties, the scene of great passions, great sufferings and great mistakes. As for the Government of the day, it paid money for time to think in the form of a subsidy to the pits which was paid from August 1925 to April 1926. Advice was sought from a Royal Commission, under the chairmanship of Sir Herbert Samuel, appointed on 5th September 1925. The Commission reported in the following year, but the state of feeling between the colliery-owners and the mineworkers was such that the Government decided that it was useless to attempt

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<sup>1</sup> The influence of the return to gold on the coal industry formed the subject of a famous and penetrating chapter in the late Lord Keynes' pamphlet, *The Economic Consequences of Mr. Churchill* (1925).

<sup>2</sup> Cmd. 6610, para. 32.

to enforce the recommendations of the Commission as a whole. Finally, after a stoppage on the coal-fields which had lasted for ten months, the resistance of the mineworkers collapsed and the policy for which the Mining Association had fought so pertinaciously was put into force. Wages came down competitively; Northumberland and Durham, for example, maintained a greater proportion of overseas trade than other districts and also captured a considerable proportion of the coastwise coal trade of the country during the remainder of the inter-war period, because the reduction of cash wages per shift went further there than in any other coalfield.<sup>1</sup> National negotiation disappeared; it was not until 1936 that the establishment of the Joint Standing Consultative Committee of owners and men, with power to discuss all questions of common interest, not excluding general principles applicable to the determination of wages under district negotiations, appeared to acknowledge that the purely district view was becoming out of date. The question of the minimum did not become practical politics again until the Second World War.

After the dispute, the hours in the working day were lengthened from seven to eight, exclusive of winding times, by legislation in 1926, and it was not until 1930 that the day was shortened again to seven and a half hours. A Coal Mines Reorganisation Act, in 1926, was another result of the stoppage; its practical effect was almost nil, and the problem of the structure of the industry had to be taken up again, as will be seen later. The main importance of the dispute of 1925-26, therefore, lies in this, that the solution adopted for the slumping sales and profits of the early twenties was certainly not that of the miners, who had taken up an impractically rigid and long-term position in favour of any other costs being reduced except labour costs; was not even that believed to have been preferred by the Government of the day, who inclined towards the middle way of the Samuel Commission, without nourishing fervour enough to carry it into law; but was entirely that suggested by regional competition within the industry. It took the form of an attack upon labour costs, to the exclusion of other costs, by the most simple and direct way, the alteration of wages and hours. The way in which this was done embittered the relations of managements and men for the rest of the inter-war years and made extremely difficult the introduction of those other methods of reducing costs which were essential; for these required for their perfect success the intelligent and willing co-operation of the miners.

The whole of the events of 1925-26 had been an attempt to shake

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<sup>1</sup> The figures of wages, costs and proceeds for the period are analysed by J. H. Jones, *op. cit.* pp. 46-47.

free from business depression; but it was without success. The reduction in total output continued throughout the inter-war years; that for the years 1935-37 was still on average nearly sixteen per cent. below that of the three years 1911-13. The fall in the volume of employment was much greater, mainly owing to the increasing efficiency of labour, being twenty-eight per cent. for the same period. There were, of course, better and worse years for both production and employment; the general industrial depression made the years 1931-33 very bad indeed, quite nightmarish in the recollection of anyone who visited the stagnant export fields at the time; from then onwards there was a slow recovery. Prices and profits ruled low, improving from 1933. The average profit per ton for the last ten years before the war, from 1929 to 1938, was no more than 7d.; this was a profit, but low and nothing like, it is said, what was needed for new investment in the industry.<sup>1</sup>

This was a profoundly unsatisfactory position, from the point of view of everyone except the consumer, who gained a temporary advantage from exceptionally low prices at the expense of the nation's long-term interest in the capital growth of the industry and of the miner's family. It directed attention towards a circumstance which was known in the twenties but had been too often swept aside in that violent warfare.

At an early date, those who knew conditions abroad pointed out that there was an international depression of the coal industry. This was so throughout the twenties and the thirties, and it provides the key to much which would be unintelligible from British experience taken by itself. Both the productive and marketing aspects of the industry were undergoing changes of a very important and widespread sort. On the demand side, the most striking fact was the dying down in the rate of increase of the demand for coal. This did not exclude increases of a local or temporary kind, but the trend was world-wide. As a result, the four per cent. per annum estimated rate of growth of demand of the years before 1914 was succeeded by an increment of only 0.3 per cent. per annum over a period of nearly a quarter of a century from 1913 to 1937.<sup>2</sup>

The fact was more easily observed than explained, and it cannot be professed that any perfectly satisfactory analysis of it exists. Broadly speaking, the monopoly of coal as a source of fuel and power, which had been crumbling before the First World War, broke up after it. Oil, natural gas and water power were the chief substitutes, but much of the growth of new energy-providing industries was non-competitive or complementary in its effects. It is certain, however, that there was

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<sup>1</sup> J. H. Jones, *op. cit.* p. 369, footnote; Cmd. 6610, paras. 65-6 and Appendix I.

<sup>2</sup> *World Coal-Mining Industry* (International Labour Office, Geneva, 1938), I, 76.

some displacement of coal, although the extent of it would be hard to measure statistically.<sup>1</sup>

The main new influence affecting the position of coal seems to have been not the substitution of new fuels but a more scientific use of coal itself. The period between the wars affords numerous striking examples of growing effectiveness in the use of coal especially in the public utilities and the heavy industries of the leading states. The inventiveness of the United States, where the average fuel efficiency of industries and railways is reckoned to have increased between 1909 and 1929 by approximately thirty-three per cent., was outstanding; but British electricity and gas undertakings, blast furnaces and railways, and the industries of Japan, showed the same clear trend.<sup>2</sup>

This admirable development in the power of the world's industrial system to provide a larger amount of goods and services with the same or a less consumption of coal was not always to the disadvantage of the coal industry. Its general effect was presumably to stimulate the total demand for industrial energy, so the coal industry gained benefits even while it was losing ground. But the adverse effects were sharply felt in a world where the coal industries had, until the First World War, been expanding rapidly and were themselves growing more efficient in turning out more coal for each man employed and for every shift worked.

Already, before 1929, the growth of the coal industry in Europe had been arrested. Output on the Continent increased between 1913 and 1929, but only by approximately the amount representing the fall in British production. In the United States, the coal industry did not grow at all over these same years, judged by the amount of coal won. The lack of elasticity in the market created fierce competition between field and field in the United States, with serious consequences for the American miner's wages. In Europe, where no common political institutions existed and where three big coal-exporting countries were to be found in Great Britain, Germany and Poland, the fight was not only between field and field but also between one sovereign state and another. This was especially clear after 1929, when the onset of the world industrial depression aggravated the situation beyond measure.

Potential over-capacity was no new thing in the coal industries, where pits do not easily go out of business and where the expensive apparatus of modern deep-mining makes it important to continue production so long as there is a hope of earning anything towards overheads. It had been observed in the United States as early as 1900

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<sup>1</sup> There is a good discussion of the statistical difficulties in the International Labour Office's publication, *The World Coal-Mining Industry*, I, 82-94.

<sup>2</sup> *Ibid*, p. 95, quoting papers of the Second World Power Congress, 1930.

and noted in Great Britain early in the twenties. Throughout the inter-war period and especially during the period of deep industrial depression between 1929 and 1932, the capacity of the coal industries of the world to produce more coal and lignite than the market could absorb at prices which would cover costs of production was an international problem. Surplus capacity, that is, the difference between the amount which existing mines, without any additional investment of fixed capital, could produce and the amount of current output, was reckoned to exist, according to the best calculation that could be made in 1929, to the extent of about one-fourth in Germany, from a fourth to a third in Great Britain and about one-half in Poland.<sup>1</sup> This alone would have been sufficient to account for the marked lowness of coal prices throughout the world, without the crisis of credit and the down-swing of real investment in industry which began internationally in the year these estimates were collected.

The problem was not without its hopeful side; the world's increasing ability to supply its current needs of fuel and power with a smaller expenditure of labour was an indispensable step towards better standards of living, for coalminers as well as other people. But this could be in the long period only. The short-term effects were very different. The details of the struggle for coal markets which marked the twenties and the thirties are well within recollection, the more so because the governments, especially the European governments, took a hand with the usual apparatus of protective duties, subsidies, export bounties and controlled prices, preferential railway rates and so forth. Mining workers bore most of the burden, by a partial breakdown of labour standards; the domestic consumer played his part, by subsidising export.

None of these measures removed the general depression among coal industries. Their general effect was to push about the burden of depression from country to country, from field to field and from pit to pit, under a system of temporary and partial advantages. That international agreements of some kind would sooner or later be necessary was the advice of international bodies such as the Economic Committee of the League of Nations in 1929 and the International Labour Office in 1938. Hard experience was beginning to bring practical men round to the same way of thinking.

Great Britain, as the largest participator in the international coal trade, stood to lose most by the general depression of coal industries. She endured it, at heavy expense to her social and political life. Perhaps it follows that she had most to gain from international agreements, if they could be obtained; but throughout the twenties the British industry was in a weak position to seek agreements of this

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<sup>1</sup> *The Problem of the Coal Industry, Interim Report on its International Aspects by the Economic Committee of the League of Nations* (Geneva, 1929), p. 9.

sort, because of the numerous managements which had to be consulted and the many divisions of interest between the fields. An increasing perception of the international element in the situation and a growing recognition that, for the time being at any rate, an inelastic demand made it idle to hope to expand coal sales even at very low prices, brought about a change of mind in the industry towards the end of the decade. It happened to coincide with a change of government. The law which followed, the Coal Mines Act of 1930, represented a turning away from the policy, now bankrupt, of 1925-26. The ideas of the thirties were to prove unfavourable to rugged individualism and ultimately even to regional competition, at least of the old, full-blooded type.

(v)

## The Question of the Organisation of the Industry

It has been usual to take up a party attitude towards the origins of the Act of 1930.<sup>1</sup> But economic necessity counted for more than party views, and it is probable that some such law would have been passed about that time, even if the relative strength of parties in Parliament had been different. The fall of British labour costs after 1925-26 had been a formidable shock to foreign competitors, but they were not without resources to meet it, which they had proceeded to apply. Whatever advantage had been gained was by this time pretty well exhausted and some new move was obviously necessary.

A foreshadowing of the Act is to be found in the schemes which were promoted in the immediately preceding years for the restriction of output and control of prices in some of the coal-fields. These examples of collective action came from South Wales, Scotland and the Midlands.<sup>2</sup> The Scottish owners tried to restrict output with the aid of a levy on coal sold in the inland market. The South Wales companies were more interested in enforcing minimum prices on the export markets by a similar levy and compensation scheme. Neither plan was of much importance. The Lancashire, Yorkshire, Nottingham and Derbyshire owners proved themselves more effectual. For two years, from 1928 onwards, their Five Counties Scheme restricted output and subsidised export sales with some success, while they handled the Humber Coal Exporters Association with a vigour which reduced the latter from independent buyers and sellers of coal to that of brokers for the exporting collieries.

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<sup>1</sup> 20 and 21 Geo. 5, Chapter 34.

<sup>2</sup> The schemes are described at length by J. H. Jones, *op. cit.* Chapter VI.

From this experience it became clear both that combination to restrict output and maintain prices was possible in practice, and that some element of compulsion would be needed to make such schemes completely successful. The justification for encouraging them seemed to lie in the facts of the situation. Unless a further attempt to force down wages was to be tried and the events of 1925-26 repeated, some other means must be found to restore the finances of the industry. Between 1924 and 1928 there had been a fall of ten per cent. in the volume of sales and thirty-three per cent. in prices, with a resulting conversion of an average profit of 1s. 2d. per ton into an average loss of 11d.<sup>1</sup> The industry was so far from being able to contemplate a further reduction of wages that it had to expect that sooner or later wages must be raised from the very low levels to which they had fallen. Meanwhile the miners' opposition to the eight-hour day continued very strong. It was with the aim of restoring profits and paving the way for an improvement of wages and hours that the Act of 1930 was passed. The reorganisation and re-equipment of the industry, which was the main hope of effective competition in the future, also needed to be financed in some way; for without it the future both of profits and wages was precarious.

Bearing all the motives in mind, it is hardly surprising that the Act of 1930 was a law of mixed character. It fell into four parts. Part I set up machinery regulating the production, supply and sale of coal. Part II established a Coal Mines Reorganisation Commission. Part III reduced by half an hour the length of the working day, which had gone up to eight hours in 1926. Part IV provided for a Coal Mines National Industrial Board by which, had the Board come to life, wages and conditions of work would have been settled by national negotiation.

The fate of the different parts of the Act was as various as their nature. The schemes set up under the first part of the Act lasted in the first instance for three years; but Parliament renewed the law at the end of that time and the schemes played an important part in the Mines Department control during the early years of the Second World War. The shortening of the working day endured. The other provisions were abortive. The fate of the Reorganisation Commission will be noticed later. As for the Industrial Board, this was an attempt to undo what had been done in 1925-26 and restore a national basis for wage bargaining. The owners as a body cold-shouldered it from the start and it soon lapsed. Wages continued to be negotiated by district agreements throughout the inter-war years, with the slight modification introduced by the existence of the Joint Consultative Committee from 1936 onwards.

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<sup>1</sup> Cmd. 6610, para. 65.



The real importance of the 1930 Act, therefore, lay in its provisions for the control of output. This proved to be the beginning of a series of developments by which the organisation and the spirit of the coal industry were profoundly affected. For the control of output was put into the hands of the industry itself. The scheme was divided into two parts. There was a 'central scheme' for the regulation of the production and sale of coal throughout Great Britain, administered by a central council of colliery-owners; and a district scheme within each district for the regulation of the production, supply and sale of coal within the district, administered by a 'district executive board' of local colliery-owners. The main intention was to raise prices by controlling output, rather than directly to control prices. The part of the central council was consequently important. It had the task of allocating a maximum output to each district, adjusting such allocations from time to time, and inflicting fines for output which exceeded them. The district executive boards divided the allocation among the collieries, assigning to each a standard tonnage in proportion to past output, and imposing penalties for non-compliance. The boards had also the power to fix minimum prices. The colliery quotas, that is, the proportion of the standard tonnage of each undertaking to be produced within a given period, became transferable among the undertakings of the district so long as the allocation for the district was not exceeded.

Extensive powers were conferred in this way upon the colliery companies. Neither the mineworkers nor the consumers of coal were represented upon the central council and the boards.<sup>1</sup> Neglected as the consumer usually was in the early thirties in this and other schemes to assist industrial producers, he could not be passed over in complete silence. Provision was therefore made for committees of investigation to be formed; a national committee to investigate complaints by consumers against the operation of the central scheme, and district committees to investigate complaints against the district schemes. These committees consisted half of representatives of owners and miners, half of consumers, with independent chairmen appointed by the Board of Trade. Owners and miners, it may be noted, had a common interest in rising prices, by reason of the ascertainment system by which since 1921 the proceeds of the industry had been divided between them in each district on a recognised proportion. In the ensuing years these committees proved themselves weak.

The control of output began to develop, although only after serious teething troubles, for an important minority of the colliery-owners was hostile to the Act. It was soon found that the control of output

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<sup>1</sup> This did not escape the students of cartels, especially of those familiar with the different organisation of the German coal industry; see D. H. Macgregor, 'The Coal Bill', *Economic Journal* (1930).

did not solve the problem of maintaining prices. Some owners found that under the quota allotted to them they had a surplus, which they proceeded to sell at a reduced price. Besides, the general recovery of all prices in the thirties after the world depression was slow and suffered a setback in 1938. There was a revival of competition then, which brought about a considerable tightening of the schemes.

There had already been a move towards the control of sale, sometimes going as far as the establishment in particular districts of central selling organisations. By 1936 every district scheme had been amended to permit such arrangements.<sup>1</sup> The central council had also acquired powers to give directions to the executive boards not only on the quantity of coal to be produced but also on the terms and conditions of sale. These powers it proceeded to apply, with the encouragement of the Government, in 1938.<sup>2</sup> Towards the end of that year, it issued directions to all districts governing:

- (1) the prices of all coal sold on the inland market outside the immediate neighbourhood of the pits or in any area where two or more districts were in competition;
- (2) rail-borne and coastwise prices, mainly in respect of sales to London and the South of England;
- (3) prices and supplies of coal for export.

While this great extension of price control was being carried through, central selling was being established with real success in one or two districts, notably Lancashire and Cheshire, where the district executive board traded under the name of the Lancashire Associated Collieries.<sup>3</sup> In other districts the central control of sales became the rule, each colliery continuing to sell its coal and seek its customers, but submitting each contract to the sales committee of the district board. One of the largest producing areas in the country, the Midland (Amalgamated) District, had a system of its own by which groups of collieries sold through selected agencies, subject again to the oversight of the district board.

These were all ways and means to control pithead prices and sales. But the success with which this was being done, although it varied from district to district, had by the end of the nineteen-thirties raised the question what the future relations were to be between the organised cartel which had been established in the coal industry and the middlemen and retailers. There were no specific powers under the 1930 Act to extend control of the sale of coal to the whole of the distributive trade, but there was an element of control over distribu-

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<sup>1</sup> Departmental Committee (the 'Monckton' Committee) on the Distribution of Coal, Coke and Manufactured Fuel; *Minutes of Evidence*, 28th July 1938, p. 2.

<sup>2</sup> *Eighteenth Report of the Secretary for Mines* (1940), pp. 26-7.

<sup>3</sup> Its practice was very fully described just before the war in evidence before the Monckton Committee, mentioned below.

tion in the power included in the schemes for the registration of distributors. The matter had not developed, but was sure to do so sooner or later. Unfortunately, the Departmental Committee on the Distribution of Coal, Coke and Manufactured Fuel which, in 1938 and 1939 under the chairmanship of Sir Walter Monckton, had begun to collect a mass of most valuable evidence on this side of the coal trade, was forced to discontinue its sittings owing to the outbreak of war.

The development of an organisation managed by the colliery-owners, with the direct encouragement of the Government of the day, to control the output, prices and pithead sales of coal throughout Great Britain, under the 1930 Act, was clearly a move of the utmost importance. In this country it must be regarded as part of that great movement towards trade association of every kind and that relaxation of English law to permit of organisations in restraint of trade which to an increasing degree marked the latter part of the inter-war period. It marked a complete break with the traditions of the coal industry and is the strongest possible proof of the immense change in the economic fortunes of that trade which had taken place since 1914. It would be well, if this were the place, to look at the 1930 Act in a still broader setting, and to compare it with the price-fixing in the American coal industry, first under the National Recovery Act, later under the Acts of 1935 (the Guffey Act) and 1937, and with the methods by which the German coal industry, accustomed to cartel methods since the nineties of last century, maintained its position in contested markets.<sup>1</sup> But such a comparison is unnecessary here.

Some of those in touch with the British industry at the time regarded the Act of 1930 as important largely because it set up for the first time an organisation capable of entering international agreements on behalf of the British collieries as a whole. Negotiations with the Continental coal industries for an international coal arrangement covering the export trade were begun as a result. In 1938 the colliery-owners decided, with the agreement of the Mineworkers' Federation, that failing such an arrangement coal exports should be subsidised by a levy on other sales. The Government declared at the same time that they would not stand by and see the destruction of the British coal export trade. Agreements are understood to have been reached defining relative shares in the export market with Poland and Germany. Whether a permanent and general international coal agreement was really in sight in 1939 is a matter on which opinions differ; political events that year put an end to the negotiations.

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<sup>1</sup> The material for a comparative judgement exists in Prof. J. H. Jones' book, published in 1939 and already several times quoted. This is certainly the most thorough analysis of the coal statistics of the inter-war period which is available, whether its conclusions are accepted or not.

The mere idea of international negotiations, still more of the heavily subsidised competition between big national coal organisations which was the alternative, raised difficulties in another quarter. No cartel and no government could help the industry, neither could it fight its own battles, if it neglected its competitive efficiency.

Now this was a matter in which the Coal Mines Act of 1930 did not help, largely owing to the fate which overcame Part II, dealing with reorganisation. Instead of being translated, as some had hoped, into a scheme of control over prices and sales, aimed at restoring the profitability of the industry so that long-term re-equipment could be financed, the law became a device by which the available business was spread among weak concerns and strong, efficient and inefficient; all enjoyed the benefit of fixed prices and restricted output, while the expensive and systematic technical re-equipment of which the industry was beginning to stand badly in need after the lean twenties was postponed indefinitely, because few were prepared to face the great changes in the structure of the industry which would have been necessary to take full advantage of the latest developments in mining technique. On the face of it, the situation created by the deliberate cartelisation of the industry from 1930 onwards directly conflicted with the needs of industrial efficiency. It is worth considering how this came about.

The Coal Mines Reorganisation Act of 1926 had been intended to increase the tendency towards the amalgamation of concerns which already existed in the industry but which was developing very slowly. The initiative was expected to come from the industry; but it was not forthcoming, and if it had been, the conditions to be satisfied before the Railway and Canal Commission would have been found impossible. The Commission was enjoined not to confirm any scheme unless it was in the national interest to do so, and in the case of an amalgamation scheme unless (i) the scheme would reduce the cost of production or disposal of coal, (ii) it would not be financially injurious to any of the undertakings concerned, (iii) it was so drafted that the terms of the scheme were fair and equitable to all the persons concerned. In the absence of any will to amalgamate among the colliery companies, such conditions made compulsory amalgamations impossible and were no doubt intended to do so.

The Coal Mines Act of 1930, in its second part, took up the matter again to the extent of creating a Coal Mines Reorganisation Commission consisting of five commissioners appointed by the Board of Trade. This Commission could itself draft schemes, although it was supposed to do its main work by promoting and assisting schemes within the industry. The conditions to be satisfied were still the exceedingly difficult ones of 1926. The Mining Association's attitude was sufficiently expressed by its request to the Government of the day,

in October 1931, that the Commission be dissolved. This was refused and the Commission took up its work, but among so many difficulties that in 1935 the Government temporarily suspended its activities and reviewed its powers. A new Coal Mines Bill was introduced the next year, which would have abolished the conditions imposed upon the Commission by the law of 1930. The opposition of the Mining Association and of the Federation of British Industries was extreme; the Bill was withdrawn and the reorganisation section of the Coal Act 1938 took its place. This Act transferred the functions of the Coal Mines Reorganisation Commission to the new Coal Commission, which took over royalty rights in the coal at the same time. The powers of compulsory amalgamation which had been granted by the Coal Mines Act 1930 were slightly increased, but the Commission's work on such schemes was postponed until 1st January 1940. The Commission's activity in this respect lay dormant throughout the war, and it was only in its last few months that the Coalition Government's proposals for the coal industry revived the question of the compulsory formation of larger undertakings.<sup>1</sup>

Reorganisation of the coal industry by law had only one achievement to its credit during the whole twenty years between the wars, if we except the 1930 Act which did not affect its fundamental structure. One major problem was disposed of after much delay. This was the question of the ownership of the unworked coal. The Coal Act 1938 provided for the unification of coal royalties in the hands of the State by the payment of a compensation sum of £66½ millions to private owners. The controlling body became the Coal Commission. This move brought British law into line with that of most other coal-possessing countries, but its bearing on the efficiency of the industry was only indirect. The attempt to make the operations of coal-mining conform to the rights and boundaries of private estates on the surface had injuriously affected the lay-out of pits and stood in the way of necessary developments; but no immediate opening for reform was provided by this Act, since, broadly speaking, coal leases in force at the time of the transfer continued in force unaltered except by the change of lessor. The transfer was in any case not completed until 1942.<sup>2</sup>

Meanwhile the structure of the industry was not, of course, wholly immovable. Closing down of pits and amalgamation of concerns was forced on the industry, especially in some parts of the country, by the trend of costs and prices. Thus there were large amalgamations in South Wales and Lancashire in the years of chronic depression from

<sup>1</sup> *Coal Mines Reorganisation Commission Reports to the Secretary for Mines; Eighteenth Annual Report of the Secretary for Mines*; J. H. Jones, op. cit. pp. 120-7.

<sup>2</sup> *Eighteenth Annual Report of the Secretary for Mines* (1940); *The Economist*, 2nd May 1942; Cmd. 6610, para. 169.

1929 to 1933.<sup>1</sup> But important as these were locally, they left the general picture of an old industry full of many undertakings and many pits substantially unaltered. Meanwhile the whole question of the proper economic size of the undertaking was assuming a different shape from that which it wore in the twenties, owing to the increasing pace of the technical revolution.<sup>2</sup>

The aim of the mining engineer was coming to be the mechanisation of the actual process of coal winning. This meant that he must do three things if the job were to be complete:

- (i) cut coal at the face with machinery, instead of by the hand pick;
- (ii) remove the coal from the working place by machinery, i.e., by conveyor, to a place where it could be got away to the shaft by the main haulage system of the mine;
- (iii) load the coal cut by the machine on to the conveyor not by hand shovelling but by power machinery.

The coal-cutter, the pneumatic pick and the conveyor were already known and were coming into the pits in numbers in the early inter-war years; but the power-loader is essential to complete the process of mechanised coal winning. In all countries the power-loader came late, owing to the technical difficulties involved. Later still came the machine which both cuts and loads—a most remarkable machine, but without practical importance in Great Britain before 1939.

Mechanical coal-cutting and conveying increased rapidly between the wars. Between 1927 and 1939 tonnage of coal mechanically cut per annum rose from 58·5 to 142·2 million tons. The tonnage mechanically conveyed at the face was increased from 28 (in 1928) to 134 million tons over the same period.<sup>3</sup> These were striking developments. Coal-mining as the nineteenth century had known it was going out and with it the old-fashioned miner, owner and mine official. But those who knew the coal-fields abroad, where the mechanisation of the coal-face and the improvement of roadways were being rapidly adopted about the same time, were less satisfied.

<sup>1</sup> The process of voluntary amalgamation can be studied in the *Industrial Surveys* of South Wales and the north-east coast prepared for the Board of Trade by the Universities in those parts in 1932; and in the *Eighteenth Annual Report of the Secretary for Mines* (1940).

<sup>2</sup> This is a matter on which a flood of light was thrown during the war by the publication of the Report of the Technical Advisory Committee of the Ministry of Fuel and Power, better known as the Reid Report from the name of the chairman of that committee, Mr. (now Sir) Charles Reid. It appears a serious reflection both on the conduct of the industry and upon the governments of the inter-war period that no such systematic investigation into the state of mining technique at home and abroad was carried out during those years. The remarks which follow lean heavily on the Reid Report, already quoted above in other connections.

<sup>3</sup> C.md. 6610, paras. 36, 38.

Productivity was going up, but slowly and unevenly. The 1914 level of output per manshift in British mines was reached again and slightly exceeded in 1927. It continued to advance slowly but steadily, except for a slight setback in 1930-31, till 1936.<sup>1</sup> In 1927, output per manshift for all persons employed both above and below ground had been 20·61 cwt. By 1936 this was up to 23·54 cwt. There was a falling off in later years, as there was in other countries at the same time, and the figure for 1939 was 22·88 cwt. That is to say, there had been an increase of eleven per cent. in the efficiency of the industry, measured in this way, since 1927.

There were big differences, however, between the various fields, as analysis of the national average shows. Thus in Scotland during this period output per manshift fell by a fraction, despite a considerable increase of mechanical coal-cutting and conveying and notwithstanding that output per manshift at the face jumped up from 56 to 76 cwt. Meanwhile, Warwickshire and Staffordshire and the big Midland (Amalgamated) District, composed of Yorkshire, Derbyshire, Nottinghamshire and Leicester, caught up and improved upon the output per manshift in the old exporting fields, namely, Durham, South Wales, Scotland and Northumberland. These older fields 'achieved little or nothing in the way of increased output per manshift during the twelve years under review'.<sup>2</sup> Such differences were in part due to natural conditions, in part to the age of the workings. The advance of the Midland district, which possesses large reserves of coal and many large modern pits, had been foreseen by the Royal Commission on the industry in 1925. But in the opinion of experts some of the unevenness of technical advance might have been avoided.

To cut a long story short, the pace was hotter abroad. From 1925 onwards a big gap in relative efficiency, which was not altogether due to differences of natural conditions, had opened between Great Britain and some other countries. In 1925, output per manshift in this country, while it had slipped a little behind the German (Ruhr) output, had been ahead of the Dutch and not far behind the Polish.

By 1936, the German output was 1,710 kg.; the British, 1,195; the Dutch, 1,781; the Polish (in Eastern Upper Silesia), 2,073. By this test there had been an increase of productivity between 1913 and 1936, as the International Labour Office Committee pointed out, of at least 117 per cent. in Holland; of 81 per cent. in the Ruhr; of 73 per cent. in Poland; of 50-51 per cent. in Belgium and Czecho-

<sup>1</sup> *Ibid.*, para. 44.

<sup>2</sup> Cmd. 6610, paras. 44, 45. By far the best sources of information on regional matters are the *Regional Survey Reports*, published by the Stationery Office in several volumes for the Ministry of Fuel and Power and for the Scottish Office in 1944 and 1945. They vary in quality but are indispensable, covering as they do all the coal-fields in great detail.

slovakia; of 22–25 per cent. in the United States bituminous industry, and in France; and of 10 per cent. in Great Britain.<sup>1</sup>

These figures are chiefly significant when taken in conjunction with the opinion expressed by the Reid Committee in 1944 that the idea of intensive mechanised mining, which began to come into the British coal industry in the twenties, never developed as it might and should have done; whereas some coal industries abroad went in the same years through a veritable revolution in their methods. The British coal industry was more mechanised than ever before in 1939; but compared with the Continental fields it was more technically obsolescent than it had ever been. This is a singular and disheartening conclusion. One has, of course, to remember the comparatively high efficiency of the British industry until 1925. It appears to be the ancient story that those who have been successful are tempted to try to go on being successful in the old way until new conditions make this impossible. The Continental and American engineers appear to have scored their biggest success in devising new methods of underground haulage. They often could not take the roads through the coal but were forced to drive them straight through the solid rock until the coal was reached. This gave them a direct hard road suitable for locomotion, the beginning of that advanced system of locomotive haulage below-ground which widened the whole conception of mechanised coal-mining and which became the means to an outstanding saving of human labour.

Mechanised mining requires, of course, a specially trained kind of mineworker and official to run it. A start was made in this direction at particular pits between the wars, but the trend of events was making indispensable comprehensive training schemes for the industry as a whole such as were worked out in Holland and Germany during that period, together with a complete departure from many practices and old preconceptions on the part both of the workers and the managements. A thorough overhaul of British mining methods would have required for its success radical changes in the method of wages payment throughout the industry, such as were not attempted until 1944 under the stress of war, as well as a much more forthcoming attitude towards the use of machines on the part of the workers. But here the movement towards technical reform struck upon the miner's memories of long years of unemployment and under-employment and upon his deep-rooted suspicion of the mine managements. The owners, too, were not without their suspicions. They had not always much confidence either in themselves or their industry; the fear that the mines might one day pass to the State made some unwilling to invest, when investment was most needed and when bold investment

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<sup>1</sup> *World Coal-Mining Industry* (International Labour Office, Geneva, 1938), I, 108–9.



might possibly have averted the object of their fears. In a word, great changes, mental and moral, were necessary prerequisites to the successful use of the new methods and they were either not forthcoming at all or were not on the scale which the situation required.<sup>1</sup>

Such was, in 1939, the British coal-mining industry. Few industries were more characteristically British, whether one considers the wide distribution of the coal-fields, the numbers employed or the position which coal occupied in the internal and external trade of the country. And it might be added that no one, in his virtues and loyalties, faults and shortcomings, was more typical of the nation to whom he belonged than the ordinary mineworker or colliery-official. Of the qualities on which the war made so heavy a drain, of patriotism and public spirit, it is hard to speak, but there is good reason to think that the mine-working community was the equal in this respect of any other part of the nation. It is important, however, to remember that the coalminer worked under very special conditions. His view of the nation's affairs was limited by the circumstances of the industry which he served and the character of the community, often singularly isolated, in which he lived. In 1939, the coal industry had been struggling for many years with difficult, sometimes overwhelming, problems and the inhabitants of the mining villages bore many traces of the conflict. A long and often a losing battle had left moral and intellectual scars in thousands of individuals, no less real and sometimes much longer lasting than the physical injuries which are so common upon the coal-fields. The experience of an unfortunate generation had deeply affected the thinking and the emotions of everyone connected with the mines.

The coal-mining of 1939 was not unprofitable but, unlike that of 1914, it was depressed and contracting. Apart from its immediate difficulties, including the bad state of its industrial relations, it was faced by two developing problems. Firstly, after many years of heavy unemployment and low wages, the industry was nearing the time when it would have to take special measures to attract the labour which it needed, if it were to counteract the effects of the retirement of older men and the increasing disinclination of the young to enter it. Secondly, the efficiency of coal-mining labour was coming to be below the best standards of current mining practice and to raise it would require heavy capital investment and a thorough overhaul of organisation and technique. The money wanted for this purpose could come only to a limited extent from the colliery companies, while the outside investor was chary of touching enterprises which had a name for unprofitability and embittered industrial relations.

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<sup>1</sup> On all these matters, the Reid Report (Cmd. 6610) is detailed and illuminating. The *First Report of the Committee on the Recruitment of Juveniles in the Coal-Mining Industry* (1942) also throws a strong light on the inter-war years.

Without the money, the industry must remain unmodernised, the efficiency of its labour and the standard of life of the miner low.

Vicious circles of this kind had been seen before and at some periods of history have existed upon a scale even more awe-inspiring than the deep troubles of the British coal-fields in the nineteen-twenties and thirties. There is no valid reason, however, to suppose that the problems of the industry were insoluble notwithstanding the great and constantly changing complication of the coal-mining depression. But it was becoming clear that the mines could never afford a decent standard of life to so great a mass of the nation as had lived directly by them in the past. This was partly because of the changes in the economic conditions of coal-mining which have been discussed above and partly because the coal industry had reached an era of heightened expectations and of altered notions of a decent living among work-people as a whole. The long-standing social problem of the coal-fields stood out all the more clearly, partly from the current depression of the industry and partly from the more conscious judgement which the mineworker now brought to his condition. A persistent and confused conflict was going on between what the mine managements and the mineworker and the vague mass of public opinion deemed right and proper and what actually existed. From this conflict the three parties concerned often enough found relief by throwing the whole blame upon one another. Such proceedings, of course, carried nobody anywhere. Meanwhile, the abiding sense of economic and social inferiority among the mineworkers, half-rational, half-irrational, was a constant irritant in relations with the managements. It was a powerful solvent of loyalty to the industry and the job among the younger men and it was a latent threat to the wider solidarity of the nation, from the conflict between the miner's undoubted patriotism and his strong sense of wrongs unremedied. More perhaps than most industries the coal industry represented, in September 1939, the testing-ground for the weaknesses of British economy and society.

## CHAPTER II

# THE PLANS FOR THE WAR-TIME PRODUCTION AND DISTRIBUTION OF COAL

(i)

### The Estimates

**T**HE question of the capacity of the coal industry to meet the demands of a future war was first raised by the Minister for the Co-ordination of Defence, Sir Thomas Inskip, M.P., in a letter to the then Secretary for Mines, Captain H. Crookshank, M.P., in October 1936. The Mines Department examined the problem and by December their calculations were in the Defence Minister's hands.

The bald estimates of probable war-time demand which were then made ran as follows:

<i>Shipment</i>	Millions of tons per annum
Export . . . . .	40
Coal equivalent of coke and briquette exports . . . . .	4
Foreign bunkers . . . . .	15
<i>Inland</i>	
Gas . . . . .	21
Electricity . . . . .	18
Railways . . . . .	15
Ironwork blast furnaces . . . . .	16
Iron and steel . . . . .	10
Royal Navy . . . . .	10
Balance (various requirements) . . . . .	100
Collieries' own requirements . . . . .	14
Shipments to Northern Ireland . . . . .	4
<b>TOTAL . . . . .</b>	<b><u>267</u></b>

To meet this demand, the capacity of the mines, it was reckoned, could be increased to a figure between 270 and 280 million tons per annum. From this it was concluded that the capacity of the industry could be relied upon to meet the strain which war demands would throw upon it.

These estimates were revised a few months before war broke out, in June 1939. It proved necessary to overhaul the estimate of capacity. The coal industry had investigated its resources afresh since 1936 and concluded that annual output if the existing number

of workers of the industry were maintained, but no additional workers were put on, would be about 243 million tons. If the additional labour could be found to work it—a very big if, under the conditions of modern war—there was additional capacity for 42 million tons, making a total of 285 million tons per annum.

On the demand side, the Admiralty had by 1939 reduced their probable requirements by ten million tons from the 1936 estimate. Against this had to be set the doubt whether the 40 million tons then allowed for exports was enough. The French demand alone, it was now known, would be for 20 million tons. Furthermore, the Treasury had been hammering home the importance of exports to obtain supplies of foreign exchange and the Foreign Office the uses of coal as a bargaining counter with neutral powers. On the whole, it looked as if the over-estimate of Admiralty needs would be outweighed, if and when war came, by the need to export. It could, therefore, still be assumed that the total war-time demand would be of the order of 260 to 270 million tons per annum. The original estimates of demand had been calculated generously and it was believed that there was a considerable margin of safety hidden within them. But the fact remained that, given the existing number of workers, estimated output fell short of estimated demand by over 20 million tons.

The vital factor in the estimation of capacity was, therefore, manpower. This was not only a question of full employment of the available labour but also of a full working week. The estimates of what could be done had assumed indeed that three conditions would be fulfilled: (1) the existing labour force would be maintained; (2) additional labour of the types required would be available if wanted; (3) all mines would work a full week ( $5\frac{1}{2}$  or 6 days according to local custom) without interruption. Only if these conditions were observed would the actual production of the mines be equal to their estimated production.

Important conclusions followed from this. It would be necessary to resist as far as possible the recruitment of miners for the forces. Only in this way could the kind of situation be avoided which had arisen in the First World War when the recruitment of a high proportion of the miners of military age to the Army, mostly in the latter months of 1914, caused production to fall off so that men had later to be released from the colours.<sup>1</sup>

It would not, however, be enough only to oppose any withdrawal of labour for the forces. There was already a shortage of skilled labour in some mining districts. Even if it were assumed that the industry managed to keep its hands upon three-quarters of a million workers successfully, further skilled or semi-skilled men would probably need

<sup>1</sup> Sir Richard Redmayne, *The British Coal-Mining Industry during the War*, pp. 13, 196.

to be found. There was also absenteeism to be encountered. It had been reckoned that the physical capacity of the industry would be equal to demand if it not only retained all its labour but used all its labour to the full. The experience of the First World War, however, had shown that the more work there is, the more absenteeism. This factor alone, between 1914-18, had been responsible for the loss of many manshifts, and in any future war would operate again. The estimate of production, in assuming that a full week would be worked, was to that extent unrealistic.

There was one possibility of adjustment on the output side of the balance sheet. If production were not disorganised from the start by the calling of miners to the colours, there might be opportunity later on to substitute more machine-mining for hand-mining and so set free some of the huge mass of labour locked up in the industry. Part at least of the fall in the number of persons employed in or about the coal-mines, from 1,116,000 in 1914 to 769,000 in 1935, had been due to increased mechanisation below-ground and the increase in output per manshift which followed. How far this revolution in the technique of British coal-mining, which was still going on, and which marked a complete change from the methods of 1914, could be turned to account under war conditions was a difficult question. The broad and perhaps inevitably vague answer had to be, that it depended on a number of things, not all of which could be foreseen. Hand-mining is moderately flexible. More men can be fitted in at the face, often without difficulty, to produce an immediate increase of output, and so long as the bigger tonnage can be handled by the transport below and above ground all goes well. Machine-mining demands much more planning and organisation. It requires ample power; the supply of machines and machine parts of many different kinds, and skilled labour of a more diversified type than hand-mining needs, such as electricians, mechanics and fitters. And, of course, even if all these things are forthcoming, there are mines and even whole districts, such as South Wales, where machine-mining is difficult or impossible, owing to the geological conditions to be encountered.

The extent to which machine-mining could be pushed under the stress of war was held to be a largely unknown factor. Hence it did not enter into the plans. These plans assumed the continuation of existing production methods and the retention and full use of whatever labour the industry might possess when war broke out. The pits actually employed on average 787,000 persons during the year 1938, which was an increase on the numbers in 1935.<sup>1</sup> Whether so many could be retained in the face of the military and other demands of total war remained to be seen.

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<sup>1</sup> *Eighteenth Annual Report of the Secretary for Mines (1940)*, Appendix A, Table 13.

The task of the coal industry at war would therefore be two-fold. It had to translate its productive capacity into actual production and to raise production at least to an equality with essential demands. The first achievement could only be reached if certain conditions were fulfilled as regarded manpower and the length of the working week. But even if this were done, the output of coal would still fall short of estimated demands by 20 million tons a year. Did this mean that essential demands could not be met?

The answer obviously depends on a definition of essential demand and its application to the known demands for coal. The probable demands of some consumers were fairly closely calculable and might be described on almost any definition as essential. What the gas and electrical industries and the railways would want could, for example, be reckoned with some confidence. But there were parts of the field where the available statistics were far from satisfactory. This was especially true as regarded, for example, the size and distribution of coal stocks including household stocks throughout the country at any given time of the year or the rate of consumption among general manufacturing industries, outside of such large and important consumers as the public utilities, the railways and the steel industry. Not only were there these big gaps in knowledge of the existing situation, but there were also no detailed particulars of consumption in the war of 1914-18 to give a guide to what might or ought to happen in another war.

Just as in making the estimate of coal production it was necessary to make certain assumptions about the number of workers in the mines and the length of the week they would work, so it was necessary to make some assumptions about demand. Whether one thought that war supplies would equal war demand depended on those assumptions, as much as upon a knowledge of ordinary peace-time consumption. In the first place, the official view was that the estimates of demand contained a generous margin of safety and that some consumers, notably domestic, could be made to reduce their demand without hardship. Secondly, certain classes of exports could be cut if need be without serious harm to the national war effort, if supplies ran short. There was one vital exception to be made here, which grew more important as the political connection between this country and France grew closer just before the war. French demands for coal must be satisfied in any war in which France was our ally and they were large, for France is at any time far from self-supporting in coal.

The French problem grew more important as the war approached and French requirements became known in some detail, after 1938. It became obvious that they would throw a great strain upon British coal supplies. This decided the Mines Department to lay plans for

the rationing of the domestic coal consumer, as well as of gas and electricity, such plans to be put into effect as soon as war broke out. The amount of coal saved by rationing was to be set off against French requirements. The remainder of British supplies it was believed would be equal to British industrial demand, when this was once sorted out by a scale of priorities, arranged according to national needs.

The aggregate of demands for coal is at any time an aggregate of demands not only from particular industries but also for particular kinds of coal. Here again conditions were changing from those of the First World War. While machinery was economising the labour in which coal-mining had always been so lavish, fuel efficiency was beginning to make some headway against the equal wastefulness of the consumer and especially of the industrial consumer. Much of the demand for coal was now for particular sizes and qualities for consumption in specially constructed furnaces, as the most economical form of use. There was still much steam-raising plant in the country which could burn a wide range of fuel without any difficulty, although with much waste. But the gas companies, for example, would need gas coal and the railways would require locomotive coal; while the iron and steel industry must have coking coal in the needed quantities. There was a quality as well as a quantity aspect of war demand. To see that the special types of fuel most wanted in war were raised by the pits and sent where they were most needed, under some system of priorities, was an important problem. This required for its solution a flexible system of transport, which could if necessary be switched about to serve unaccustomed sources of supply and new centres of demand. Such problems concerned among other industries the London public utilities.

The pre-war estimates, as a whole, obviously lacked a good deal of the precision which is desirable in calculations upon which much depends. Much detailed knowledge of the consumption of coal, especially, was only forthcoming later under stress of the war itself. It was not until the statistical services of the Mines Department were reorganised and expanded upon a great scale after 1941 that much of the exact information became available which was indispensable for the purposes of control. This statistical failing was not peculiar to the organisation of the Mines Department; it was an example of the impoverished state of statistical services which was general in the British governmental machine before 1939 and which the war was to find out. None the less, it was a grave handicap to any precise and comprehensive forecasting of the potential problems of coal control in war-time.

Time was to show that the forecasts of 1936 and 1939 represented a decided over-estimate both of the productivity of the mines under

war conditions and of the scale of essential national demand. At no time during the war did the output of the mines reach the figure of 243 million tons per annum, a figure which had no doubt been accepted as possible in 1939 because it was only a little way above the production achieved a year or two before, in 1937. The highest output of any war year was in 1940, when the mines turned out 224 million tons. Every subsequent year saw a steady decline, until in 1945, the last year of the war, output was down to 183 million tons.

These supplies obviously fell far short of the quantity expected. Fortunately for the nation, the experience of the war showed that many claims upon the national output which were judged indispensable before the war began could be and must be foregone without grave injury to the nation's war effort. The official belief that requirements had been over-estimated proved to be correct, although to an extent far beyond anything which had been expected. In the result, even the restricted war supplies of coal sufficed to keep running a machinery of war production which produced a bigger mass of munitions than the machinery of 1914-18. It is true that this was not done without much trouble and contrivance; the shifts and devices which had to be adopted at various times during the war will form a large part of the subject of this book.

One potential difficulty of great magnitude was the organisation under war conditions of coal supplies to public utility undertakings. This was a matter of vital importance both for the ordinary livelihood of the citizen and the output of munitions. Early in 1937, a committee was set on foot by the Mines Department, acting in conjunction with the Board of Trade and Ministry of Transport, to examine it. The problem of public utility supply was bound up with the general prospects of railway facilities for moving coal in war-time, when alternative transport might have to be found for great quantities of coal which normally move by sea off the east coast. So the committee examined both things together.

The problem of the public utility undertakings was conceived to be in the main one of those which were situated in the parts of the kingdom most exposed to violent air attack, where heavy damage to ports might upset in whole or in part ordinary coastwise supplies. The line was first drawn, for the sake of rapid investigation, from Hull to Bournemouth. East of this line the most vulnerable and enormous target was London. The London public utilities, that is to say, the gas, electricity, water and sewage undertakings, the London Passenger Transport Board and the London Hydraulic Power Company were known to consume every year on average  $10\frac{1}{4}$  million tons of coal. Some  $9\frac{1}{4}$  million tons of this were normally supplied by sea, mainly from ports on the north-east coast, being part of a coal trade



by sea between the southern and northern parts of the kingdom which was centuries old and had grown rather than diminished with time. It looked probable that a great part, if not the whole, of this seaborne movement might be cut off almost as soon as war began. Yet, somehow or other, these essential wants must be filled; how was this to be done?

The persons most closely concerned with the London supplies, outside the public utilities, were the railway managements and the Port of London Authority. The question largely resolved itself into an examination of the one alternative form of transport which could cope at short notice with large quantities of so bulky a commodity as coal, namely, the railways. A census of railway wagons taken at the end of 1937 appeared to show that the position was less difficult than had been feared. If all private mineral wagons were pooled with railway-owned rolling stock, the railway managements were of opinion that they could shoulder the extra burden of the diverted coal. A scheme was worked out to handle the whole of the London public utility requirements in coal by rail and barge, on the assumption that the Port of London might be entirely closed to coal-ships, perhaps to all other ships as well. The scheme was approved by the Committee of Imperial Defence, the collieries and public utility undertakings were informed of the particulars and in the summer of 1939 it could be said that the scheme was ready to go into operation in whole or in part when the need arose.

Towards the end of August that year, the committee were able to report progress as follows:

- (1) The London scheme was prepared and had been approved by the Committee of Imperial Defence.
- (2) Plans of the same type were being considered to ensure the coal supplies of the principal public utilities situated east of the Hull-Bournemouth line, outside of London. These plans had not yet been reported to the Committee of Imperial Defence; but the railways had expressed themselves satisfied that they could carry all the coal then passing by sea.
- (3) Coal supplies to the public utilities of west and south-west England, which were beyond the Hull-Bournemouth line and which lay at the same time far from the main coal-fields, were being examined by another committee which had been set up by the Mines Department, called the Trade or Alternative Coal Supplies Committee. This committee was composed of representatives of the larger coal-distributing firms in London and it had as its first duty the preparation of a scheme to ensure coal supplies to the essential industries on the Thames and Medway, on the lines of the scheme for the London public utilities. It had extended its field of enquiry to the west and south-west of England and consequently took in the public utility undertakings beyond Poole.

- (4) As part and parcel of the big scheme for supplying the London and southern public utilities, the facilities for discharging and handling Welsh coal at the Somerset ports were being examined, with the idea of lessening any risk of congestion of traffic in the Severn Tunnel.
- (5) The Severn Tunnel question was an important aspect of the London scheme. The Trade Committee had also raised a query about that scheme. They were inclined to doubt whether the principle that coal should be supplied from the nearest coal-field producing the suitable quantities would invariably lessen transport difficulties; they thought it might sometimes add to them and preferred as distributors to stick as far as possible to the usual channels of trade. The technical argument largely concerned Durham coal and the question whether this should be railed direct to London rather than, say, sent across to Lancashire to replace Midland coal, if that were called on for London use. The railwaymen had got as far as agreeing in the abstract that direct transport even from so far north as Durham might in some cases be preferable, but they had yet to examine the details.
- (6) The number of railway wagons available to carry minerals appeared satisfactory, on two conditions; first, that privately-owned wagons were pooled with company wagons, and secondly, that reasonable demurrage charges were imposed to prevent delays. The Ministry of Transport were understood to have this matter in hand.

The problem which has been described here was on the face of it one of transport rather than of coal supplies and distribution. It was, in fact, part of a network of problems which cut across the departmental boundaries and presented administrative difficulties, proportioned to their complicated and far-reaching nature. The expectation that the railways would be able to cope with all diverted seaborne traffic and that normal trade channels of supply could be left for the most part undisturbed turned out to be ill-founded. The border line between the transport of coal and its production and distribution proved to be fertile of difficulties, some of them grave. It was the scene of a crisis in 1940, which required the intervention of the Cabinet, and as that crisis and intervention materially affected the evolution of the coal control, the schemes drawn in the pre-war days have here been given attention. But large as the problems were with which they were intended to deal, they covered a minor part of the whole vast field of coal production and distribution. It is necessary, therefore, to turn from the special question of the supplies of the public utilities to the general principles and machinery which were adopted in setting up the war-time control for coal.

## (ii)

## The Mechanism of Control

From the calculations of prospective supply and demand, it was judged that the prime business of the national administration in relation to coal in war-time would be to secure that adequate supplies of the required qualities were promptly forthcoming when and where required for service purposes and for essential industries at home and for export and ships' bunkers; and that, failing full supplies for other industrial and for domestic purposes, there was equitable distribution of whatever fuel was available. If domestic coal had to be rationed, it would also be essential to see that there were supplies to meet the ration. In a word, it was assumed that the pits would sell every ton of coal they could raise and the Government's main care would be to supervise its fair and effectual distribution.

All this implied some provision for control over at least four things; supplies, prices, home consumption and exports. The administrative question was, what form this control should take? But the answer to this question could not be detached from politics, and it is easy to see how this came to be so. An acute political issue had been raised just after the First World War by the miner's demand for the nationalisation of the industry. That demand had added bitterness to the great dispute of the twenties, and although the miners had been beaten then on the immediate issues of wages and hours, they had never as an organised body with political principles altered their desire for public ownership of the industry or the colliery companies their determined opposition to it. Besides, for years past wages in the industry had been settled with very close reference to proceeds by a method of ascertainment which was peculiar to it, and this system was thought too deeply rooted to be easily changed. The coalminer's wages consisted, generally speaking, of two parts, a basis wage which was usually a piece-work rate for face and other contract workers, and a day wage for others, varying with the district in amount, and a so-called percentage addition, which was determined according to the proceeds of sales, the owners taking a certain proportion and the men another, under district arrangements. The proceeds which settled the percentage addition clearly stood in a close relationship to prices. Direct statutory control of coal prices would, therefore, turn almost inevitably into Government control of mining wages. This would mean, in effect, that the State would take entire financial control, settling both wages and profits, and when the war ended disputes between the companies and the men would almost certainly take place on the lines of those which rent the industry after the last

war, when the course of Government control had followed exactly this path from price-fixing to full financial responsibility. So at least the official arguments ran and there was something to be said for the view that, if the issue of the public ownership of the industry must one day be squarely faced and settled, this way of raising it would hardly be a happy one.

There was a further point to be considered. An important difference had developed between the price problem as it presented itself in the coal industry in the First World War, and as it now appeared. In the war of 1914-18, it was vain to seek any agreement on prices with the many hundreds of independent collieries all competing hotly with one another; if prices were to be controlled at all, statutory direction was the only possible resort. But since the Coal Mines Act of 1930, there had been a body, or rather a whole series of bodies, controlling prices in the coal industry and enjoying statutory powers to do so. Was it not the thing to do, if statutory fixing of prices and all the forbidding consequences which it was thought might flow from them were to be avoided, to impose the duty of control upon the statutory authority already on the spot, using direct control only if indirect control failed?

The desire to avoid a political conflict and the need to reconcile the kind of industrial structure set up by the Coal Mines Act of 1930 with Government control were the prime considerations which were responsible for the system of indirect control which was ultimately adopted. They account, therefore, for a striking fact, that the coal control which it was proposed to work in the Second World War was less complete, in the sense that there was to be less direct exercise of statutory power, than had been found necessary even in the First World War. As it was worked from the beginning of the war down to 1942, the coal control was indeed modest compared with the emergency powers actually possessed by the Government under the Defence Regulations framed in 1939. The wide extensions of control which took place later required no new powers, but took place under authority to control the production, storage, transport and distribution of coal and to direct colliery undertakings in the conduct of their undertakings which had belonged to the Secretary for Mines under those Regulations since the beginning of the war.

Before we describe the actual mechanism which was prepared and which went into operation at the outbreak of war on 3rd September 1939, one consideration needs to be mentioned which had a shaping effect upon the organisation now created. This lay in the needs of civil defence. General plans had been prepared for the civil defence of Great Britain which divided the country into twelve regions and put each in charge of a Regional Commissioner. Responsible local officers of the various Services and Departments were intended to

constitute a general staff or advisory body to each Regional Commission. The general purpose was to carry the vital activities of the nation safe through the dislocating and isolating effects of violent air attack, the devastating potentialities of which were beginning to be guessed, if they were still imperfectly known. The plans for coal had to fit in with the general plans for civil defence. This was an additional reason for giving the coal control a highly decentralised form. The reason was subordinate, because the political problem, the intensely local character of the coal industry and the decision to work through the statutory selling schemes, which reflected in their own organisation those local differences, had already determined that the coal control would be of a decentralised kind. These things did not however conflict with the need of civil defence for an organisation which could, if necessary, keep going in bits and pieces.

The first, one might say the main, purpose of the control, was to deal with the heavy pressure on supplies and prices which was expected to be felt from the very outset of war and which might seriously upset that smooth distribution of coal which was the control's essential task. It was assumed that the output of the coal-fields would on the whole be equal to the demands of the home industries and of our allies at war. But there may be many a slip betwixt the cup and the lip even if the cup is full. The disorganisation and necessary rearrangement of the ordinary trading channels in the early months would be great. Supplies would fall short in this district or in that, for this kind of fuel or that, even if there were never at any time a question of fuel being generally short for essential demands. Someone was required to prevent breakdowns of supply and distribution. Someone was also required to prevent prices being pushed up to take advantage of these pressures and confusions. Someone again was needed to see that the wants of the big war industries were met, speedily and satisfactorily, according to a national system of priorities. So much needed to be done on the home front alone and even this did not complete the list of administrative essentials. Domestic consumers and some others whose wants could at a pinch be cut down, might, and probably would, have to be rationed in the interests of those demands which cannot be cut without danger in time of war. Officers and power to control such rationing were indispensable. Finally, there was the need for some person who would look after the demands which would pour in for export cargoes and bunkers and who would know what coal went out of the country and for what good reason.

It was decided to attack these problems by a decentralised control through officers stationed at the three critical points, in the coal-fields, the consuming areas and the ports. This plan required the

creation of three separate classes of officer, with different, although related, functions; first, Coal Supplies Officers in the coal-fields, charged with preventing any breakdown of supply or distribution at the pit-head; second, Divisional Coal Officers in the consuming areas, to deal with the problems of consumers who could not obtain supplies, or perhaps the right supplies at the right time; third, Coal Export Officers in the principal shipping districts to handle the entirely different problems of overseas supplies. Since these officers were the fingers and eyes of the coal control, their functions merit some further study.

The Coal Supplies Officer may be said to have held a watching brief to see that the distribution of coal from the pit-head was effected in accordance with public policy. He was to keep an eye upon the supply of coal for all purposes, and he was to ensure that the coal went to those who had a first claim upon it from the point of view of the national interest. The order of priority of consumers' needs was determined for him by a priority list furnished by headquarters and amended from time to time, if necessary, by an inter-departmental Coal Supplies Committee.

For the thorough discharge of his duties, it was necessary for him to keep himself informed of the state of output, disposals and colliery stocks in the area under his charge, and to take steps by consultation with all necessary persons to overcome any difficulty that might arise in the distribution of coal and coke from the pit-head and the coking ovens, whether this was destined for inland use, bunkers or export. The Divisional Coal Officers, who were to keep an eye on the difficulties of the consuming areas, and the Export Officers might call upon him for assistance, just as he might call upon them. Generally speaking, he was expected to solve his problems by superior knowledge and a word in the proper quarter at the proper time, without resort to compulsion; but in the last resort he did possess the power compulsorily to divert or requisition coal for urgent purposes.

The work of the Divisional Coal Officer was broadly complementary to that of the Coal Supplies Officer. While the one operated in the coal-field and was mainly concerned to see that supplies were, somehow or other, made available and if necessary directed where they should go, the other was to investigate and if possible remedy on the spot the consumers' just complaints. In deciding what complaints were or were not just, he was guided like the Coal Supplies Officer by the priority list. The kind of problems he was intended to tackle were, for example, to see that a district opening communal kitchens to feed evacuated people, or rest centres, received the extra coal it needed. Or he would iron out with the help of the Coal Supplies Officer or with the local Ministry of Transport representative, if roads were concerned, or with the local railway officials, if

the difficulty lay there, any local transport difficulties which might prevent supplies being moved to where they were wanted.

The Divisional Coal Officers fitted fairly closely into the scheme of national defence, since their regions corresponded with those of the Regional Commissioners for Civil Defence. Their position was, therefore, one of some importance, if heavy air attacks or invasion should come. They were assisted by a number of Assistant Divisional Coal Officers, who kept in touch with the state of stocks and requirements through advisory committees of the coal distribution trades, including the co-operative societies. Both the Divisional Coal Officers and their assistants possessed authority to requisition coal, but it was a power to be used only in the last resort, and in exceptional circumstances; for example, when cut off from headquarters and unable to obtain coal by other means.

As it was clear from the experience of the First World War that the free export of coal could not be permitted, it was decided to prohibit by law all exports of coal upon the outbreak of war, except by licence granted by the Board of Trade. There were two types of licences, open or general licences covering whole importing areas, and particular or individual licences, both issued by the Export Licensing Department of the Board of Trade. As far as possible, all exports were covered by general licence, which required the least machinery and interference with trade. Subject to licence, and to reference to headquarters in special difficulty, the Coal Export Officers were intended to act in the bulk of their business without reference to headquarters. All applications to export coal came in the first place to them and a certificate from them, whether granted with or without consultation with London, was necessary for the exporter to satisfy the Customs officials. The system did not apply to coal shipped coastwise, including shipments to Northern Ireland, for these were properly neither export cargoes nor bunkers but part of the inland trade. Nor did it apply to coal shipped as bunkers, except where the coal was going into the stocks for bunkering purposes at overseas depots, when it was obviously cargo coal and properly regarded as an export. Ships' bunkers were certificated by the Customs officials, who were instructed to keep the Coal Export Officers informed of what they authorised in this way. It needs perhaps scarcely be said that neither the Coal Export Officers nor the Customs Officers had the power to requisition coal, whether for export or any other purpose.

One further class of officer requires to be considered to complete this rapid sketch of the personnel of the coal control in its first, highly decentralised form. These were the Local Fuel Overseers, who were perhaps better known to the general public than any other of the officers named, but who were in fact only indirectly related to

the Mines Department's organisation, as they were actually appointed by the local government authorities, although their functions were from the first an essential part of the coal control.

Their office arose out of the precedents of the war of 1914-18, when compulsory rationing of coal, gas and electricity was introduced by the Household Fuel and Lighting Orders of 1918 and 1919. The duty of enforcing these orders had been laid upon the local authorities, acting through Local Fuel Overseers who reported direct to the Coal Controller, and through local fuel and lighting committees which were representative of the coal merchants and dealers and the gas and electricity undertakings.

In preparing for a new war, it was decided to create a similar rationing organisation, but to operate a rationing scheme less complicated and expensive to run than the Household Fuel and Lighting Order of 1918 had proved. It was assumed that the system of priorities enforced by the Coal Supplies Officers and Divisional Coal Officers upon producer and consumer respectively would make unnecessary the compulsory allocation of industrial coal. But it was thought it might become necessary at an early period of the war to ration, broadly speaking, all coal sold at retail. This required a decentralised type of rationing control.

Hence, the Local Fuel Overseer, who represented the administration of rationing by the local authorities acting in conjunction with the retail coal trade. His duty was to enforce the rationing order which it was intended would be promulgated as soon as war broke out. His specific duties were laid down in the order. He was assisted in carrying them out by a local advisory committee composed of persons drawn from the coal merchants and the gas and electricity trades.

The system of control which had been adopted was in the first place indirect, in the sense that it proposed to make the minimum use of statutory powers; in the second place, because it was highly decentralised. At the outbreak of war, the job of operating the control of the supply and distribution of coal was largely entrusted, outside of headquarters, to a Coal Supplies Officer stationed in each of the seventeen coal-fields (in the Midlands district, with the largest output in the country, two officers acted jointly as Coal Supplies Officers); to a Divisional Coal Officer in each of the twelve regions into which the country was divided for purposes of civil defence, and to a Coal Export Officer in each of the five great coal-shipping districts, with another in London; together with such assistants and advisory bodies as these officers possessed.

One important point remains to be considered before the question of machinery, in the narrow sense, is abandoned. It remains to examine the relation between the statutory cartel which had been



set up in the industry by the Coal Mines Act 1930 and the machinery of Government control established at the outbreak of war.

When the Mines Department first disclosed, in May 1938, their war plans to the central organisation of the cartel, the Central Council of Colliery Owners, that body was inclined to think that no control of prices, supplies and so forth was necessary beyond that which could quite well be administered by the Central Council and the District Executive Boards of the cartel itself. When, however, it had been made clear that the general policy of the Government required that control should be in the hands of the Government, the Council became anxious that the local officers should be drawn from the industry itself. It was finally agreed that the Divisional Coal Officers and Coal Export Officers must be appointed independently, but the Department accepted the proposal that the Coal Supplies Officers should be drawn from the District Executive Boards of the colliery-owners. This was done and the independent chairmen of the boards (independent, that is, so far as concerned any one colliery in their district, but of course members of the industry) became the Mines Department's Coal Supplies Officers. The salaries of these officers while they were in Government service were paid not by the Department, but by the Boards.

The advantage of this arrangement was that the Coal Supplies Officers, so picked, possessed from the start a great familiarity with local conditions. Some of them proved themselves to be men of great ability and usefulness, with marked powers of initiative. Others were not outstanding in any way. They stood, of course, in very close relation with the machinery of the cartel. The Coal Supplies Officers were in fact required by instructions from the Department to keep in the closest possible touch with the local District Executive Boards. These in turn were furnished with the priority list and they acted towards the Coal Supplies Officer in an advisory capacity. This collaboration was subject to the condition that the Boards did nothing to hamper output and supply and it became part of the Coal Supplies Officers' duties to report any such action which they were unable to put right themselves, when the Department could exercise its powers to amend the statutory schemes.

The disadvantages of the arrangement are as obvious as its advantages. It is not necessary at the moment to review the success of this method of appointing and paying the personnel of a Government control, but it was likely, especially in the event of any failure of the control to handle prices and supplies successfully, to rouse public misconceptions and suspicions.<sup>1</sup> It is because these public criticisms

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<sup>1</sup> For criticism of the arrangement in a responsible quarter see *The Economist* for 11th April 1942. The Central Council's account of how the arrangement came to be made is to be found in the letter of Mr. W. A. Lee, Director of the Mining Association, to that journal, published in their issue of 25th April 1942.

had later to be encountered when coal supplies began to run short that space has been devoted to what is otherwise a small matter of detail in the general picture of the setting up of the control.

The organisation which has been thus summarily described formed the machinery of the coal control as this was run by the Mines Department from September 1939 to mid-summer 1942 when the Ministry of Fuel and Power and its Regional Organisation came into being. There was little change in the machinery during those early years of the war, although a profound alteration took place in the problems which faced the control and the spirit in which it approached them.

One important addition was made to the administrative structure in the autumn of 1941 which must be mentioned, partly because it is important that the change which took place then shall not be confused with the Regional Organisation of the later Ministry of Fuel and Power. By that time, officers concerned with fuel and power questions were becoming somewhat numerous in every Civil Defence Region of the country. There were in each Region the Divisional Coal Officer and the House Coal Officer, later to be described, of the Mines Department; the Divisional Petroleum Officer and Regional Manager of the Petroleum Board; advisers representing electricity and gas interests and, in coal-producing regions, coal supplies also.

The need for some co-ordination in the event of devastating air raids or invasion was urgent. The President of the Board of Trade, at that time Sir Andrew Duncan, was now in a position to introduce it, since in that year by the transfer of the authority over electricity supply from the Minister of War Transport he became responsible for the whole range of the fuel, power and light industries. The President appointed in that autumn a Fuel and Power Controller in every Civil Defence Region of the country, some twelve in all. The business of the Controller was to see that the other officers worked in proper co-operation and to act himself as the link between these men and the industries they controlled and the Regional Commissioner for Civil Defence. The provision of plans for the handling of fuel and power supplies in an emergency was his special task and if the Civil Defence regional organisation had been called into action by invasion or air attack after 1941, the Fuel and Power Controller in each area would have taken charge under the Regional Commissioner, to whom he would then have become responsible.

The duties of the Fuel and Power Controller clearly lay rather far apart from those of the Coal Supplies Officers and other officials who have been described. They were at once far wider and much more specialised in that they were bent towards the problems of devastation by air and invasion. The fact that the emergency did not come did not make the office any less important. It was a defect of the

pre-war plans that they made no provision to link the coal control with the control of other fuel and power industries and all the fuel and power controls with the Regional Civil Defence system, as was now done at this rather late date during the war.

The best commentary upon the adequacy of the pre-war planning of the coal control, or for that matter of any other control, is to be found in the history of the control itself; it will soon appear, from a mere narrative of events, wherein the scheme fell short or succeeded. There are, however, one or two observations which may be made here.

They concern the general character of the plans. These were intended, it has been seen, to establish an indirect control of the industry, in the belief that normal peace-time methods of production and distribution would for the most part suffice and that the work of the control could be limited to watching for and eliminating the sort of distortions which war-time conditions might breed. Direct control of the operations of the mines, still more of their finances, was to be avoided.

The experience of the war proved that direct control was necessary in order to meet the problems which arose. The general direction of coal-mining operations, although not the day-to-day working of the mines, was assumed by the Government in 1942. In the latter half of the war, not only was the Government more and more concerned with the technical details and the labour relations of the industry, but it also took wide authority over the finances of coal-mining, owing to the institution and development of the Coal Charges Account, including just those questions of profits and wages which indirect control was designed to avoid.

These great developments were forced on by events some of which could not have been foreseen, such as the military disasters which overtook the Allies in 1940 and the peculiar effects which these had upon the state of employment in the coal-fields and the manpower of the industry, when the new Army was being built up. Others might, no doubt, have been anticipated. The main obstacle to dealing with them lay perhaps less in that lack of statistical knowledge which has been referred to than in the administrator's attempt to avoid precipitating a political conflict. This was not in the long run avoided, although it was postponed to the end of the war.

Judgement upon the general question of the adequacy of the control must, no doubt, properly be political as much as administrative and is outside the scope of an official history. From the administrative point of view, the plans for control are open to criticism, however, on points of detail which would appear to have been well within the scope even of a system of indirect control. Perhaps the best way of concluding this chapter, so as to bring out more clearly the outlines

of the general plan of control, while at the same time showing how opinions might legitimately differ, even at the time when the plans were laid, on the question of ways and means, will be to quote a contemporary but independent opinion upon them.

### (iii)

## The Economists and the Plans

Towards the end of July 1939, officials of the Mines Department described the stage which their plans and preparations had reached to Lord Stamp's committee, which was then engaged on a survey, on behalf of the Cabinet, of the national war plans throughout the economic and financial spheres. The evidence given sums up the preparations for control of coal supplies and distribution in their final pre-war phase. The comments of the economists who sat upon the committee—Lord Stamp, Mr. Henry Clay (now Sir Henry Clay), and Mr. Hubert Henderson (now Sir Hubert Henderson)—still possess interest, as throwing some light upon what was to come; although it will be seen that there was a good deal which neither they nor the officials foresaw or perhaps could have foreseen.

The officials pointed out that their plans assumed that in war an output of coal ten per cent. above the peace-time level would be required, if the known wants of France in the way of coal were to be satisfied and our other exports maintained in peace-time quantity. They had supposed that the usual exports to Germany would be directed to allied or neutral countries and that Italy would become an enemy.

The manpower question was capital. It was reckoned that even with the labour force that had been allowed for, that is to say, for the maintenance of the pre-war labour force, the production of the mines would only be sufficient for national war purposes at home and abroad if domestic consumption in the United Kingdom were reduced for twenty per cent. for as long as the war lasted. The labour plans had been laid in consultation with the Ministry of Labour. It was believed that the schedule of reserved occupations drafted in that Department would ensure labour sufficient to raise the production above peace-time levels by the requisite amount.

Other essential prerequisites of a high output were the maintenance of mining machinery and the supply of pit-props. The mines' requirements of steel had been notified to the Principal Supply Officers' Committee of the Committee of Imperial Defence. The Mines Department felt satisfied with the arrangements which had been come to. As for pit-props, it could be assumed that in time of war this

country would cease to receive pit-props from the Baltic. Alternative sources were being considered in Newfoundland, Labrador and New Brunswick, in France and Portugal, and at home. In peacetime, the pit-prop trade was highly seasonal. When stocks of props were highest, there was normally a nine months' supply in the country, but in the months between April and June stocks were always low. Steps had been taken by arrangement with the collieries and importers to increase stocks and the existing reserve was fairly substantial.

The distribution of coal had been considered, especially the great problem which would be created by the diversion of coastwise traffic from the east coast to the west. There appeared to be an adequate number of railway coal wagons available for the purpose and arrangements had been made to deal with demurrage, so as to reduce delays as much as possible.

The dominating coal requirement during the war, it was assumed, would be for export, owing to the inability of France to meet her own needs. To find enough coal for France, it would be necessary to restrict the consumption of coal on the inland market. Suitable priorities among the major coal users had been settled, although it was foreseen that a certain amount of discretion would have to be exercised by the local officers of the Mines Department, that is, the Coal Supplies Officers and Divisional Coal Officers, in applying the priority scheme. A system of rationing for domestic consumers would be introduced as soon as possible after war began, probably within a fortnight. This class of consumer would be required to register with merchants and they would only be allowed a percentage of the coal used by them in the corresponding quarter of the previous year. Electricity and gas would be rationed at the same time. Consumers' complaints would be dealt with by the Local Fuel Overseers.

The control of prices had been a problem. It had now been agreed, however, with the colliery-owners that the pit-head price of coal, which was the key price, would not be advanced without the consent of the Mines Department; so it was hoped to avoid statutory control of that price. The pit-head price would be the pre-war price, plus any supplements which seemed necessary to cover war-time increases of industrial costs. It was not possible to tackle retail prices in the same way, as the same high degree of organisation did not exist among the distributors, and statutory compulsion would probably be required. It was proposed to prohibit any increase in the price of coal in the first fourteen days of the war.

The officials felt that the control of prices was complicated by the large numbers of grades of coal in use, but they did not think it practicable to lessen them. They described to the Stamp committee the functions of the local officers who would be concerned with prices

and supplies and explained how the chief officials of the coal industry's marketing schemes would become officers of the Mines Department.

The important question of wages in the coal industry, it was explained, was dealt with in peace-time by Conciliation Officers appointed by the Mines Department, not by the Ministry of Labour. No change of method in war-time was contemplated. The unlucky experience of the Government in trying to settle wages in the coal industry in the period of control during and just after the last war was one reason, among others, why it was proposed not to take control of the mines in the present conflict. It was hoped that, in the absence of public control of the mines and given a firm control of the cost of living, demands for increased wages in the coal-fields could be avoided, which in turn would simplify the control of coal prices.

After prolonged consideration, Lord Stamp and his committee pronounced the scheme which had been explained to them as, on the whole, well designed to secure the maintenance of production and the distribution of coal under war conditions. It is true that they added the rather acid rider that the scheme seemed to them to show 'the usual dangerous regard for equitable distribution and the existing channels of trade'. Some examples may be given of what the committee meant by this latter criticism.

They thought production in war-time ought to be concentrated on the most efficient collieries and the most productive seams, instead of being distributed on an equitable basis among all producers, whatever their circumstances or efficiency. The raising of production was, they believed, not going to be an easy task. The experience of 1937, when the coal-fields were very active, had shown that it was not at all easy for unemployed miners to go back to work in an industry where working conditions, owing to mechanisation and other causes, were changing fast. If longer hours were to be worked, trade union consent would be needed. Some assistance in raising output might perhaps be hoped for from the greater efficiency obtainable by new boundaries to the workings, now that the coal was nationalised.

The committee pointed out that the production question had a bearing on price control which did not appear to have been foreseen. Even if additional output were forthcoming, a good deal of it would be at the expense of rising costs at the margin of production. What was to be done about prices then? Should the price of all coal be allowed to rise with marginal costs, or should the rise be confined by administrative device to certain classes of coal?

The assumption of the officials that, to squeeze out enough coal for export to France and elsewhere, not only must output be increased but also the less necessary types of home consumption must be reduced, seemed to the economists an inescapable conclusion from the

anticipated character of the war. And, of course, if exports were to be not only maintained but actually increased, domestic consumption must be pushed down still further. The committee were obliged to confess, however, that while it was obvious that exports of coal were important to this country for many reasons, whether as arguments in a political bargain, as barter for food and raw materials, or as a means to bring in foreign exchange, they were not clear what general export policy was contemplated by the Government in the event of war and where coal exports would fit into the framework of that policy.

As for the priorities proposed for the inland market, the committee were of the opinion that the priority list looked rational, although perhaps some of the lesser food industries might have been more ruthlessly treated. The scheme should work well enough when or where there was a temporary or a local shortage of supplies, which seemed to be its intention; if, for example, transport were dislocated in any district by an air raid. The general principle of any priority list should be to serve, first, strategic needs, secondly, the maintenance of civil life, thirdly, the prevention of the deterioration of goods. The priorities arranged seemed to stand up to this rough test of rationality. The committee enquired, however, where the coal priorities list fitted in with priorities being set up by other Government departments? Obviously, if raw materials or labour had once been allocated, it would be ridiculous to hold up production by restricting supplies of coal. How would possible conflicts of this sort be settled?

These were all very proper questions. The answers could not always come from the Mines Department, for the questions cut across departmental boundaries and went deep into general Government policy. The Mines Department had laid their plans, as they were requested, the economists had posed their questions, as was their duty. But the testing time of the plans had already arrived. The economists, on behalf of the Cabinet, were recording their final questions and comments upon the coal plans on the 14th September 1939. By that time, the war was already ten days old.





PART II

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The First Impact



## CHAPTER III

# THE TRANSITION TO WAR

(i)

### The First Year

**W**AR demands the rarest gift among those whose wish or duty it is to direct events, the gift of prescience; the ability to look through a brick wall, to know what is going on, in Wellington's phrase, on the other side of the hill, or to see, it may be, to the bottom of a mine. It would be surprising if the plans which had been formed by the Executive Branch of the Government to direct industry in its war-time task of producing and distributing coal when and where it was wanted had turned out to be completely successful. It is no secret that they failed in important directions. The question to be answered about such failures, whether for the sake of distributing responsibility or, as here, to reach an impartial understanding of what actually happened, is not whether schemes failed but whether they broke down from the operation of causes which might reasonably have been foreseen. When the question is put in this way, it becomes obviously more difficult to answer. It is true that eminent economists had pronounced the schemes in question on the whole well fitted to reach the desired end. Economists, however, have been known to err; besides, their views were delivered before the schemes had been put to the test. Once the schemes had been tested, the wisdom was at once available which follows the event; but this, though valuable, is not always the same as a knowledge of what might reasonably have been foreseen.

The problem of reaching a correct estimate of the worth of the war plans for coal is linked with a far greater issue which may be mentioned here, because it affects the general plan of this history. This is the importance of looking forward into history, like a contemporary, rather than backwards upon it, as we usually do or, to put the matter more correctly, the need of taking a correct forward view of events first, if we wish to make a correct backward-looking judgement upon them afterwards. In a history the habit of looking at events backwards cannot be avoided, but it should be said that this habit is one of the greatest hindrances to a practical understanding of past policy. The whole difference between the historian and the contemporary actor or witness is that what was future to the one is past to the other.

No more radical difference of outlook than this can be imagined, as we all know. How often we hear somebody say in retrospective mood, 'it is easy to see now that . . .' something or other might have been done otherwise or might have turned out differently. The purpose of the remark may, of course, be to explain away a culpable blunder; some reluctance to fight hard for the necessary knowledge on which to base a judgement, some downright error in making a decision on the facts. But this kind of argument apart, everyone must recognise the difference between events in the making and the same events seen, from some quiet angle of a later time, in the fulness of their relation, not only to what went before them, but also to what followed after. Constantly to bear this difference in mind is not a device to avoid giving a judgement, but an essential part of the business of understanding what actually happened, without which there can be no judgement at all.

This thought deserves to be kept in mind in writing or reading war history. The famous 'fog of war', which military critics and historians describe as present upon every battlefield and one of the greatest hindrances to a correct military judgement, extends under modern conditions of total war to most sides of the national life. Critics have often and rightly detected its presence in Whitehall and in Parliament, but it is found in every town and factory too. The size and the speed of events make themselves felt in every quarter and expectations, which are disappointed or exceeded often in peace, meet this fate even more often during a war. If it is necessary to see things as they looked at the time to understand the politics and administration of peace-time, it is doubly necessary to see them so in considering the military and civil operations of a war. It may indeed be frankly stated that it is impossible to take the proper measure either of successes or of failures in administration on the big scale, especially in war-time, unless one takes the forward-looking rather than the backward-looking view.

The importance of looking at events in the order that they came along, if the action that was taken is to be understood, must be the justification for the arrangements of the following narrative, which will be roughly chronological, although the main problems will sometimes be grouped together. If chronology sometimes appears confusing, it will at least go some way towards reproducing a confusion which anyone with experience of such matters will recognise as inseparable from the framing and execution of policy under the conditions of war.

It will be convenient to consider at the start the general trend of coal production in the first year of the war. The coal industry, it may be recollected, had experienced in 1937 its most successful year in the rather drear period of the thirties. The weekly average output of

saleable coal (and a certain amount of coal is, of course, raised every year which from its quality or condition is not saleable) was in that year 4,623,000 tons. The output fell in 1938, the last whole year of peace, to a weekly average of 4,366,000 tons. The production in 1939, the first year to be touched by the influence of war, was at the rate of 4,449,000 tons. The weekly average of production for 1940, at 4,313,000 tons, fell slightly below that of both 1938 and 1939.

The first impact of the war in 1939, therefore, produced no startling change in the scale of the activities of the coal industry. It will be perhaps interesting to give the weekly averages of output per month, for the first twelve months of war. The figures are in thousands of tons.

1939	September	4,485	March	4,344
	October	4,689	April	4,865
	November	4,718 <sup>1</sup>	May	4,704 <sup>1</sup>
	December	4,223	June	4,763
1940	January	4,140 <sup>1</sup>	July	4,375
	February	4,415	August	4,095

The stolidness of these figures contrasts with the wild military and political events of the spring and summer of 1940. They suggest that if there were anything phoney about the war in the earlier months, as some said at the time, its phoniness, if that is the word, did not extend to the efforts of the mining community. Judged by pre-war standards, the output in 1939 and 1940, up to the latter months of the second of those two years, was not unsatisfactory. It was 1941 which was to provide the first big and disagreeable shock in production, although for reasons which go back in part into this early period of the war.

If production were well maintained in 1940 compared with the previous year, there was no sign of the substantial increase in output which it had been supposed in pre-war days would be necessary to keep pace with the country's general production of munitions. Perhaps it was well for the coal industry that British war production was slow in getting under way. After nearly eight months of immobility in the West, the German demonstration of armoured power in the early summer months of 1940, the heavy losses of British men and equipment in France and the consequent isolation of Great Britain altered the whole tempo of the war, as everyone knows. The change of Government in Great Britain which followed the first great Allied defeats on the Continent that year was no less important for her economic than for her military conduct of the war. The production drive which followed, at first largely in the shape of longer hours, began to become plain even to casual eyes in the munitions centres

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<sup>1</sup> Figures for these months represent an average of five weeks.

in the later months of the summer of 1940. But until these things happened, the coal industry had not to encounter the demands of a war economy at full blast. This economy was still developing in 1940 and 1941, and was not fully formed until an even later date, when the major transfers of men and women from their old peace-time to their new war occupations had been completed.

While the coal industry thus waited long to encounter the full demand for fuel and power in a complete war economy, it had, however, to meet the demands of the economies of other countries, some at war, others not, which were accustomed to rely on Great Britain for great or small supplies of coal. From the beginning of the war, there was the possibility that pressure might develop in the export market upon our coal supplies which would be hard to deal with, taken in conjunction with our own requirements. Apprehensions had been felt before the war about the demands which our ally France was likely to make. Her great requirements in the First World War were still a vivid memory and the remarkable feats of French engineers in hydro-electrical works in the inter-war years had not diminished her importance as the largest single importer of British coal. The pressure for supplies to France which had been feared did in fact develop. Export requirements came to form one of the big coal problems of 1940 and threatened to become the largest and most important problem, until the withdrawal of metropolitan France from the conflict and the overrunning of almost the entire European continent by German arms transformed the export scene, threw the miner working for export out of work and produced at a blow a war entirely different from the model of 1914-18 in its geography and far different from anything that had been expected or planned for.

The course of events in the coal industry in the war's first year was thus far from being the steady and decorous march which general figures of production suggest. The severe weather in the winter and early spring months of 1940 produced an unexpected crisis in deliveries and stocks. These were no sooner solved than in the spring of 1940 the French export problem became urgent. The equable movement of production figures gives no idea of the nature of the going, as seen by those who were engaged in industry and administration, any more than the number of miles travelled tells the full story of a heavy journey. In the following sections, an effort will be made to sketch, in the order that they developed, the most important problems of the first year of war and the policies which were adopted to meet them.

The trend of coal supplies in the autumn and the early winter months of 1939 raised no big problems. The transition to war conditions in the coal industry and its main markets was in some ways

smoother than had been expected. This fortunate state of affairs was the result partly of the large stocks, some ten or fourteen weeks' supply, which the public utility undertakings had been encouraged by the Mines Department to hold against the possibility of war and to the stocks of some other consumers and merchants, which for the same reason were considerably higher than was normal at that time of the year. The demand in the inland market was for the time being below normal, except for household coal. In the export market, the coal export control was brought into working order, but the lack of shipping prevented the large exports, especially to France, which had been expected. The export pressure did not develop until the following spring and the summer of 1940.

The rate of output of the mines proved equal to the demands being made upon it, despite certain losses in production in the early weeks of the war due to the movement of men into the forces, to civil defence, and to higher-paid war employments. This first, and merely incidental decline in the number of wage-earners began before war broke out, as early as 19th August. The main effect of the war was, however, to increase on balance the total number employed in and about the mines during the period of the war which lasted till the fall of France. The fall of numbers incidental to the outbreak of hostilities was reversed by 16th September. By the end of November it could be reported that the numbers on the books of the collieries had advanced to around 759,000, or about 7,000 less than at 19th August, at which level employment remained for the rest of the year comparatively stable. This rise in the number engaged in coal-mining continued throughout the first half of 1940. The peak was reached in the middle of June, before France was out of the war, when a production drive was being conducted chiefly to meet French needs. The numbers employed then were 767,500. In the next month, July, they began to fall and were 759,000 by the end of it, or about one per cent. less than at the same time a year before. This marked the end of the phase of rising numbers and the beginning of an important decline.

The numbers employed are not a complete index to the productive power of the coal industry at any given time. Those returned as employed on the colliery books may not be in constant employment; indeed, it is most unlikely that they will be. The volume of employment in the mines depends not only on the numbers employed but also on the regularity and intensity of hours of work. Employment may be and is in any year, in peace-time or war-time, irregular from two main causes; either work is not available for the miner, because the pit is temporarily stopped or individuals among the miners do not work on days when the pit is open. Concerning the first cause, slack trade or shortage of railway wagons or industrial disputes or

holidays or the stop-days when by custom no coal is wound, may stop the pits; or there may be a breakdown of machinery or a stoppage following a fatal accident. Concerning the second, the absenteeism of miners when the pits are open may be unavoidable, for example, owing to sickness or injury—mining has a high accident rate and especially a high rate of serious accidents compared with most trades and industries—or it may be the sort of avoidable absenteeism which usually falls round about the week-end.

The volume of employment about the mines, therefore, depends not only on the numbers employed, but also on the amount of time worked or lost. The greatest possible regularity of work, important though it is, is not, however, the only means by which in time of war an increase can be made in output per manshift, which is the test of mining efficiency. Output per manshift is the resultant of all the forces that determine the productivity of the mines, whether this be the physical condition of the seams, the planning and capital equipment of the colliery, the ability and energy of the management or the miner's power of hard and intelligent work. If it is a question, as it so becomes in war, of raising the greatest quantity of coal in the least time and with the greatest economy of the labour available, regardless of commercial considerations, there are other courses besides ensuring that every shift possible is worked and that there is as little time lost as possible by anyone on any shift. Production may be concentrated on the coal that is easiest to win or a radical change may be made in the capital equipment of the pits by the introduction of cutting or carrying machinery on a large scale or changes in the management of certain collieries may be demanded. All these were regarded in 1939 as big departures from the routine of peaceful times. They appeared also unnecessary, because there was much slack in the industry to be taken up; many men unemployed and much short time working to be transformed into full time. There was, therefore, no great alteration in the methods, equipment or management of the collieries in the late months of 1939 or the early months of 1940 or indeed until a much later and far different period of the war. The first reaction of the mining industry to the crisis through which the national economy passed in those early months of the unfolding demands of war was a heightening of the tempo of its normal activity.

The working of the mines was much more regular in the last quarter of 1939 than it had been in the same quarter of the previous year, except in Northumberland and Durham, whence so much coal goes by sea and where shipping delays held up work seriously in some pits. This regular working was mainly responsible for the favourable trend of production, despite the fall in the number of workers which had taken place since 1938. After a low point of



4,065,000 tons in the first week of war, the weekly total of coal raised went up to about 4,700,000 tons and this rate was fairly evenly maintained throughout the rest of the year. The aggregate of 60,285,700 tons for the thirteen weeks to the end of December 1939 represented an actual increase of 2,227,000 tons on the corresponding figure for 1938.

One result of this unexpectedly favourable state of production compared with demand was a change of policy on coal rationing. The Government had announced its intention of rationing coal, gas and electricity in the first days of the war and proposed to make coal rationing effective from 1st October 1939. Pending this and to prevent local stocks being dissipated, the merchants were asked to undertake to supply customers only with normal and reasonable quantities. Gas and electricity rationing had been planned to start from the consumer's next meter reading after 7th September. To supervise the introduction of the fuel ration, the Local Fuel Overseers had already been appointed by the local authorities by the end of September.

The first change of plan concerned gas and electricity. The black-out proved a great source of economy in the use of both forms of lighting. In October, therefore, it was decided to limit consumers not to seventy-five per cent. of their consumption in the corresponding quarter of 1938, but to 100 per cent. of that amount. The administrative machinery of rationing was retained, partly with the idea of preventing excessive consumption and partly so that a reduction in the amount allowed could still be brought about if necessary.

It had always been held by those concerned with the planning of the fuel ration that the rationing of the various forms of light, heat and power must hang together, not only for reasons of equity, but also to prevent substitution, which might defeat the purpose of rationing itself. The question of the coal ration was complicated, however, by one circumstance which did not affect gas and electricity. Coal could be exported, gas and electricity could not. It had been explained to the Stamp committee by the Mines Department, when describing the proposed coal rationing system, that one object of the ration was to set coal free for export, as it was believed that the export demand, heightened as it would be by the exceptional war requirements of France, could not be met without forcing the British consumer to go short. The great war export demand then predicted had not yet arrived and it did not appear that there was any probability of its doing so in the near future.

The cause of this unforeseen leniency in the export situation was the want of shipping space; the physical ability to carry the coal abroad was not there, although the coal was wanted and the money to pay for it could be found, at any rate by our chief customers, the

French. That the shipping shortage was overcome in the early months of 1940 will later be seen; it will also be observed then that the export demand, once fully developed, set up a grave problem of coal production. But in the few months of 1939 which remained after war broke out, the shipping obstacle to coal exports was present in full force and it modified to that extent the case for immediate coal rationing.

There was another side to the problem of coal rationing which had to be taken into account, whatever the condition of exports. This was the state of home stocks. The Mines Department had encouraged the merchants and the great consumers of coal such as the public utilities in the summer of 1939 to build up stocks against the possibility of war in the autumn. This had also been done in 1938. The importance of these stocks now that war had begun was very great. The demand for coal in the home market is in ordinary times highly seasonal. The peak demand comes in the months of December and January, when the consumption of household coal is at its height and when the demand for heat and light, in the form of gas and electricity, throws upon the public utility undertakings their peak load of the year. Coal merchants and the public utility undertakings are therefore in the habit of stocking coal in the summer and early autumn, because the current demand they have to meet in the winter months tends to outrun the amount of coal which can be currently supplied by rail or sea to such great consuming centres as London. These summer stocks are eaten into during the winter and are usually at their lowest ebb towards the end of March, when in London and the South of England there may be no more than two or three weeks' supply at the public utility undertakings and perhaps less than a week's supply in the coal merchants' yards. Owing to peace-time ease of communications and continuity of supplies, in a normal year this dead point of coal stocks, towards the end of winter, passes without the public hearing of any danger and certainly without the Government of the day having to take special measures. It may, on the other hand, become a serious problem in war, when the munitions industries are working seven days a week all the year, and when everything depends upon their doing so.

The stocks position had to be looked at before a decision could be taken to forgo or modify rationing. The stocks in hand were in fact good. Those at the large public undertakings in London and the South were regarded as exceptionally good, judged by the standard of their usual winter consumption. Merchants' stocks were also good. Even as late as Christmas 1939, when severe weather first began to hold up traffic, the stocks in these parts of the country, which consume so much coal and produce so little themselves, were still satisfactory.

What, however, constitutes a good stock? There was a reason for putting the standard high which has not yet been mentioned, although it had been borne in mind in encouraging the stockbuilding of the previous summer. This was the risk of air attack, which might possibly isolate whole districts at a time from their normal sources of supply. Here again the position in the first winter of war proved more favourable than had been expected. The devastating air attacks upon this country which most people had foreseen had not yet occurred. The consumption of stocks that they might have caused in the few months immediately after the outbreak of war had not taken place.

When all these considerations were taken into account, the balance of argument for or against a modification of the proposed coal rationing system evidently turned upon the ability of the railways to handle coal during the winter of 1939-40 with sufficient despatch and upon a scale large enough to maintain the country's stocks in a good state until March 1940. It will be remembered that the problem of the railways' capacity to handle coal supplies to London and the South under war conditions, when coastwise shipping would be much reduced, had been examined before the war. The view then taken was that railway capacity was adequate to the task, if the full stock of mineral wagons in the country were properly utilised. There appeared as yet no reason to believe that this judgement needed to be reversed or that the necessary condition would not be fulfilled. So early in November 1939 it was decided to take the risk of raising the coal ration from seventy-five per cent. to 100 per cent. of the consumption of the previous year, as had already been done for gas and electricity, on the expectation that transport would be available to maintain stocks of coal at a level of about four weeks' consumption even at the dead point in the following spring.

The view of the railways' capacity which lay behind this decision proved to have been decidedly over-optimistic. Trouble developed exactly where it had been feared before the war, namely, the supply of coal to London and the public utility undertakings of the South of England, but owing to the further interruptions to coal traffic brought about by a winter more severe than had been known for years, the shortage of supplies spread over the country as a whole and affected almost every class of consumer. When this occurred, the house coal allowance especially had to be promptly and severely reduced. It is doubtful, however, whether the decision to increase the ration contributed greatly to the stocks crisis of that winter. This seems to have been caused above all by a faulty estimate of the ability of the country's transport system to take the strain of war and to a less extent by the exceptionally severe weather.

## (ii)

## Distribution Problems

During these early months of the war, the main difficulty was not to produce coal but to transport what was mined.<sup>1</sup> Sea and rail transport were temporarily dislocated by the outbreak of war and the adaptation of the transport system to the new conditions took time. Towards the end of 1939 the inconvenience became a serious problem and the hard weather of the early months of 1940 at last precipitated a serious crisis in the distribution of coal.

The crisis was created largely by the cutting off of the great coastwise movement of coal upon which London and the counties of the South of England depended in normal years for about two-thirds of their supplies. This was seriously aggravated by the confusion caused on the railways by the fog, snow and frost of a hard winter.

The shipping problem began with the first days of war. Freight rates naturally went up, the normal movements of ships were interrupted and there developed a serious lack of coasting tonnage for coal movements. These difficulties very soon began to send up the retail price of seaborne coal in some towns, but they had the more serious result of cutting off large supplies altogether. In October 1939 the Mines Department was pressing the London public utility undertakings to purchase the coal they wanted from the nearest coal-fields in the Midlands, and bring it south by rail, rather than rely on seaborne supplies from farther north. The amounts railed in this way proved disappointing. In November, the Department found it necessary to make urgent representations to the new-born Ministry of Shipping about the continued shortage of coastwise shipping from the north-east coast to London and the South, which was beginning to affect output in the northern coal-fields as well as distribution. The want of shipping space extended beyond the coasting trade and coal export business also was hampered; but the chief immediate difficulty lay in the north to south trade. The situation grew no better and by December was beginning to cause serious concern. The stocks of the public utility undertakings and of the larger industrial consumers on the Thames were kept under review and where possible the demand for current supplies continued to be met by diverting them to rail. Notwithstanding these steps, by early December the stocks of some undertakings in the South of England,

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<sup>1</sup> British transport in the first winter of the war plays an important part in the history of coal. I have made no attempt in this chapter or elsewhere in the history of the coal industry to deal exhaustively with these very important questions of transport, which extended, of course, far beyond the scope of the coal industry and the coal control, and which are treated elsewhere in the Official History.

which usually took their supplies by sea, had fallen below what could be regarded as a safety margin. They included important undertakings in London, Plymouth, Sheerness and Portsmouth. Coastwise shipments of coal had fallen by 423,000 tons in September and 540,000 tons in October, compared with the carryings of a year before.

By the new year, more ships were available to carry coal abroad, but not for the north to south trade. There was severe pressure on all available coasters. The direct railing of coal by special train from Durham was organised in January but was interfered with by persistent foggy weather, which at one time resulted in the delay of nearly 5,000 loaded wagons of coal and coke in transit to the South. Meanwhile, the stock position of big electricity and gas works in London and the South stood in many cases at no more than two or three weeks' supply. Fog, snow and frost in the middle weeks of the month began to lend a hand further to confuse the position. It now became impossible even to deliver the normal quantities of railborne coal, quite apart from the large additional supplies which had been contemplated. Additional petrol was issued to lorries to enable coal to be carried by road over short distances, but the state of the roads in many parts of the country made this plan anything but a success.

The crisis arrived at the end of January with the complete stoppage of traffic caused by heavy snow in the week-end of 27th, 28th and 29th. Arrangements to move coal to relieve shortages were defeated by the weather conditions and the trouble began to spread to areas not normally dependent at all on seaborne supplies. On 29th January a meeting of the Treasury, Ministry of Shipping, Ministry of Transport and the Mines Department therefore determined on the following measures:—

- (1) trains of coal were to be moved irrespective of ownership or quality from the junctions to the districts most in need, where the coal was to be requisitioned by the Mines Department and distributed to domestic consumers and the gas and electricity undertakings;
- (2) export cargoes were to be requisitioned if necessary;
- (3) the Services, railways and public utility undertakings were to be asked to release part of their own stocks to relieve extreme local shortages;
- (4) the Ministry of Shipping was to endeavour to allocate more shipping for the coastal movement of coal;
- (5) the Local Fuel Overseers were instructed that no more than two hundredweight of coal were to be supplied to any domestic consumer except with their consent and none at all to anyone with more than a week's supply in hand;

- (6) an appeal for economy in the use of coal, coke, gas and electricity for heating and lighting was to be made through the B.B.C. and the Press.

Immediate steps were taken to give effect to these decisions. About thirty trainloads of coal were requisitioned. Two ships loaded with coal for export were diverted to the Thames, another ship was allocated for prompt loading. After two days (30th and 31st January 1940) of wholesale requisitioning of coal en route, it appeared that the worst of the emergency was over and steps could be considered for building up again the country's depleted stocks.

Notwithstanding these measures, the crisis persisted throughout a great part of February owing to further severe weather about the middle of that month. Following the requisitionings, arrangements had been made for the despatch of a considerable number of trainloads of coal from the collieries to the important consuming areas. Even so, the amount of coal arriving in the early part of February was not sufficient to make up for the shortages which now existed in all parts of the country. Households were completely out of coal and many industries saw their stocks approaching exhaustion. On 11th February, the Secretary for Mines felt it necessary to ask the Minister of Transport that absolute priority should be given for a few days to coal trains. The situation in Glasgow seemed exceptionally difficult and a special officer of the Mines Department was sent to that city to organise, in co-operation with the Divisional Coal Officers and the Coal Supplies Officer, the necessary supplies of house coal. The position in Glasgow was soon eased, but although for a week coal enjoyed the same priority on the railways as was granted to perishable foodstuffs and Army stores, the condition of London and the South of England remained extremely difficult, mainly because of heavy snow in the North Midlands and in Yorkshire.

A drastic programme was necessary to deal with an exceptional situation. This was planned at a series of meetings between the Secretary for Mines and the Ministers of Shipping and Transport in the middle of February. The arrangements necessary were for additional transport to meet current needs and also to build up stocks by the end of March. Trains were arranged to carry an extra 71,500 tons of coal a week from the Midland and north-eastern collieries. Twenty thousand tons a week of this were to be for domestic purposes. Ships were also to be found within two or three weeks to carry 25,000 tons of coal.

These plans would involve a severe interruption in the normal passenger train services, and the extra coal trains could not even run until the congestion in the sidings had been abolished. Thousands of wagons ticketed for many different destinations had accumulated in

the yards and could not be sent on until they had been sorted out. It looked as if it might be necessary to resort to requisitioning again. The railway managements (i.e., the Railway Executive Committee) were, however, of the opinion that they could deal with the problem. Having been consulted on Thursday, 22nd February, on the immediate steps to be taken, they took as their aim the clearing of all colliery sidings by the following Monday. They did in fact clear, during that week-end, practically the whole of the accumulation at the Midland collieries without resort to requisitioning or direction of coal. The principle adopted in making this clearance was that known as 'block loading', that is to say, despatching full trainloads to a single destination. This was, of course, a break with normal practice, as the public utility undertakings and the merchants often distribute their orders over a number of different collieries involving many cross-hauls about the country. As supplies were so scarce, it was the obvious thing to do and was agreed to by all the parties concerned, although it meant that some consumers received coal of a price or quality they had not stipulated and perhaps found inconvenient. Coal continued to enjoy priority on the lines for a limited period.

While the railways were taking these measures, the Ministry of Shipping had put into the coastwise coal trade a number of larger and medium-sized ships, at the cost of some delay to their overseas programme and some risk in bringing the larger vessels in and out of the Thames. The Admiralty also released three or four small ships for coal-carrying.

When the Lord Privy Seal, at the beginning of March 1940, reported on the coal crisis and the steps taken to deal with it to the War Cabinet, it was hoped that these various measures would bring additional supplies to London at the rate of 100,000 tons a week. This rate of deliveries it was proposed to maintain for two months, with additional deliveries of house coal for one month longer. House coal was still hand to mouth, to use the Lord Privy Seal's own expression, but the weather had improved and if it remained tolerably good, a much easier coal position would set in by the end of March.

The task of the next few weeks—March and the first half of April—lay chiefly in watching how successfully the special train programme disposed of the shortages and in being prepared to cope with any turn for the worse in a situation which had been far too awkward to allow chances to be taken even now, when the improvement in the weather might be assumed to be lasting. Week by week, forty-six special trainloads of coal for household purposes and ninety-seven trainloads for electricity undertakings were run to London and the southern counties, in addition to the normal supplies, by arrangement between the Mines Department and the Ministry of Transport.

The pits were beginning to recover from the setback to production created by the confusion of transport and by sickness that spring among the colliers; there was also a falling away of the exceptional demand for coal which had been created by the severe weather itself. The restriction of house-coal deliveries to two hundredweight a week was retained for some time. But it was not thought necessary to ask for the continuance of priority for coal traffic on the railways beyond the end of March.

In the last fortnight of March it was noticed that the decline in the reserves of coal at the gas and electricity undertakings of London and the southern counties had at last been checked and a slight upward movement of stocks was beginning to take place. This gradual improvement kept up. In April, it became possible to raise the weekly allowance to householders from two hundredweights a week to five hundredweights a fortnight in most parts of the South of England. In parts of the country within easy reach of the coal-fields, notably Scotland and parts of the Midlands, the restriction on domestic supplies was lifted entirely. Production of coal had risen sharply after Easter, which fell early that year, in the week ended 23rd March. By early May, the rate of deliveries at public utility undertakings were so well in excess of current consumption that it looked as if gas and electricity works throughout the country would be able to raise their stocks to the level of eight weeks' supply, at the winter rate of consumption, by September. The shortage of supplies was therefore well over by May. The Mines Department was still, in that month, supplementing normal supplies of the main types of coal by means of a weekly programme of 170 trainloads of coal from the Midlands and the North to London and the South, but this was done with one eye on the position of stocks for the winter of 1940-41.

The experience of this memorable first winter of the war had more than proved the usefulness of the stocks which the big consumers had been urged by the Department to lay up in the summer of 1939 against the possibility of war in the autumn. Such stocks would clearly remain an indispensable part of the war effort and needed to be carefully organised in advance. The preparation of stocks for the winter 1940-41 therefore became from this time forward one of the chief occupations of the Department, since the weather might be as severe and other conditions even more difficult than those of the winter months of 1939-40.

Other problems were also coming to the front. The approach of the spring of 1940 was bringing near the season when military operations on the large scale could be begun in Europe. There was a perceptible quickening in the pace of everyone concerned with the work of military preparation. It was noticed early in April that the greatest pressure upon supplies of coal for current consumption was



now coming from an ever-widening range of industries engaged directly or indirectly upon war work. The rise of this type of demand meant that the war and the national war economy were getting into their stride, for whatever distant goal. This war-time industrial demand would not be seasonal, as the demands for coal for households or for public utility undertakings so largely are. It must inevitably compete with these latter for the available coal throughout the coming summer and autumn months of 1940, and still more fiercely in the second winter of the war, when the demand for house and public utility coal also would be at its highest point in the year.

Even before the French loss of sources of coal in the Pas de Calais coal-field and in Belgium and Holland increased the demand for coal shipments abroad, a new strain was, therefore, being thrown upon the mines. This increase of war industrial production required all the more to be coolly measured because it was not temporary, like the difficulties of a hard winter, but would last as long as the war and would become progressively heavier as the demands of the war rose. A problem of production was beginning to develop, which the military events of 1940 turned very largely into a problem of exports.

# CHAPTER IV

## THE COAL INDUSTRY AND THE BATTLE OF FRANCE

(i)

### Coal Exports in the Early Months

**B**RITISH coal exports in pre-war days had been large. There was some reason to believe they would continue to be so during war-time. In 1938, which, it is true, was a year of rather depressed trade, coal shipments, exclusive of bunkers, had been at the rate on average of 2,988,000 tons a month. The year before, in 1937, when the trade was more active, the average rate had been substantially higher, about 3,362,000 tons a month. Much of this trade would be valuable in war for political reasons or for the foreign exchange it would bring in, and every effort would have to be made to keep it alive. So believed those who were responsible for the foreign and financial policy of the country.<sup>1</sup>

The traditional neutrals, it was supposed, would be neutral again; such were the Scandinavian countries, always important customers of the British fields, and Holland and Switzerland, if these last were lucky enough to escape invasion. One neutral of the First World War, Spain, who had at one time been a considerable importer of British coal, had taken very little from us since her disastrous civil war and it was hard to tell how much she might need in the future. Another neutral of that war, the Spanish-speaking Argentine, would presumably need as much coal as she did then, and as Great Britain's meat supply depended so heavily on her *frigorificos* there were solid grounds for granting whatever she required.

Of the belligerents of the First World War, the position of Italy was obscure; but even if she remained neutral and wanted to buy coal, her ability to pay for her purchases was suspect. The heavy requirements of France, on the other hand, could not be in doubt at all, nor her ability to pay for them, with her large gold reserve. A big importer of coal at all times, she was drawing large supplies from Germany and Poland before September 1939; she must com-

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<sup>1</sup> See Chapter II above, where the 1936 and 1939 estimates of prospective war-time demand are discussed.

pensate herself for the loss somehow and the only possible alternative source of supply was Great Britain. Taking into account all these and many other factors of a complex situation, it was believed in 1936, when the first calculations of export requirements in war-time were being made for the Minister for the Co-ordination of Defence, that Great Britain's export markets might continue to absorb 40 million tons of coal per annum in time of war, if the mines could supply that quantity and, which was perhaps more doubtful, if the ships were there to convey it. In 1939, when the war estimates were revised, this one of exports was not reduced.

The actual rate of exports in the first few months of the war were much below the expected rate. Exports in August 1939 had been 3,005,000 tons. They were only 2,254,000 tons in September; 3,063,000 tons in October; 3,404,000 tons in November; and 2,986,000 tons in December. The reason for this depression of exports lay in the dislocation of shipping services caused by the war, which has been already referred to in connection with the coastwise coal trade. The immediate rise in freight charges, although serious for the buyers of coal, was the least troublesome aspect of the position. Much more important was the fact that, although licences to export were being freely granted, the tonnage could not be found to carry the coal. This intense shortage of shipping space for coal exports lasted for the rest of 1939. The problem was felt to be worsening rather than improving in November and, together with the sudden check to the coastwise trade and the shortage of mineral wagons, it caused short time working in some of the fields most heavily dependent on ships, such as Northumberland and Durham.

The new year could hardly be said to show an immediate improvement. Meanwhile, the problem became further complicated by the shortage of stocks at home and the effects of severe weather and a confused transport system upon the working of the pits. When the railway position was at its worst, it was even found necessary to turn into the home market cargoes which had been loaded for export. These difficulties were exceptional and they did not last long. But the hard weather of that time swelled the export demand for coal at a later date, because the shortage of stocks had been felt in many parts of Europe during the winter, and there was a general move to build them up again as soon as this could be done.

By the middle of March many of the shipping difficulties, especially those standing in the way of exports to France, were being overcome. Good progress had been made in organising convoys, lessening congestion at the ports and putting tonnage into the French trade. From this time forward, the satisfaction of the export demand became less a question of ships and cargo space than of cargoes and coal production.

The pressure on supplies which developed about the spring of 1940 came from two quarters chiefly; the growth of war industrial production at home and the growing urgency of French demands. The national economy in war-time may be imagined as divided into three great sectors; the war sector, including the Services and the persons producing their immediate requirements; the essential civil sector, and the sector engaged in supplying non-essential civil needs.<sup>1</sup> It was the first great sector which was now beginning to grow and to exert an increasing demand for coal fuel. One result of this was to bring the priority list of consumers which had been prepared before the war into effective operation. The powers of direction of the Mines Department's local officials were normally sufficient for this purpose. By May 1940 it was becoming clear that non-priority industries must in some parts of the country go short if increased supplies were to be found for essential industries. In Lancashire, for example, the Coal Supplies Officer found himself compelled to cut supplies to the non-priority industries by a quarter, while the Coal Supplies Officer for Warwickshire felt it necessary to arrange with the local collieries that twenty per cent. of their output should be put at his disposal for the needs of the essential trades.

The situation was eased in another direction by the seasonal fall in the demand for house coal in the spring of 1940. Notwithstanding the difficulties over industrial supplies, it was found possible to authorise the removal of all the restrictions up to then in force on the delivery of house coal, with the object of encouraging householders to lay in stocks that summer against the winter of 1940-41. The position needed watching, however, and the Secretary for Mines thought it desirable to broadcast an appeal for economy in consumption in both industry and the home. The explanation of all this caution and difficulty was that the problem of supplies for France had by this time grown acute. It will be necessary to retrace steps a little to see how this had come about.

## (ii)

### Supplies to France

When the Cabinet decided, early in 1938, that technical conversations with the French should be permitted on the three vital war

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<sup>1</sup> This simple but ingenious classification was first made well known, I believe, by Mr. R. W. B. Clarke, in his *Economic Effort of War* (London, 1940).

topics of food, oil and coal supplies, one of the first tasks undertaken was to obtain from the French Government an estimate of their probable requirements of imported coal. The total of these was stated by the French representatives to be about 23 million tons annually. A small part of these requirements might be met from Belgium and Holland, but the bulk, some 20 million tons annually, could, in the view of the French authorities, come from only one source, Great Britain. This was an amount, as the British officials pointed out, enormously greater than France annually imported from us at that time and actually greater than the quantity she had annually required even at the height of the war of 1914-18.

The explanation of the increase lay in the changes which had taken place in the European coal trade between the two wars. Before the First World War, France, a great importer, took the greater part of her imports from Great Britain, the remainder coming from Belgium and Germany in about equal proportion. During the war, when German and Belgian supplies were stopped, the whole burden of supplying France with imported coal was transferred to this country. The amounts shipped from British ports to France in each of the three years 1915, 1916 and 1917 exceeded 17 million tons per annum. After the war, France went on importing coal on about the same scale as before 1914, but the sources of her imports now altered considerably. The British share in the French market dropped, while that of Germany increased; Poland came in as a new competitor, with coal from mines which in 1914 had been German. Thus in 1937 France imported about as much coal as in 1913, her total coal imports being over 18½ million tons; but only 38·6 per cent. or 7·2 million metric tons of this came from British mines; over thirty-one per cent. were drawn from Germany and about five per cent. from Poland. A proportionately greater effort was therefore called for in 1939 from British mines and ships to fill the French needs than in 1914. This would have been so, even apart from the rise in the estimate of war requirements from the 17 million tons per annum which had proved sufficient during the First World War to a hypothetical 20 million tons. The latter figure did not, however, prove too large for the French industrial effort, when in the brief summer fighting of 1940 that effort could be seen in something like its true dimensions.

In handling this enormous tonnage of coal the shipping question was going to be capital. Before 1939 only 10 million tons of French requirements moved by sea, of which seven million tons were carried in British ships; eight million tons of French coal imports were brought by rail from Germany and Belgium. There had been a very marked reduction since the last war in the number of suitable ships and it was doubtful whether we and France together had

enough ships of the right type to carry more than 20 million tons.

In the conversations between the two governments, it was naturally suggested to the French that they might increase their own coal output. Their reply was, however, that the situation was for them dominated by military necessity. Enemy action would probably close the mines of eastern France, which were some of the best in the country, and the men normally employed there might go to the fields of northern France. On the other hand, it was the intention of the French Government to withdraw every man of military age from the mines as soon as war was declared. The utmost the French miners remaining in the pits could hope to do was to maintain the former production.

There was nothing to do but to face the fact that a very large export of coal to France would be required, under conditions more difficult than those of 1914. The attack on the shipping aspect of the problem was a matter for others. The Mines Department after consulting the industry believed that the coal could be produced if the men could be found—a big 'if', it must be confessed—and they proceeded to discuss in detail with the representatives of the French Government the sizes and qualities of coal required. Some of these would have to come from parts of Great Britain which did not usually trade with France.

The British Government and the coal industry were, therefore, before September 1939 committed to find an aggregate quantity of 20 million tons of coal per annum for France. This was subject to a reservation which was made clear to the French at the time that the assurance did not cover such a situation as might arise if, for example, there was serious interference with shipping facilities or with production on the north-east coast fields, owing to enemy air action. No promise could be given about the particular classes of coal for which the French had asked. Some classes would be in easy supply, others would not. The French, however, felt that in some cases it would be possible to vary their demand to fit in with available supplies.

It remained to set up a machinery of consultation. The French for their part intended to send over a Coal Purchasing Mission, if and when war broke out, which would not itself purchase coal but would issue to French commercial importers permits to buy. These would be granted by the Mission in the light of French requirements as a whole and of the state of British supplies. For the purposes of liaison with the British authorities, the Mission was to participate in a joint Anglo-French coal committee, charged with a general oversight of supplies, prices and other leading matters. This plan was duly carried out. The French Mission arrived in London on 3rd September 1939 and appointed its local representatives, five in number, at the chief coal ports. The joint committee, known as the Anglo-

French Coal Requirements Committee, began its sittings forthwith.<sup>1</sup>

Exports of coal to France in the latter months of 1939 and the first few months of 1940 were severely limited by the shortage of shipping and by the check to production and transport from the severe weather in January and February. It had been hoped to import into France from Great Britain 841,155 tons in October, 955,835 tons in November, 922,794 tons in December, 908,675 tons in January, and 1,081,640 tons in February. The actual amounts delivered<sup>2</sup> were 662,696 tons in October, 686,757 tons in November, 783,713 tons in December, 817, 436 tons in January, and 767,729 tons in February.

The failure of performance compared with expectations created little difficulty at first. The French requirements were thought by the French themselves to have been perhaps over-estimated. The industrial war effort of France was only beginning to stir and the French railways and factories were able to draw on existing stocks. In the new year the situation began to alter. Stocks had already been seriously eaten into, French war industries were beginning to be active and the directors of the French war effort were beginning to think in terms, not only of the summer campaign of 1940, but also of the munitions production of the winter 1940-41. This led them to review the position and to judge it deeply unsatisfactory.

M. de Monzie, who was at that time the Minister of Public Works and Transport and therefore the Minister in the French Government chiefly concerned with coal supplies, wrote on 13th February a letter to the head of the French Government, M. Daladier, pointing out the gravity of the situation. This proved to be the beginning of long and important negotiations on the coal question between the French and British Governments. The full story of those negotiations belongs to the history of the inter-allied war effort. They will be summarised here chiefly with reference to the problems of coal production and distribution created in Great Britain by the French demand, for these problems proved to be formidable.

M. de Monzie observed that the situation was in some ways not as bad as he had feared because the output of the French coal mines had risen by twenty per cent. since the outbreak of war, despite the loss of the Lorraine pits, the calling up of miners and other hindrances

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<sup>1</sup> The Committee was a small body, representative mainly of the Government officials concerned in this country with coal supplies to France and in France with imports from Great Britain. The head of the French Coal Mission and therefore of the French side of the Committee was M. Thibault, of the Mines Directorate of the French Ministry of Public Works. The head of the British side was Lord Hyndley, then Commercial Adviser to the Mines Department. When the Anglo-French Co-ordinating Committee was formed, under the chairmanship of M. Jean Monnet, soon after the outbreak of war and entrusted with the general supervision of Anglo-French economic relations in the war sphere, the Coal Requirements Committee became in effect a sub-committee of the Co-ordinating Committee.

<sup>2</sup> Total exports to metropolitan France, North Africa and the colonies, including coke and manufactured fuel.

and obstacles. This was largely due to the lengthening of working hours and to the determined efforts of the French miners and mine managers. The fact remained that France had, in this first winter of the war, been living on her stocks of coal at a rate which threatened to imperil military operations in the coming summer. Railway stocks were far below the level which military authorities considered safe, and unless stocks could be built up again in the summer months the whole war effort of France in the second winter of the war might be thrown out of gear when it ought to be increasing in pace. M. de Monzie indicated certain measures which he thought might help, notably the recall of French miners from the colours and the rationing of the French consumer, but he deemed them not to be immediate enough. The only source from which France could replenish her stocks rapidly was Great Britain. He suggested, therefore, that the matter should be taken up as soon as possible in the Supreme Inter-Allied Council. A failure to reconstitute the French coal stocks must mean that France would have to forgo part of her armament programme.

A result of these representations was a letter written by M. Daladier to the British Prime Minister, Mr. Neville Chamberlain, on 2nd March, asking that French coal requirements should be given priority. The British Prime Minister in his reply assured M. Daladier that French demands were already being given priority over all other coal exports. The difficulty so far had been to find ships. Mr. Chamberlain admitted that the situation had recently altered and at that moment ships were waiting for coal. He referred, however, to certain steps which were being taken to increase the British coal output and hoped that this would be sufficient to ensure full cargoes for France.

Meanwhile M. de Monzie, on the recommendation of M. Daladier, had raised the matter with the Anglo-French Coal Requirements Committee. The Committee replied that a double effort of shipping and of coal production was required. They proposed that shipments for France should be raised to the level of 1,500,000 tons per month as soon as possible. This figure was based on the assumption that it would be possible to improve on the best month's output which had been seen in the British mines since the war began, that of December 1939.

At this point the matter left the hands of the Anglo-French Coal Requirements Committee. The Anglo-French Co-ordinating Committee was at that time charged with the general care of Anglo-French economic relations, under the chairmanship of M. Jean Monnet, who was to play a distinguished part in the French Resistance movement after the fall of France. M. Monnet had arrived at the conclusion that a long-term programme was required if the



French position, and with it the Allied war effort, was to be maintained. He proposed a new method of approach, namely, that the coal difficulty should not be treated as a commercial bargain on peace-time lines, but rather as a problem in the pooling of Allied resources. The position was that French coal stocks were down by three million tons compared with their level at the outbreak of war. France was at this very time expecting a German attack through Belgium and Holland which would interrupt coal supplies then coming from these sources at the rate of 400,000 tons per month. Such an attack must create great demands on the French railways for military transport. But the coal stocks of the French railways, which should have been 1,200,000 tons, stood at no more than 700,000 tons.

French stocks, therefore, required to be re-built by imports from the United Kingdom forthwith and at a great rate. British stocks, however, were down after the winter. Perhaps as much as six million tons was required in the United Kingdom for re-stocking purposes, independently of current consumption, in the coming summer of 1940. At the existing level of her production, Great Britain could only build up her own coal stocks at the expense of exports. France, the greatest importer from Great Britain, could, on the other hand, only build up her stocks by increasing her imports. The inference was that France could only build up her stocks at the required rate if the British stocking programme was slowed down to permit this. In the long period, the output of the British mines would have to be increased.

These calculations were the bare bones of the French and British coal problem, treated as a problem of Allied economics. M. Paul Reynaud raised the question of increased exports to France and employed the same arguments at a meeting of the Supreme War Council in Paris on 23rd April 1940. It was then resolved by the Council that endeavours should be made to supply the extra coal which France required for building up her stocks.

The long-term problem of the increase in British coal production had already been taken in hand by the foundation of the British Coal Production Council, under the chairmanship of Lord Portal, at the beginning of April 1940.<sup>1</sup> While the Council set about its task with great energy and some immediate success, no substantial increase in British coal output could be expected under a period of some months. Supposing that such an increase were successfully brought about, it had to be remembered that the requirements of Great Britain's own munitions industries would be increasing at the same time, so reducing the amount which might be allowed to France out of the increased output. Increase of output was emphatically a long-term policy.

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<sup>1</sup> See below, Chapter VII.

The question of stocks was different. The domestic consumer had been asked to build up his stocks that summer against the winter of 1940-41 and it would not have been expedient to revise the policy. It was even more important from the general Allied point of view that British factories should build up stocks. There were, however, steps which might be taken to help France. Some proportion might be knocked off the British stocking programme or something might be taken from exports to countries other than France, or something perhaps might be knocked off both.

The question of coal stocks for the year ending 30th April 1941 had already come up for examination in the Mines Department in March 1940, following the report of the Lord Privy Seal to the War Cabinet upon the stocks crisis in the spring. If the transport difficulties which had been encountered in the first war winter should recur in the second, when Britain's war production would be on the increase, there would be the possibility of a check to the national war effort of a kind which would be the equivalent of a disaster in the field. The fate of the domestic consumer was also important, the more so since he or she was in many cases a worker in the new munitions factories. The question of coal stocks for the winter 1940-41 had therefore to be taken in hand before the summer of 1940, so as to build up such a margin of safety as would make a big winter shortage impossible.

Early in March 1940, a long-term stocking programme was determined on. This required the working out of estimated home requirements of coal over a twelvemonth. The table opposite (Table I) shows the estimated home requirements, both for current consumption and stocking purposes, for the year ending April 1941, and the actual quantities of stocks at the beginning of that period. It will give some indication of the complexity of the problem and the main tasks to be achieved.

The Mines Department directed its chief efforts towards the public utilities and the poorer domestic consumers. It adopted as its target the provision on average of ten weeks' supply in stocks to be held at the end of September 1940 by the main public utility undertakings, that is the gas and electricity works. The experience of 1939-40 had shown that an average of nearly  $7\frac{1}{2}$  weeks' supply at the gasworks in September 1939 and an average of nearly seven weeks' supply at the electricity works had proved insufficient to meet an exceptionally difficult winter, and there could be no guarantee that the second winter of the war would be easier than the first. These calculations were made, it should be said, in the absence of an effective control of coal stocking and supply at industrial undertakings such as obtained at a later period of the war, which made such high stock levels seem unnecessary for efficient industrial working.

TABLE I  
*Estimated Home Requirements of Coal during the year ending April 1941 and the Stock Position as at 1st May 1940*

Class of Consumer	MAY TO OCTOBER				NOVEMBER TO APRIL				No. of weeks supply based on average weekly winter consumption
	Require-ments year ended 30th April 1941	Consump-tion	Additional for stocking	Total require-ments	Consump-tion	Reduction in stocks	Net require-ments	Quantity	
	Tons	Tons	Tons	Tons	Tons	Tons	Tons	Tons	
Gas works (excluding coal equivalent of gas coke exported)	18,900,000	8,300,000	2,400,000	10,700,000	9,900,000	1,700,000	8,200,000	1,950,000	4½
Electricity works	17,600,000	7,800,000	2,000,000	9,800,000	9,400,000	1,600,000	7,800,000	2,070,000	5½
Water works	400,000	200,000	Nil	200,000	200,000	Nil	200,000	80,000	10½
Railways (for locomotives and workshops)	14,000,000	7,000,000	400,000	7,400,000	7,000,000	400,000	6,600,000	920,000	3½
Iron works (used in blast furnaces)	17,200,000	8,100,000	Nil	8,100,000	9,100,000	Nil	9,100,000	(approx.) 500,000	Less than 1
Other iron and steel works	10,700,000	5,100,000	Nil	5,100,000	5,600,000	Nil	5,600,000		
Coastwise bunkers	1,200,000	600,000	Nil	600,000	600,000	Nil	600,000		
Admiralty bunkers	800,000	400,000	Not known	400,000	400,000	Not known	400,000		
Shipments to Northern Ireland	2,400,000	1,200,000	Not known	1,200,000	1,200,000	Not known	1,200,000		
Collieries (engine fuel)	12,600,000	6,300,000	Nil	6,300,000	6,300,000	Nil	6,300,000		
Government dumps	1,500,000	Nil	1,500,000	1,500,000	Nil	Nil	Nil		
Service Departments	2,000,000	700,000	300,000	1,000,000	1,200,000	200,000	1,000,000	150,000	4½
Domestic, etc. (including miner's coal)	36,000,000	12,000,000	6,000,000 <sup>1</sup>	18,000,000	24,000,000	6,000,000	18,000,000	Coal merchants' stocks negligible (approx.) 3,000,000	2½
General manufactures and all other purposes	60,000,000	30,000,000	Nil	30,000,000	30,000,000	Nil	30,000,000		
TOTAL	195,300,000	87,700,000	12,600,000	100,300,000	104,900,000	9,900,000	95,000,000		

<sup>1</sup> Partly in consumers' cellars and partly held by coal merchants.

The other main part of the stocking programme was to be the provision of coal in Government dumps, i.e., stocked at Treasury expense, chiefly for the use of those domestic consumers, especially in the large towns, who had neither the money nor the space to stock coal for themselves. Domestic consumers who had the ground for a stock, as well as all coal merchants and industrial undertakings, were urged to lay up stocks for themselves. But experience had proved that many people were unable to do this. It was necessary that stocks should be held for them in well-distributed sites at public expense. The dumps formed a second line of defence, the first line being the stocks held by the consumer and his coal merchant. Treasury sanction was obtained to lay up coal for this purpose in Government dumps up to a maximum of a million tons; an amount which was later raised, in the summer of 1940, to a maximum of five million tons.

If the stocking targets were reached and if estimated home demand for current consumption proved correct, Great Britain would have available for export out of her estimated total production, in the year April 1940–April 1941, about 2,800,000 tons of coal per month. Of this amount, 1,300,000 tons per month were earmarked as essential exports to neutral countries and as overseas bunkers. This calculation, made in March 1940, represented a considerable reduction in the export programme to countries other than France, as it had been planned earlier in the year. In January, it had been hoped that much larger allocations for export could be made. The reduction was the direct result of the growing pressure of the French case.

The amount of 1,300,000 tons decided on in March was looked upon as an absolute minimum for exports to neutrals and overseas bunkers, for reasons which seemed cogent in the early months of 1940. For one thing, coal exports were earning much valuable foreign exchange, especially for purchases in the American market. This was before the days of lend-lease and the revolution in war finance which lend-lease brought about. Coal exports were also an important aid to the Foreign Office and the Ministry of Economic Warfare in the policy they were at that time jointly pursuing. It was the business of Britain's economic warfare to weaken Germany's commercial and financial position, to retain the goodwill of neutrals and assist countries open to German attack to defend themselves. Coal exports furthered all these purposes. They were an important part of the great export drive which developed in the spring of 1940 under the pressure of all these financial and political reasons and which was regarded as one of the most important contributions which Great Britain could make at that time towards the Allied war effort, before the summer campaigning began.

The representation by the French Government of the urgent re-

quirements of France brought about a further revision of the monthly exports allocations in May 1940. The table overleaf (Table II) shows the amounts fixed at that time and compares them with both the January allocations and with the amounts exported in the pre-war year 1938. The figures demonstrate the changes which the war had already wrought in the coal export market and the wide variety of demands which it was judged at that time necessary to satisfy, independently of the French demand.

The dimensions of the problem set to the British coal industry in that spring and summer of 1940 may now be a little clearer. If the British stocking programme as settled in March had remained intact, and if exports to markets other than France and colonies were supplied at the rate contemplated in the May allocations, which were regarded at the time as irreducible, then the most that could have been found for France and her empire that summer from British sources would have been 1,500,000 tons of coal per month, plus about 30,000–40,000 tons per month which was then going to coke ovens in Belgium and Holland to make coke for French use. This amount was far below the French demand. The French Government was asking for 1,500,000 tons a month for metropolitan France alone and upwards of 150,000 tons per month for the empire. This was coal wanted for current consumption only. To build in addition stocks by the end of September to the extent of eight weeks' winter supply, France needed another 500,000 tons a month from May onwards.

On the existing output of British mines, and the March estimates of British requirements and export allocations, the French requirements could not be met. And indeed there was some doubt whether, supposing such a quantity of coal to be supplied, the French possessed the facilities to unload and get it away at the ports. The long-term solution of the question on the British side was obviously the increase of British production to the level of 260 to 270 million tons per annum which was the target contemplated by the new Coal Production Council, although such an increase would raise the manpower problem in an acute form. Even with the comparatively large labour force used in the First World War, coal production had never reached this figure.

Meanwhile it seemed reasonable to bring the British and French re-stocking programmes into line by reducing the amount of stocks aimed at by public utilities in this country from ten to eight weeks' supply. This might provide a margin for further supplies to France at a fairly early date, if all went well. It was therefore decided by the War Cabinet, meeting on Monday, 6th May, that we should offer to supply the French with 1,500,000 tons of coal a month for export to France and the French Colonial Empire, together with the

**TABLE II**  
*Allocations of Coal for Export*  
*May 1940*

Countries	Approximate monthly exports in 1938	Allocations agreed January 1940	Allocations for May	Possible Allocations per month after May
	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>
France and French Empire	621,000 (includes French African Depots)	1,250,000	1,500,000	1,500,000
Norway . . .	114,000	125,000	Nil	Nil
Sweden . . .	221,000	290,000	Nil	Nil
Denmark . . .	250,000	250,000	Nil	Nil
Iceland . . .	10,000	14,000	14,000	14,000
Finland and Baltic States . . .	155,000	87,000	Nil	Nil
Belgium . . .	55,000	54,000	60,000	60,000
Holland . . .	74,000	83,000	70,000	70,000
Switzerland . . .	21,000	125,000	85,000	110,000
Spain . . .	90,000 (including Canary Islands)	76,000	25,000	55,000
Portugal . . .	60,000 (including Azores and Madeira)	76,000	50,000	70,000
Italy . . .	190,000	700,000	150,000	100,000
Greece . . .	12,000	66,000	90,000	60,000
Jugoslavia . . .	Nil	14,000	14,000	14,000
Egypt . . .	125,000 (includes Port Said and Alexandria)	125,000	100,000	120,000
Argentina . . .	170,000 (includes Plate depots)	210,000	120,000	120,000
Uruguay . . .	24,000	25,000	15,000	15,000
Brazil . . .	44,000	41,600	20,000	16,000
U.S.A. . . .	10,500	12,500	10,000	10,000
Canada . . .	95,000	100,000	100,000	100,000
Eire . . .	206,000	210,000	150,000	180,000
(Other countries, including overseas bunker depots, but excluding France and French Empire)	Channel Islands 21,000 Newfoundland 13,000 Other British Possessions (including Gibraltar and Malta) 73,000 Miscellaneous 12,000	No specific allocation made (Releases to be allowed generally up to 1938 figures)	240,000	240,000 (regarded by Ministry of Shipping as insufficient)
<b>TOTAL . . .</b>	<b>2,045,000</b>	<b>2,684,000</b>	<b>1,313,000</b>	<b>1,314,000</b>

greater part of any additional quantity of coal (up to a further 200,000 tons a month) which might become available either through an expansion of British output above the level of 48 million tons a week or through the decision to aim at stocks of eight instead of ten weeks' supplies for British public utilities. The result of this offer was the emergence of a six months' programme of coal shipments for France.

It was agreed under this programme that coal and shipping would be forthcoming to lift 1,500,000 tons per month from the United Kingdom for the purposes of current consumption in France and North Africa, the programme to begin on 1st May and to continue to the end of September. The situation was subject to review by August. One main object of the programme was to produce the maximum amount of fuel possible for the French steel industry. The French re-stocking problem was left for later solution.

By this time it was the beginning of May. Military operations in the west of Europe had already gone fast and far and most unfavourably for the Allies. It hardly need be said that the six months' programme of coal shipments to France outlined above was never completed. What was done in May and June was done only in the face of great difficulties. Late in April, coal originally intended for Scandinavia had been sent to France and this was followed by a number of similar provisional measures. Early in May, when the Low Countries were invaded, authority was secured for the diversion to France during the second half of that month of practically the whole of the coal which would otherwise have been shipped to neutral destinations. This was to make up for the loss of Dutch and Belgian supplies of coal and coke. Late in that same month the German armies invaded the Pas de Calais coal-field. By the beginning of June, France was asking that she should be supplied with 2,700,000 tons of coal in that month alone. Following the wholesale loss of ports and industries which followed immediately afterwards, this request was scaled down to 1,700,000 tons. Much of this coal, some of it in ships directed into the trade from deep-sea work, was already at sea when France fell. By 16th June, all loading of coal for France had been stopped. And at the beginning of July the Anglo-French Coal Requirements Committee was disbanded.

The fall of France was without exception the greatest single event in the history of the coal industry during the war, as it was in many respects the most important single event in the whole war. The effect on the major war problems of the British coal industry was profound. The problem of exports to France and of how this could be reconciled with the British war effort and the British production of coal was never solved. It simply disappeared when France withdrew from the war. It is hard to guess what the course of events might have been

in the coal industry if France had continued to fight. The withdrawal of the French Government and armies to North Africa, which was the only way in which France could have continued the war, would probably have greatly eased the position from the standpoint of the supply of British coal, for North African requirements were always small compared with those of France herself, although they would have been considerably increased by such a move.

The chief immediate effects were naturally felt in the French trade itself and in the export market. Coal cargoes at sea en route for France or lying in French ports had to be called back to prevent them falling into German hands. By the end of June, a good deal had been done in bringing them out of France and disposing of them elsewhere. In July, the process was completed; of cargoes diverted from French destinations, 212 had been disposed of in Great Britain and Eire, some sixty or seventy others abroad and, so far as was known, only six more remained to be placed. When these exciting weeks were over, it became clear that with the fall of France there had come about a revolution in the coal trade. Less than a month before, the British coal industry had been told that a ten per cent. rise in production was wanted. Now they were informed that, on the best available knowledge, home demand for coal would not greatly exceed 200 million tons per annum, exports and bunkers were not likely to be more than 15 millions and demand was therefore likely to fall short of production by ten per cent., an amount which was almost exactly equal to what had been wanted by way of increase.<sup>1</sup> On the broad facts, there could be no doubt that the withdrawal of France from the war had, temporarily at any rate, reversed all expectations; the amount of coal required in the immediate future, especially of certain kinds of coal, would be much below the amount which was then being turned out.

### (iii)

## The Reaction

The export coal trade was thoroughly disorganised. Two great fields, the north-eastern, in the counties of Northumberland and Durham, and, on the other side of the island, South Wales, had become highly organised over many years to supply the French

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<sup>1</sup> There was an important factor in home demand which was not well known; this was the consumption of the smaller industrial undertakings, including many of the new firms working on army supplies, which consumed more than 100 tons per annum. Works of this capacity were often small in themselves, but the volume of their aggregate demand was considerable and was almost certainly on the increase. Monthly returns of their consumption were first asked for by the Mines Department in June 1940. But this statistical enquiry affected only a small, although important, part of the field.



market. Their trade could only be rebuilt with difficulty, if at all, for there was no demand in Great Britain for some of the duff coals which France had taken from South Wales, and there would be considerable difficulty, given the limits of British demand, in disposing of the gas and coking coals of Durham. There would be idle pits and idle men and these things would affect, not a mining village here and there, but whole countrysides and in the long run the entire coal-mining industry.

The British coal export industry and the collieries which lived by it, which could find no alternative market, were among the indirect casualties of the *blitzkrieg*. By the end of the first week in July 1940, forty-three pits were wholly and nine partly idle in South Wales. The outlook was extremely bad for Durham coking coal, bad for gas and steam coals from that county. In Northumberland, the hard coal pits were working full time, but the soft coal pits were expecting to be idle very soon. The posture of affairs in the export fields changed slightly from week to week, from month to month, as new factors came into play, but its main outlines remained much the same for the rest of the autumn and winter.

A considerable market for the Northumbrian coals was found in Lancashire, a county which was hard at work on war contracts and which consumed far more coal than it could produce from its own field. This trade had begun before the fall of France, as Lancashire's war demand for coal grew, but it was maintained throughout that summer with the aid of various devices aimed to overcome the marketing and price difficulties which had to be encountered.

Transport was easier from east to west across the North of England than from the north to London and the south. This latter trade might otherwise have done more to help Durham than it did. The coastwise traffic on the east side of the kingdom had become scarce and subject to long delays since the coastline of the whole mainland of western Europe had fallen into German hands. Much less coal than usual could be moved by sea. The railways were encountering their own trials. The handling of coal by rail to the south was reported extremely difficult towards the end of July. By early September, the German bomber was lending an unfriendly hand and a confusion had begun to develop which soon grew worse. A transport problem was created which lasted throughout the second winter of the war, and dominated for months both the production and distribution of coal.

Durham produced much coal which could not be easily disposed of in the inland market, and since the coal that could be disposed of could not always be moved, the county was peculiarly hard hit. In September, when Northumberland was working well and South Wales coals were for the most part moving much better than had

been expected, Durham was still extremely depressed, chiefly because no outlets could be found for its gas or coking coals. The plight of the county grew worse in October, despite the fact that as much Durham coal as possible was being brought south; nor was it any comfort to the Durham villages to know that as the transport position deteriorated the rest of the coal-fields were complaining of their lot too. Falling on a county which had already suffered memorably between the wars from unemployment and wage reductions and where many old pits were already exhausted or near exhaustion, the weight of these events settled many a Durham family's opinion of the future of the industry and produced effects both on its manpower and on the temper of the miners which were felt in the later stages of the war.<sup>1</sup>

The loss of the industry's export markets proved to be largely irreparable. There was some talk in those early summer months of finding alternative markets abroad, if necessary at a financial sacrifice. But it was the German soldier, not economics, which stood in the way. The war had taken a turn which carried it completely away from the pattern of the war of 1914-18. In those years, England was still exporting large coal cargoes to the Continent to the last day of the war. But in that war large parts of the Continent had never been invaded by the armies of the Central Powers. Now, the whole Continent west of the Alps was in Axis, mainly German, hands. The most important exception was the Iberian Peninsula, and in the year following Dunkirk even Portugal and Spain, owing to the activity of the U-boats, became remote from Great Britain. If Portugal were still counted as a sure market, the only other substantial markets remaining, outside of possible sales of anthracite in Canada and the United States and cargoes required for stores for bunkering purposes in ports and harbours here and there about the world, were South America and Eire. In South America the change in the character of the war was temporarily unfavourable to the coal industry. In July, the Mines Department was asking the Ministry of Shipping for tonnage to take coal to the Plate. The reply of the Ministry of Shipping had to be that imports now took precedence over exports. The additional tonnage wanted for the Plate would have had to be diverted from the North Atlantic and this would have upset the import of war material, especially steel, by the Ministry of Supply. Seeing what the circumstances were which surrounded the drive to bring in war materials and foodstuffs to the United Kingdom as fast as ships could carry them, even if they had to go out in ballast, there could be no doubt of the correctness of this decision. And indeed, even if the ships had been forthcoming, the amount of coal to be carried was small compared with the quantity which France had

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<sup>1</sup> *The Economist*, 6th November 1943, p. 626.

been taking so recently and would have afforded little relief to the coal industry.

Coal exports remained heavily down throughout the rest of 1940, as Table III shows. Exclusive of bunkers, they were 834,000 tons in August, compared with the 2,752,000 tons sent abroad in May, when France was still fighting. They were 959,000 tons in September, 922,000 tons in October, 501,000 tons in November, and 459,000 tons in December. The first six months of the following year saw the figures of coal exports moving very slightly up and down around the low level which had been reached at the end of the previous year. The total amount shipped, again exclusive of foreign-going bunkers, was 2,992,013 tons, compared with 14,933,189 tons in the first half of 1940. Foreign-going bunkers fell less heavily than cargo shipments; they were 2,141,044 tons in the first half of 1941, compared with 4,119,259 tons in the first half of 1940. Apart from cargoes destined for bunker depots in Sierra Leone, Gibraltar, the Atlantic islands, West Indies, Canada, Argentina, Uruguay and Brazil, upon which the movement of ships depended, the principal destinations to which coal was being exported in 1941 were Eire, the South American states, Spain, Portugal, Canada and Egypt, with smaller quantities going to Iceland, Palestine and the Service depots in Gibraltar, Iceland and Egypt. None of this trade was maintained solely for trade reasons; there were political, economic or Service considerations in every case. Thus, the Ministry of Food was vitally interested in the maintenance of the Argentine *frigorificos* on which Britain's meat supplies depended and stocks of bunker coal had to be kept for the sake of the meat ships in both Argentina and Uruguay. Coal was sent to Spain in return for invaluable iron ore. There were good political reasons for supplying both Portugal and Eire. Even the shipments to Iceland were not unconnected with negotiations for the purchase of Icelandic dried fish.

Thus was the export trade cut to the bone. Whether we consider the months immediately following Dunkirk or the twelve months' experience down to mid-summer 1941, the British coal industry had never been so shut off from world markets since the coal export trade first became of outstanding importance, sixty years before. It was an impressive and a disheartening experience, amply reflecting the intense isolation of Great Britain in the world until the German attack upon Russia opened a new phase of the war in June 1941.

TABLE III

*Coal Exports*

		COAL	
		Foreign Cargo Shipments	Total Foreign Shipments <sup>1</sup>
		Thousand tons	
1935 } 1936 } 1937 } 1938 } 1939 } 1940 }	Monthly averages . . . . .	3,226	4,628
		2,877	4,195
		3,362	4,692
		2,988	4,136
		3,076	4,227
		1,638	2,373
1939	September . . . . .	2,254	3,301
	October . . . . .	3,063	4,101
	November . . . . .	3,404	4,498
	December . . . . .	2,986	4,010
1940	January . . . . .	2,848	3,950
	February . . . . .	2,414	3,327
	March . . . . .	2,213	3,204
	April . . . . .	2,508	3,484
	May . . . . .	2,752	3,743
	June . . . . .	2,203	2,816
	July . . . . .	1,169	1,849
	August . . . . .	834	1,375
	September . . . . .	959	1,479
	October . . . . .	922	1,415
	November . . . . .	501	1,012
	December . . . . .	459	820
1941	January . . . . .	478	891
	February . . . . .	469	821
	March . . . . .	522	1,032
	April . . . . .	504	994
	May . . . . .	540	942
	June . . . . .	464	923

<sup>1</sup> Coal exports and foreign bunker shipments and the coal equivalent of exports of coke and manufactured fuel.

## CHAPTER V

# A STOCKS AND TRANSPORT CRISIS

1940-41

(i)

### The Problem of Stocks

**C**ONSIDERING the confusion created in the export trade by the French collapse and the unforeseen difficulties into which South Wales, Northumberland and Durham were forthwith plunged, it may appear surprising that coal production as a whole was well maintained until September 1940 and that it exceeded month by month the output of a year before. The explanation is to be found in the progress of the coal-stocking programme, which had been determined on in the earlier months of the year and was pushed on with all the more vigour after the fall of France.

From this time forward, Britain had to look after herself. It was no longer necessary to slow down British stocking in order to accelerate the French programme. On the contrary, it became more important than ever that the railways, houses, public utilities and factories should possess the best stocks they could gather against a winter when communications would probably be subject to devastation from the air, while the factories would have upon their hands the re-equipment of the Army. There was also, of course, the possibility of invasion, in which event the organisation of regular supplies would become extremely difficult. What was best for the country happened also to be best for the maintenance of employment in the coal-fields, and the stocking programme was keenly followed up that summer.

Down to the fall of France the limiting factor on the building up of stocks had been the amount of coal raised. Afterwards, there was plenty of coal, although not always of the sort which consumers were used to or would willingly take; transporting it became the problem. But until the air raids in September made the transport difficulties grave, stocking was proportionately active. Early that summer there was a lot of leeway to make up. There were many gasworks in June with stocks of two weeks of their winter consumption and under, while coal merchants' stocks were still very much less than a year before. The immediate and by far the largest task of the Mines

Department was to encourage collieries, industrial and domestic consumers and merchants to lay in stocks at their own expense. Once this was done, or if supplies allowed, while it was being done, a second line of defence could be built up in the shape of dumps financed by the Government. These were to be scattered about the country so that those who possessed neither the money nor the space to lay in a stock, as was common enough among the poorer classes of the big towns, could be helped out of their difficulties if the winter proved hard. The scheme for well-distributed Government stocks of household coal was a result of the trying experiences of the previous winter. In July, the Coal Production Council was informed that the Treasury had now authorised Government stocks of five million tons as compared with an earlier maximum of one million tons. All boroughs and urban districts in England and Wales and all town and county councils in Scotland were circularised by the Mines Department for their assistance in providing sites, and on the whole their response was immediate and good.

By that date, the Government stocking organisation had somewhat changed its functions. Like many other people and institutions about that time, it took on additional duties under the stress of events. It was still mainly intended to assist the domestic householder who was not in a position to stock. But after France fell, the Government stocking organisation was used to dispose of many of the cargoes of coal which were returned from French ports or were called back at sea. Also, as export coal began to pour on to the inland market that summer from counties such as Durham, often faster than the industrial consumer could take it, the Government dumps began to stock industrial coal, especially when, as in the case of Durham gas coal, it could be used for household purposes. Government stocking was later on used particularly in the neighbourhood of London, to deal with difficult problems of coal distribution created by the air raids and by the increasing congestion on the railways.

After the experience of the previous winter, consumers for the most part needed no encouragement. Where pressure was wanted, as it sometimes was, it was applied through the National Gas Council and the Electricity Commission, while the Ministry of Supply were asked to pay attention to high priority consumers found to be dangerously short of supplies. Stocking by consumers of all classes continued at a great rate throughout the summer. It was not until September that a decline in merchants' disposals of coal and a certain accumulation of stocks in their yards showed that the consumers' demand for stocking purposes was at last slowing down. It was only then that transport and coal offered for building up on a large scale the stocks of the merchants themselves and the Government dumps. This was unfortunately too late to have much effect

before the winter began and above all before German air raids began to disorganise the railways. Until September, there were many more sites for Government stocks than stocks laid up in them.

There is some uncertainty over the figures, especially over stocks for domestic purposes, which were not easy to trace statistically, but it was reckoned at a later date that out of coal deliveries which approached 19 million tons between May and October that year, nearly eight million tons went into stocks. The position may be compared between July and the beginning of November 1940. The following table shows the rapid increase of domestic and some industrial stocks during these months, and the relatively unsatisfactory position of merchants' stocks and Government dumps when the winter began.

*Stocks of Coal (partly estimated)*

Service	Thousand tons	
	At 27th July 1940	At 2nd November 1940
Gasworks . . . . .	3,610	4,077
Electricity works (including Dagenham Reserve) . . . . .	3,247	3,800
Waterworks . . . . .	139	164
Railways . . . . .	1,282	1,669
Service Departments . . . . .	316	656
Coke ovens . . . . .	449	547
Iron and steel, etc. . . . .	860	1,175
Other industries (over 100 tons p.a.) . . . . .	3,243	3,966
Merchants . . . . .	1,183	1,612
Government dumps . . . . .	—	489
Domestic . . . . .	4,400 <sup>1</sup>	8,000 <sup>1</sup>
Miscellaneous . . . . .	1,100 <sup>1</sup>	2,000 <sup>1</sup>
	19,829	28,155

<sup>1</sup> Estimated

Stocks of coke, which have partly to be estimated, were believed to have increased over the same period from 2,750,000 to 4,000,000 tons.

These figures represent the stocks of coal and coke with which the country met the air attack upon its industries and domestic life in the second winter of the war. From September 1940 onwards the tactics of the Luftwaffe became extremely important in the history of coal distribution, especially in their effects on the supply of London and the South. The distribution difficulties of the first winter of the war returned, although from causes largely different. These difficulties reacted upon production and the holding up of output in turn had its effect upon the morale of an industry which had already suffered a heavy blow by the loss of its export trade. The winter of 1940-41 was one of the most discouraging periods of the war for the

coal industry. Thoroughly to understand this and also the effects of that discouragement upon the mining community, it will be necessary to turn to the conditions which arose about September 1940. These conditions had an immediate effect upon the state of coal stocks and distribution.

(ii)

## The Winter

The result of the stocking campaign in the summer of 1940 had been in some ways quite satisfactory. It was estimated that, over the country as a whole, stocks of coal exceeded those held a year before, in the autumn of 1939, by nearly nine million tons. Those in London were known to be at least  $1\frac{1}{2}$  million tons over the level of a year before, which meant that, even if the winter was again extremely severe, a moderate fall in current deliveries could be taken calmly. It was a condition of safety, however, that the fall should be moderate and not large, for the quantities of coal which had to be moved into London and the South of England week by week to meet winter consumption were great, however high the level of stocks might be. The prospective coal requirements of London for the six months from October 1940 to March 1941 were estimated at  $11\frac{1}{2}$  million tons. Assuming that 2.85 million tons of this could be taken from stock, there would remain 8.65 million tons to be moved in to London during those months. The three divisions, south, south-eastern and south-western, into which the South of England, outside of London, was split up for administrative purposes, would probably be able to supply themselves from stock to the amount of 1.75 million tons, but there would be another 6.85 million tons needed to meet current needs. These estimates were recognised to be a trifle vague. They were based on the actual demand of the preceding winter. Since those days, there had been a big movement of population, especially out of London, which would reduce the needs of that area. On the other hand, war production was growing in other parts of the South and the air raids set up gas and electricity demands at unexpected hours. Some of these new factors would probably cancel one another. But whether they did do so or not could not be proved until the trend of current consumption was measured; meanwhile, the demand of the first winter of the war was taken as a standard. Clearly, any interruption in coal supplies had enough to set con-



sumers burning their stocks much earlier or faster than usual would cause serious trouble later in the winter. And a shortage would soon find the weak spots in the distribution of the country's coal supplies. These lay in two directions; in the comparative emptiness of the Government dumps, where it had been hoped to hold five million tons instead of the 400,000 tons which were in them and in the low merchants' stocks of household coal in London and the South.

It was with much concern that the Mines Department in September 1940 watched the German air raids begin to break up the distribution of coal supplies in the big coal-consuming area between the Thames and the Bristol Channel. The great change came with the intense raiding which started early in that month. London depended, it will be remembered, very heavily on seaborne supplies. During the months from April to August, deliveries by sea to the Thames ports were still comparatively good; indeed, at 5.7 million tons, they were only 300,000 tons short of pre-war figures. They fell in September, however, to 670,000 tons. This was no more than sixty per cent. of the average monthly intake that summer and about seventy-seven per cent. of the average monthly deliveries of the previous winter. The decline was due partly to lack of ships, partly to Admiralty precautions off the east coast, partly to air-raid damage at the London docks. Rail deliveries meanwhile fell to 416,500 tons, which was fifty-two per cent. of the monthly rate in the summer and fifty-six per cent. of that in the previous winter. There had been heavy damage to railway communications in London's immediate neighbourhood and there was much congestion, sometimes actual damage, at important exchange junctions between the different railway systems.

A serious condition of affairs was likely to arise if these conditions lasted. September was not usually a month of high consumption but similar losses later in the year when the winter demand for fuel was at its height would bring about a swift running down of stocks. The process might only too easily become cumulative. The most difficult aspect of the problem was that short deliveries, as a rule, could not be made up by increasing the rate of delivery later, since the capacity of the lines was already strained. Early action was wanted and by the nature of the case it had to take the form of joint policy, for the Mines Department, the Ministry of Transport and the Ministry of Shipping all were concerned. A routine inter-departmental committee could not, however, fill the bill. There were important differences of opinion in the judgement of the situation and consequently upon policy. The problem was sufficiently big to require direction at the Cabinet level.

When the War Cabinet was asked for guidance, it requested the Lord President of the Council (the Rt. Hon. Sir John Anderson,

M.P.) to take the matter in hand.<sup>1</sup> This decision was taken on 9th October. The committee which the Lord President formed for this purpose and which held its first sitting the next day became known as the Lord President's Coal Committee. It was the ultimate authority on coal distribution throughout that winter until the early months of the following spring, when the acute crisis which had called it into being passed away.

The membership of this important committee was small. Besides the Lord President, it consisted of the President of the Board of Trade (the Rt. Hon. Oliver Lyttelton, M.P.), the Minister of Transport (the Rt. Hon. J. T. C. Moore Brabazon, M.P.), the Minister of Shipping (the Rt. Hon. R. H. Cross, M.P.) and the Secretary for Mines (Mr. D. R. Grenfell, M.P.), together with officials of the departments concerned and of the Railway Executive Committee.

The line to be followed was in its general object simple and well agreed, although the choice of means and their timing were not so easy to settle. Every ton of coal that could be brought into London and the South must be brought in as quickly as possible. The first step towards this end was to clear the railways, which were becoming choked with coal traffic, especially in the London area. Railway damage had stopped much coal from going through to its destination, while the bombing of consignees' premises often delayed or altogether prevented delivery to them. The result was a vast mass of traffic standing blocked in marshalling yards, exchange sidings and stabling points. This congestion was beginning to extend the whole way back to the pits, where many loaded wagons were accumulating because of the impossibility of getting them through to the South of England. The simple but drastic remedy for this state of affairs was to find an alternative disposal for the large mass of coal which could not for one reason or another be delivered to consignees in Central and South London or in the towns to the south of London normally served by the lines passing through that city. This was done through the

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<sup>1</sup> There will be frequent references in this book to the Lord President of the Council and the Lord President's Committee, over which he presided. The Lord President's Committee, a committee of the War Cabinet to co-ordinate the work of other committees dealing with the civil side of the war, had been established in June 1940, after the change of government. New and extensive powers were conferred upon it early in 1941 and it rapidly became the umpire on the larger issues of the economic conduct of the war. The most important focus of civil government under the War Cabinet, it not only developed the main lines of economic policy, but also handled the big 'crisis' problems as they arose, such as this of coal distribution. For the functions of the Lord President's Council see W. K. Hancock and M. Gowing, *British War Economy*. The Council became the main channel of the War Cabinet's control over coal problems, at all later stages of the war, and no other member of the War Cabinet was so long or continuously occupied with the coal industry and related activities as the Lord President. When it brought a new organ of government and a new personality into touch with the affairs of the coal industry, the War Cabinet in October 1940 took a decision of more importance than appeared at the time: it was a move on the road towards the institution of a new type of coal control altogether, in June 1942.

machinery of a Standing Diversion Committee, the main duties of which were to find other consignees and to enforce a time limit on the standing coal wagons. The Committee, which included representatives of the coal trade and a railway expert attached to the Mines Department, met once a day while the crisis was on. It received full and immediate information of all coal which could not be delivered to its original destination and the names of alternative consignees. If the Committee found itself unable to designate another consignee within the day, the coal was directed at once to the nearest Government dump. There were a number of such dumps, originally intended for the Government stocking programme, in East and North-East London and others were arranged for the North and North-West of the city. The coal merchants eased matters by agreeing to accept diverted coal despite its often higher price and to ignore all but the essential differences of quality.

This policy met with immediate success and by the end of October the congestion in the London marshalling yards was cleared. This line of attack had possessed the advantage that by going for the problem at the central point, in London, it helped to clear the lines throughout the country. Yet the position in London deteriorated rather than improved during October. The fact was that even when the bringing of coal to London was freed from the hindrances set up by undelivered coal within the city's borders, it did not follow that the problem of the city's supplies could then be looked on as solved. The whole city was divided by the river, and the river railway crossings were subject to fierce enemy attacks. These might in time have made it wholly impossible to handle coal by rail within the London area. Fortunately this extremely unpleasant possibility was never entirely realised. It is difficult to see what immediate answer could have been found to the difficulties it would have created.

The main remedy put in hand by the Committee was admitted to be one which would take some time to have any effect. A number of sites were obtained on the northern periphery of the London area, convenient for coal distribution within the city and also accessible by rail from the Midlands and the North. The proposal was to equip these sites with sidings capable of taking an entire coal train and with the grabs and other machinery wanted to handle the coal. Coal could then be brought to the city's verge by trains which need never enter the London area at all. Delivery to consumers might be undertaken partly by rail, if any lines still worked, partly by road transport, although the handling of any large quantity of coal by road presented an enormous and difficult job of organisation. Work on these sites was begun at once, but they were expected to help in the winter of 1941-42 or at earliest in the spring of 1941 rather than

in the winter which was beginning. Meanwhile railborne traffic across the Thames in London was reduced during October and November to about 30 per cent. of normal and there was every prospect of an acute coal shortage in South London. This was avoided at the time by special arrangements with the Ministry of Shipping to increase the supply of seaborne coal to ports on the south bank of the Thames and by railing coal to tipping stations on the north bank, whence it was taken by barge across river and distributed by rail and road in South London, Kent and Sussex.

As a result of railway diversion and improved supplies by sea, the London situation had considerably improved by January. It even became possible to hope that it would not again grow acute that winter. The railborne deliveries into London in the week ending 18th January were the best since the Committee had begun its sittings, although seaborne supplies were less satisfactory. It later appeared that the first estimates of London's current requirements, on which the Committee had been working, had been put too high, but the error does not detract from the credit of the Committee's actions. The estimates for the south and south-western divisions of the country were, on the other hand, too low and the question of London was but part, although no doubt the more important part, of a problem which extended to the whole coal-consuming (but mostly not coal-producing) district of the South of England between the Thames and the Severn. The solution of London difficulties was the result of methods which were extended to the country as a whole. It is worth considering in a little more detail what those methods were.

When the Committee began its sittings, the position was that while it was absolutely necessary that the railways should carry more coal, their powers to do so were severely limited. They were being asked to carry more traffic than before the war. At the same time, their carrying capacity was being reduced, not only by actual air attack, but also from the delays caused by unexploded bombs and the slowing down of speeds during air-raid alerts at night. The whole Great Western Railway system was over-burdened by the mass of traffic thrown upon it by the diversions of ships to the western ports which was caused by the general course of the war that year. This made it difficult not only to take coal eastwards along that system from South Wales, but also to take coal southwards across the Great Western system.

Alternative transport could be found for some coal upon the canals, but the amount was trifling. Road transport again could not be employed economically for carriage of a commodity so bulky and in such heavy demand, except for very short hauls as from the Kent coal-field to places round about. The main weight of supplies had to

be borne by the railways and by coastwise shipping. Shipping coal from Newcastle to the ports of the South of England had become a hazardous occupation, owing to the ceaseless enemy attacks. But if less coal had been carried by sea that winter, despite the risks, it might have been necessary to give a general priority to coal on the railways, even at the expense of other war traffic, to keep industry and the public utilities and the domestic consumers going.

A general priority for coal traffic had considerable support as a general solution to the problem of coal supplies. But there were sound reasons against it, apart from the injury it would inflict upon other sides of the war effort. Coal stocks in the country generally were above normal and close examination showed that shortages, although often acute, were local rather than general. The movements of population in the first war year made a general priority inappropriate, since its purpose would have been to maintain a supply of coal to all districts sufficient to meet their usual peace-time requirements. The methods adopted needed to be shaped to the predominantly local character of the problem. Failing priority, the two best methods of maintaining a minimum flow of coal traffic over the lines were, first, to reduce railway and shipping delays, whether en route or at terminal points, and second, to take special measures to obtain supplies for districts in acute need.

Delays on the railways were largely due to congestion, and the working of the Standing Diversion Committee quickened the movement of railborne coal throughout the country. Delays in the discharge of seaborne coal were also reduced by steps concerted with the Ministry of Shipping, which maintained throughout this period a precarious, but quite invaluable, stream of supplies southwards by the South Coast Coal Convoy.

Once these matters had been taken in hand, it was possible to devote more attention to the districts of particular scarcity. The first requisite was accurate information. This implied a statistical enquiry of some magnitude, kept constantly up to date. British Governments in peace-time had no need to know where every ton of coal goes to or comes from. It was now necessary to collect at regular and frequent intervals for the whole of the South of England an exact statement, county by county, of the demand for coal for all purposes and to set over against this the supplies, in the form of pit-head disposals by destination, which might be expected from all sources. The 'marrying' of the estimates measured the prospective shortage in districts where coal was scarce and made it possible to arrange for supplies to be brought in, by special train, if necessary. For the dangerous areas, namely London, Kent, Sussex, Surrey and Hants, the railways undertook to provide weekly figures of actual deliveries, so completing a moving picture of the channels of coal distribution.

The constant detailed scrutiny of the position and the arrangement of a multitude of special measures to meet local shortages was not work for the Lord President's Coal Committee, which was concerned with broad issues of policy. It devolved upon an executive sub-committee, which included representatives from the Mines Department, the Ministry of Transport, the Railway Executive Committee and the Ministry of Shipping, under the direction of a chairman from the Mines Department. This committee met every Monday, so that the Lord President's Coal Committee sitting on Wednesdays was well informed of what its right arm was doing. The procedure of the sub-committee enabled it to act swiftly against the possibility of a coal famine in this or that particular district without at the same time becoming responsible for all coal movements throughout the country, which would have been an obviously impossible task. It was adapted, that is to say, to fit in with the regional organisation which the Mines Department had been running from the outbreak of war. This organisation made the Divisional Coal Officers responsible for investigating consumers' complaints. Complaints that collieries were unable to supply coal were cleared up between these officers and the Coal Supplies Officers in the coal-fields. Representations that the coal could be supplied but would not be accepted by the railways or was held up in transit were, on the other hand, taken up between the Divisional Coal Officers and the Railway Liaison Officers. But there were always some complaints which defied the efforts both of the regional organisation of the Mines Department and the railways. These were the complaints of the 'dangerous counties' or the 'black spots', where special transport difficulties existed and where no local ingenuity in shifting surplus transport from one locality to another could overcome them. They had to be dealt with by special controlled traffic. This controlled traffic represented at any one time no more than about ten per cent. of the coal traffic of the country, but its proper direction meant the whole difference between a minimum movement of coal to satisfy consumers' demands and widespread local coal famine.

There were already, it will be remembered, special coal trains sponsored by the Mines Department. These had been organised, at the cost of a considerable reduction of passenger traffic, in the winter of 1939-40, when the movement of coal by sea from the North to the South of England was dislocated. Part of the east coast coal movement was then transferred to special trains, which were additional to the ordinary railway coal traffic. Owing to the persistent shipping difficulties, these special trains continued to be run throughout 1940. They were known as the 'convoy' trains and their movement from Northumberland, Durham and the Midland (Amalgamated) District, these being the districts from which the bulk of the public utilities

and domestic supplies in London and the South were drawn, was organised by the Convoy Committee of the Railway Executive Committee. The convoy was limited to a weekly maximum of 230 trains, as the putting on of more special trains would have cut into the ordinary coal traffic without bringing about any net addition to coal carriage. The requests for 'convoy' trains were usually many more than the number which the railways could run. It was possible now, with the aid of a knowledge of the consumers' needs which no one had possessed before, to indicate relative priorities and to give to the Mines Department's recommendations of trains for convoy the special endorsement of the Lord President's Executive Sub-committee.

The convoy trains apart, the railways were able to offer from time to time, when the state of traffic permitted, to carry a train-load of coal between particular points. These offers were for full train-loads of coal, not for broken or 'rough' traffic, as the railwaymen term it, that is, ordinary commercial coal traffic, made up wagon by wagon. They were known as 'nominated' trains and were used by the Mines Department to supplement the convoy in feeding from the big Midland (Amalgamated) District the more hard-pressed consumers. The last resort was what railwaymen know as a special movement. This was used, however, only where supplies were to be obtained from some district other than the Midland (Amalgamated) District or the north-east coast or where the demand could not be dealt with in any other way.

With this organisation it was possible for the Mines Department to treat scarcities on a local basis, as and when they showed signs of arising. It could so avoid being forced into trying to deal with acute shortages in all parts of the country at once, in the way which had caused its activities in the preceding winter to be likened to those of a man trying to cover a table with too small a table-cloth. For the trouble was predominantly local, and the conditions which surrounded a shortage were often widely dissimilar. Thus, the South London problem, which was one of the earliest to be tackled successfully, was created largely by the decline in London's seaborne supplies and the effect of bombing on coal traffic moving across the Thames. Outside of London, some of the most difficult patches were in the counties of Berkshire, Buckinghamshire and Oxfordshire, on the Great Western Railway, and again in the counties of the south-west, where coal could only be brought with difficulty over the Great Western Railway system or into the small ports between Gloucester and the Lizard. The congestion on this railway system caused by the concentration of shipping on the western ports was acute and helped to prevent the movement of coal out of South Wales, the nearest source of supply for many parts of the South of England. There was also a troublesome bottle-neck at the Severn Tunnel. This latter was

broken by stopping the maintenance work usually carried out on Sundays and opening the tunnel on those days for coal traffic only. Meanwhile reductions of passenger traffic between London and South Wales increased the capacity of the lines for coal freight moving into the South of England. The difficulties of shipping coal in at the south-western ports always remained considerable.

Early in the spring of 1941, a growing shortage in Lancashire gave in some ways more trouble than that in the South of England, where the difficulties were being overcome. Lancashire was consuming about half as much coal again as she produced. And her consumption was rising, as new Government factories started up. Supplies were supplemented at first by railing in more coal from the exporting counties of Northumberland and Durham. The time came, however, when the difficulties both in the way of railing extra coal from other counties and in increasing the output of the Lancashire mines, which were unpopular with miners from other counties because of their heat and uncomfortable working conditions, proved insuperable. It was then necessary to take advantage of a certain slackening in the east coast coal movement to London and divert coastal ships north about the British Isles to the Lancashire ports. In this way a deficiency which was coming to be reckoned at 25,000 tons a week was met without interrupting the laboriously built up special train programmes to the South.

These are illustrations, drawn from the main districts of scarcity, of the kind of problem with which the Lord President's Committee and its executive sub-committee had to cope. There were a mass of other and sometimes more general problems, some of which gave much trouble. The most economical use of coal wagons, for instance, was a complicated and urgent question. In South Wales, after the Dunkirk days, many thousands of coal wagons containing coal for France had accumulated at the docks. In the general congestion of the Great Western Railway, these were still standing when the winter of 1940-41 came and it became an essential step to clear them and set them free, especially as severe shortages of coal wagons were complained of from the colliery districts from time to time. The coal wagon problem contributed towards the setting up of a Wagon Control Committee by the Ministry of Transport in the early spring of 1941, which took over from the railway companies the allocation of wagons for all purposes, including the carriage of coal. This Committee, collecting all information on wagon movements and collating this with the demands of wagon users, was in a position to prevent local wagon scarcities which injured coal consumers by forcing short time at the pits.

The wagon question was closely related by old custom to the working time of the mines. In the summer, in peace-time, transport



facilities tended to exceed the collieries' needs; there was a transport surplus. In winter, on the other hand, there was seldom enough transport to take the whole of the collieries' output, when working full time. Few collieries stocked coal or had the space or machinery to do so. If they could not dispose of the whole of their current production, owing to shortage of wagons or ships, they worked short time. The gravity in war-time of curtailing production even for so good a reason as the lack of transport needed no stressing. When, therefore, transport difficulties were reported in the spring of 1941 to be holding up production, the Lord President's Committee made their opinion known that collieries should stock rather than work short time. This decision created difficulties for many collieries which in the cramped conditions of many coal-fields found it physically impossible to stock anything but an extremely small proportion of their output. Later, by an extension of the Government stocking programme, central stocking sites were set up in the coal-fields, in addition to those already existing in the chief consuming areas.

### (iii)

## Afterthoughts

The measures described took in some instances months to work out in effective fashion. Yet they were short-term measures. The circumstances did not allow of far-reaching policy. Urgent action was what was wanted and it was supplied on the whole with success. Whether in the analysis of the problem, the discrimination shown in choosing a solution, or the choice of means, the proceedings of the Lord President's Committee in handling the coal distribution that winter might be judged almost a model of what scientific administration at short notice ought to be. But the winter had been got through, to use the Lord President's candid words, only by a 'variety of expedients and some narrow squeaks'. Promising remedies had had to be turned down simply because they were long-term in their effect, and as the winter and its shortages wore away, it was natural that the possibility of introducing more fundamental measures, to prevent similar trouble in the winter of 1941-42, should be in the minds both of the Lord President and his Committee and of the Mines Department.

The main question was whether the whole machinery of coal distribution did not need recasting to meet the conditions of war. This was a problem on which there was much room for difference of opinion, not merely because of the conflict of interests, but also from the difficulty of obtaining an exact definition of the issues.

Experience had developed varying views about the sources of weakness in coal distribution. Broadly speaking, one view looked for changes towards the producing end and the railways, the other towards the merchanting end. The first view criticised existing colliery and railway practices and their disadvantages in time of war. Collieries rarely loaded a full train-load of coal. They loaded wagons for this destination or that, and left it to the railways to sort out into trains the many thousands of wagons moving to all parts of the country. This involved much shunting and using up of line capacity. Legitimate in peace-time, when transport was more abundant, it represented waste in war and practice had been moving away from it, under the pressure of events. The loading at the collieries of full train-loads for particular destinations had had to be adopted perforce in the winter of 1939-40 as the only way of overcoming congestion on the lines and supplying consumers in the districts of coal famine. Since then, the programmes of convoy and nominated trains had grown up. These were full train-loads, more or less under the control of the Mines Department. Yet the controlled traffic formed in the spring of 1941 no more than ten per cent. of the coal at any time in movement over the lines. The rest was 'rough' traffic, made up wagon by wagon. Reasons of cheapness and the technical suitability of different grades of coal for their purpose had encouraged consumers in the past to distribute their orders as much as possible. This freedom of choice had many advantages and was a healthy stimulus to both collieries and merchants in peace-time. In war, it wasted manpower, transport and time when all were increasingly precious.

After the experiences of the first winter, it had been proposed by the Mines Department, in the summer of 1940, that the full train-load should be operated in future on a much larger scale as a way of economising transport. Opposition had then come from the coal merchants, the collieries and the railways. The coal merchants and collieries disliked the ideas of collective ordering and the diversion of old customers to new sources of supply. The railwaymen felt that the full train-load might be a snare and delusion, so far as economy of distribution was concerned, if fairly drastic steps were not taken to reorganise the merchants' depots, so that the least delay would take place in clearing the full load. They had their own reasons too for feeling that radical changes in coal distribution would be inconvenient. Re-routing of coal wagons, for example, although it might ease the pressure on the exchange points between one railway system and another and by speeding traffic increase to that extent the capacity of the lines, might ill agree with the old rules of 'standard routing' by which the companies divided the freight upon such inter-system traffic among themselves.

All these, however, were arguments that change was difficult, not

that it was undesirable. There remained no doubt that both collieries and railways must to some unknown extent change their practice. Nor could there be any question that the full responsibility did not lie with the collieries and the railways, but that the merchants were equally, if not more, concerned. The movement of coal in wagon-loads instead of by the train-load was a direct reflection of the consumer's habits, both industrial and domestic, and the trade practices of coal merchants both sowed and cultivated these habits. The conditions of war-time made them appear a licence to waste increasingly limited resources of manpower and transport.

There were several lines on which useful economies might be sought. One was the reduction in the number of grades of coal, especially of house coal. A reduction in the number of grades would simplify the task of the Coal Supplies Officers in organising the despatch of full train-loads from the coal-fields and would lessen the work to be done at the depots. Depot working in war-time was a problem in itself. Economy in the unloading and delivery of coal was essential, now that the labour employed in coal distribution was being called up. The calling up of these men had been postponed from time to time during the winter of 1940-41 on representations from the Mines Department to the Minister of Labour and National Service, because of the extraordinary difficulties of distribution. After 30th April 1941, when a further call-up could no longer be avoided, the shortage of distributive labour was bound to be severe and vehicles were growing scarcer too. The ideal solution to this problem was the complete pooling of orders from the depots and the pooling of supplies, stocks, labour and vehicles within them.

This would have meant a revolution in coal-merchandising, which, in the retail trade particularly, was largely in the hands of small enterprises. There were over 6,000 merchants' depots in the country and over 20,000 merchants, many of them one-man firms. Some did not confine their business to coal but dealt in other things too, which made the measurement of economies, whether proposed or actual, very difficult; while the technique and the conditions of trade, including the normal margin of profit, varied greatly from district to district. The number of enterprises could be expected to lessen, as the scarcities of war closed down the smallest of them. But the general character of the coal-merchandising trade as it had been described before the war by the Monkton Committee would remain. It was a trade, especially at the retail end, emphatically individualist and little prone to organisation, whether for war or for profit.

There was also another and more important condition attendant on distributive reforms. Changes which might imperil the domestic consumer's supplies if the estimates on which they were based proved mistaken could not be undertaken lightly. If food distribution had

broken down here and there under the stress of war reorganisation people might have been fairly expected to fetch, say, their own milk or bread, although, as we know, this proved not to be necessary. They could not very well fetch their own coal in any adequate quantity. Fuel is, however, as the post-war experience of Europe was to show, as indispensable for a modern community as food.

The distributive trade, especially in household coal, already possessed in 1941 an organisation with which these problems could be discussed and which might have proved itself useful in carrying out an agreed policy. This was the House Coal Distribution (Emergency) Scheme, set up in August 1940 by the coal distributive trade with the encouragement of the Mines Department and Treasury. Projected in June and July by the Merchants' Consultative Committee, which had been meeting at the Mines Department since the beginning of the war, it was intended to act as a liaison organisation between the Department and the retail coal merchants and to assist the trade in adapting itself to war conditions, to secure economies in distribution and to supervise the equitable distribution of domestic supplies, at a time when the growing traffic burden on the railways and the increasing shortage of men, vehicles and petrol were beginning to make themselves felt. Its headquarters were in London and the Director-General was paid by Government although appointed by the trade. The organisation consisted of House Coal Officers appointed in each of the twelve Civil Defence Regions, directly associated with the Divisional Coal Officers of the Mines Department and the coal depot managers. The House Coal Officers were men picked from the trade, but they were paid by the Treasury and had the status of civil servants, an arrangement which came to an end after 30th November 1942 when their position was changed to that of members of the trade advising the regional organisation of the new Ministry of Fuel and Power. The scheme was essentially an organisation of the trade, under Government auspices, with the strength and the weakness of such an arrangement; the first-hand knowledge, the vital element of consent, the sectional view, the scanty choice of administrative personnel, the loose control.

Conferences on coal distribution, in the field of domestic supplies, took place between the Mines Department, the coal merchants and the colliery-owners at the time when the House Coal Distribution (Emergency) Scheme was introduced. The Department proposed to make the Scheme responsible for an ambitious programme, which included a reduction in the number of grades of domestic coal in use, the pooling of orders for house coal by areas and the consequent arrangement of full train-loads from the collieries. In the mental climate of Great Britain that summer, before the air raids had driven home the consequences of the great military defeats upon the Con-

minent, these wide plans were without effect. The colliery-owners especially held that the provision of coal supplies was the function of the coal producers through the District Executive Boards and the Coal Supplies Officers and that the new Scheme must not be allowed to interfere with that function. The more ambitious part of the Scheme had to be dropped. So far as house coal moved in the winter of 1940-41 by full train-load to grouped destinations, this was owing to the *ad hoc* measures which have already been described and was not part of a long-term national policy. The House Coal Distribution (Emergency) Scheme meanwhile led a somewhat curtailed life, since it had not been permitted to achieve what were to have been its more important purposes.

After the experiences of that winter, it became more than ever clear that the old channels of trade could not be retained intact in war-time. The proposals of the summer before were taken up again. This time they were associated with the enquiries of the Lord President's Coal Committee. In February 1941 the whole question of a rationalisation of distribution on the side of domestic supplies was re-opened by the Mines Department in a communication to the Director-General of the Scheme.

The effects of the war on the conception of wise coal distribution may be left for consideration later. They were important mainly from 1942 onwards. When discussions were renewed in the spring of 1941, other problems beside those of distribution were beginning to arise in connection with the arrangement of coal supplies for the winter of 1941-42. The probable consumption and production of coal for the months April to September 1941, when stocks would have to be built up, were by this time beginning to be calculated by the officials. The interesting thing about these calculations was that they promised considerable difficulties in the way, not only of conveying the coal to the consumer, but also of raising it at the pits. This was a problem that had not been encountered since the spring months of 1940 and the period of the French demands. The return of the production problem marked the beginning of an important change in coal affairs. As the stocks and transport crisis of the winter receded, and the spring of 1941 passed into summer, the question of output at the mines grew slowly in importance until later in the year it overshadowed everything else in the sphere of coal production and distribution.

## Appendix to Chapter V

It is worth noting that the House of Commons, through its Select Committee on National Expenditure, showed an interest in the position of coal distribution throughout this period of the war and had a shrewd idea of what needed to be done.

The Select Committee in its Ninth Report (H.C. 149, 1939-40), reporting on the difficulties of coal distribution in the winter 1939-40 and the prospects for the winter coming, said, in July 1940: 'Small individual merchants should be informed that in war-time hand-to-mouth dealing is neither possible nor justifiable and they should be compelled, for the service of their customers, to establish co-operative schemes of storage and distribution. Not only would such schemes give customers greater security of supply but much unnecessary delay, expense and transport would be saved and both road and rail congestion relieved.

'The Coal Rationing Scheme gives to the distributor a secured list of customers and the Sub-Committee strongly hold the view that he may reasonably be asked on his side to accept the necessity of much closer trade co-operation'.

The Select Committee returned to the charge in March of the next spring, after an enquiry into the coal and wagon shortage of the second winter. They now wrote (Eighth Report, H.C. 63, 1940-41) that they 'are not satisfied that the first recommendation in the Committee's Ninth Report of last Session has been given full attention. The Sub-Committee recommended that small merchants should be compelled to adopt co-operative schemes of coal storage and distribution. They now go further and recommend immediate exploration of the following suggestions:

- (a) That merchants should endeavour to co-ordinate the requirements of their customers so that collective orders, possibly for train-loads for their districts, should be placed with one or more colliery-owners for coal, and with gas companies for coke.
- (b) That merchants' stocks should be pooled.
- (c) That merchants should create their own pool of labour at the sidings and dumps.
- (d) That merchants' transport lorries should be pooled, thus saving labour and petrol'.

These observations show that there was a general agreement about what needed to be done, among those who had examined the question. The views of the Committee were not those of any one party and were certainly far from anything which might be described as of a radical turn.

PART III

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The Growth of a Coal Question





# CHAPTER VI

## FALLING OUTPUT AND ITS CAUSES

(i)

### The Downward Trend

**T**HE first warning that grave trouble might lie ahead came in the spring of 1941, when officials were trying to forecast, rather roughly because this was before the days of the exact calculation of the nation's coal budget, the probable course of coal production and consumption in the months April to September 1941. In March 1941, estimates of consumption during the next six months and of the stocks to be built up were submitted by the Mines Department to the Lord President's Committee, which was the deciding Cabinet body on the economic conduct of the war. These estimates are reproduced below.

*Estimated Total Requirements for the six months to  
30th September 1941*

Home Consumption . . . . .	85,450,000 tons
Addition to Stocks (up to 30th September) . . . . .	20,653,000 tons
Exports . . . . .	4,000,000 tons
Foreign Bunkers . . . . .	2,500,000 tons
<b>TOTAL . . . . .</b>	<b>112,603,000 tons</b>

Assuming that transport would be available to move the coal into position for the winter—that is to say, that enemy air attack did not curtail the building up of stocks—an average weekly production of 4,500,000 tons of coal would be needed as compared with an output which had of late stood at less than four million tons.

The programme was approved by the Lord President's Committee as representing no more than a reasonable provision, although the addition to stocks would have been regarded as high at later periods of the war, when stocking and distribution had passed under closer control and the stocks of industrial undertakings especially were better distributed than they were at this date. What the programme meant in terms of industrial effort is clear when it is recollected that the output now proposed had last been reached in the week which

ended on 27th July 1940. At that time, the number of wage-earners on colliery books was 759,500, compared with the 693,600 which represented the strength of the mines on 1st March 1941.

The gap between demand and supply at the pithead, rather than the distribution of the coal produced, turned out to be the most serious problem that had to be faced in the way of fulfilling the programme for the winter of 1941-42. It was also the beginning of one of the most serious production problems of the war. Yet the issues were by no means so clear at the time as they later became. All that was plain was that the output difficulty might be grave and that the transport problem might be equally difficult, especially if air-raids were renewed on a great scale. Which of the two fences would be the higher was not plain at all and could not be without more experience of the probable trend of events.

The first analysis of the results of this programme became available early in May 1941. By that time, the low weekly production of coal in the first six weeks of the programme period had already jeopardised all the expectations built upon it.

In the light of the low output at the mines and the experience of the trend of consumption, the March calculations were revised in June. The main changes were an increase in the estimated requirements for gas and electricity works and railways of 400,000 tons and a reduction of 500,000 tons in exports, the net result being a slight fall in requirements. This reduction still left a formidable programme to be filled, chiefly owing to the urgent need of coal for stock. If 24 million tons of coal were to be added to the country's stocks before 31st October 1941—and nothing less seemed safe after the experience of the winter of 1940-41—then somehow over 116 million tons of coal must be raised and carried before that date. The longer the low output at the pits lasted and the more the weekly movement of coal by rail and ship fell below what had been expected, the higher the average weekly production and movement of coal must be throughout the rest of the summer and early autumn of 1941 in order to make up the deficiency.

The position by June 1941 was that the whole programme of summer stocking drawn up by the Mines Department, approved by the Lord President's Coal Committee early in March and intended to avoid a repetition of the distribution troubles of the second winter of the war by making coal consumption in the third winter much less dependent on current transport than in any previous winter, was in peril, partly from an unusually high consumption in the late spring and early summer, but mainly because of a disappointing rate of coal production. This unlooked-for development was none the less dangerous because the consequences would not be felt until the winter of 1941-42. It was now possible to talk of a 'slowly developing

coal crisis'.<sup>1</sup> The question was no longer whether drastic measures were necessary, but what these measures should be. But before the measures which were adopted are described, the causes must be examined which created the low output and the coal question which burst upon the public and Parliamentary ear with a somewhat too dramatic effect in the summer of 1941<sup>2</sup> and again, far more loudly, in the spring of 1942.

The fall in British coal output, year by year, turned out to be one of the remarkable features of the economic history of the war. In the year 1939 the average weekly output (making due allowance for holidays) had been 4,647,000 tons. The comparable figure for 1941 was 4,099,000 tons. By the second quarter of 1942, it fell yet further to 4,023,000 tons. At this point the decline seemed to threaten the whole foundations of the British war economy and was held to justify important administrative and political changes. But the fall continued throughout the war. In terms of annual output, the production of deep-mined coal in Great Britain—omitting, that is to say, the contribution of open-cast workings, which were negligible before 1939 and were only opened up during the war to make good the shortage from the pits—declined from 226,993,200 tons in 1938 to 174,657,900 tons in 1945. The figures for the early years of the war are as follows: 1939, 231,337,900 tons; 1940, 224,298,800 tons; 1941, 206,344,300 tons; 1942, 203,633,400 tons.<sup>3</sup> Beyond that year we need not for the moment pursue the story.

Within this setting, the disappointment over coal output in the early months of the 1941 programme takes on a character even more significant than appeared at the time. Then it seemed an annoying check to well-laid plans, which might, with luck and hard effort, be overcome later in the year. But the obstacle which had been reached proved difficult beyond expectations. This was because the roots of the problem ran very wide and deep. Some of them were recent in growth, springing out of the war itself; others stretched as far back as the great dispute of 1925–26 and other happenings of the inter-war period which the general public was beginning to forget. It will be necessary to consider these causes and to see how they became locked

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<sup>1</sup> The phrase was employed by the Under-Secretary for Mines in a memorandum dated 18th June 1941. By that time, the manpower at the mines was under review, and this formed the main topic of the memorandum.

<sup>2</sup> We are told by *The Economist*, 19th July 1941, that the public was 'profoundly shocked' by the Secretary for Mines' statement in the House of Commons on 28th May 1941, which gave the first clear public intimation of the difficulties ahead. The paper thought the coal shortage a 'truly extraordinary state of affairs' and proceeded to discuss causes and remedies with a good deal of acuteness, considering the Government's monopoly of information. The public might have been less astonished, if still shocked, had it not been an article of faith that whatever else was wanting the country could never lack coal. Public opinion not only knew little of what had been happening on the coal-fields during the war, but had also failed to grasp the significance of the contraction of the industry between the two wars.

<sup>3</sup> Table 3, *Ministry of Fuel and Power Statistical Digest*, 1945 (Cmd. 6920).

with one another to form the complex and intractable thing called the coal output question.

The output of the mines was a function of three things; the number of mineworkers, the number of hours worked and the rate of output per man, especially the output per man at the coal-face. The first big obvious element in an explanation of the downward trend of production is, therefore, the decline in the manpower of the industry. The number of wage-earners on colliery books had averaged 766,322 in 1939; it was no more than 697,633 in 1941. A fall of nine per cent. was a respectable proportion of the whole, and only a substantial increase in the productivity of the labour employed could have prevented it from reducing the output of the mines. The output per man employed rose notably in some early months of the war; the output in the April-June quarter of 1940, for example, exceeded that for the same quarter, 1939, notwithstanding that numbers had fallen. This was a great feat, but it was also an isolated event. The following table shows the progress of events in terms of the average number of wage-earners, output of saleable coal and output per man employed above and below ground for the period from the beginning of 1939 down to the end of 1943.

Quarter	Average number of wage-earners	Output of saleable coal	Output per man employed	Index number of output per man employed [Apl.-June 1940 = 100]
		Tons	Tons	
Jan.-Mar. 1939 .	773,083	61,038,300	78·95	97·3
Apl.-June 1939 .	772,969	56,713,200	73·37	90·4
July-Sept. 1939 .	761,126	54,265,700	71·30	87·9
Oct.-Dec. 1939 .	758,110	59,320,700	78·25	96·4
Jan.-Mar. 1940 .	760,437	55,977,600	73·61	90·3
Apl.-June 1940 .	764,307	61,974,100	81·09	100·0
July-Sept. 1940 .	755,257	55,168,100	73·05	90·1
Oct.-Dec. 1940 .	716,659	51,179,000	71·41	88·1
Jan.-Mar. 1941 .	695,433	50,249,600	72·26	89·1
Apl.-June 1941 .	690,404	51,064,600	73·96	91·2
July-Sept. 1941 .	697,382	51,616,300	74·01	91·3
Oct.-Dec. 1941 .	707,313	53,413,800	75·52	93·1
Jan.-Mar. 1942 .	706,722	50,929,300	72·06	88·9
Apl.-June 1942 .	707,510	49,870,900	70·49	86·9
July-Sept. 1942 .	710,538	49,939,700	70·28	86·7
Oct.-Dec. 1942 .	711,353	52,893,500	74·36	91·7
Jan.-Mar. 1943 .	711,736	50,500,400	70·95	87·5
Apl.-June 1943 .	708,376	48,650,900	68·68	84·7
July-Sept. 1943 .	704,118	47,210,800	67·05	82·7
Oct.-Dec. 1943 .	701,099	49,126,500	70·07	86·4

Despite the recovery in output per man employed in the April-June quarter of 1940, it is evident from these figures that the broad tendency of productivity in the period 1939 to June 1942, which is the period we are here concerned with, was downwards. The weekly average output per man employed, making due allowance for holi-

days, fell from 6·07 tons in 1939 to 5·89 tons in 1941. From the beginning of 1942, the fall became even more severe. Thus, in the second quarter of that year and in the following months of July and August, the weekly average was some four to five per cent. below the rate for the same period of 1941. These were the months before and after the issue of the Government White Paper on coal of June 1942 and the foundation of the Ministry of Fuel and Power.

The fall of output per man employed explains what otherwise would be inexplicable, the fact that aggregate production and manpower did not fall in the same proportion during the early years of the war. Manpower fell, it has been seen, by nine per cent. between 1939 and 1941; but production declined by twelve per cent. Some of the fall was, therefore, due not to loss of men but to lessening output per man.

What were the causes of the decline in output per man employed? The possible immediate reasons were two—a decline in the number of shifts worked or a fall in the output per shift. The distinction between these two causes bears closely upon a matter which became violently controversial during the war. This was the question of absenteeism. When the decline in aggregate coal output was first noticed, there was a strong tendency, both within and outside the industry, to find the cause in persistent absenteeism among the men. The belief that some miners absented themselves from work frequently and without reasonable cause was correct and, as a mechanised industry such as British coal-mining was becoming depends upon the smooth running of a cycle of mechanical operations, the absence of certain men from certain shifts meant on occasion a serious loss of output. But most miners were not impressed by arguments about absenteeism, for the cogent reason that, whatever a minority were doing, the majority knew themselves to be working a longer effective working week than before the war. Yet aggregate production declined. The position appears paradoxical, but is comparatively simple to explain, given the statistical data. These unfortunately only began to be collected in full and adequate form towards the middle of the war in the twelve months before the Mines Department came to an end.

The absenteeism controversy was a singularly good example of the danger of using percentage figures loosely. The figure that was often publicly quoted was what was known as the absenteeism percentage, being the proportion of 'shifts lost' to the number of 'possible shifts' that might have been worked. This was a sort of test of absenteeism; but owing to the way in which time lost and possible time were defined, the standard was not at all a satisfactory one for the purpose for which it was used.

A 'possible shift' was one which the two sides in the district agreed

should be normally worked or which either by agreement or by special arrangements on the part of the management was offered to the men. The possible working week therefore included overtime and week-end shifts. 'Shifts lost' included those lost for many reasons both good and bad. Shifts lost because the pit itself was prevented from working by transport difficulties, by accident or by dispute, were not regarded as possible shifts and were consequently not included in time lost; but any shift lost by a man when the pit was working was regarded as a 'possible shift' and its loss recorded against him as absenteeism.

The colliery managements in making their returns discriminated between avoidable and unavoidable absenteeism, but what was recorded as avoidable or unavoidable depended on the colliery managers in making their returns to the district associations of the Mining Association. Until the Ministry of Fuel and Power called for returns on a comparable national basis in the autumn of 1942, the definition tended to vary. In most cases, only absenteeism for which a medical certificate was produced seems to have been classed as unavoidable. Loss of time due to bereavement, transport breakdowns and genuine sickness without medical certificate was occasionally classed as avoidable. It follows that the 'absenteeism percentage', while a fair guide to time lost, was a poor measure of the time which was lost which might and ought to have been worked.

Absenteeism can only be appreciated at its true importance when set against the time actually worked. Both time worked and absenteeism increased in these early years of the war, owing to a great extension, by agreement between the miners and the pit managements, in the number of possible shifts. This extension was made possible partly by stopping the peace-time custom of summer short-time in the Midland house-coal districts of Derbyshire, Nottinghamshire, Leicestershire, partly by lengthening, under district agreements, the normal working week and partly by increasing the number of overtime and week-end shifts. As a consequence, the average number of shifts worked per man per week, allowing for holidays, rose from 5.18 in 1938, the last full pre-war year, to 5.57 in 1941. But not all the additional shifts offered were worked. Despite the longer week worked by the average miner, and apart from the time lost by the pits not working, the loss of time from all causes, both 'avoidable' and 'unavoidable', increased from 6.43 per cent. of possible shifts in 1938 to 9.03 per cent. in 1941.

The table below summarises the national trend to the autumn of 1942 and shows the importance of the events of that year. It will be seen that in the spring and early summer of 1942, the increase in the number of shifts worked, which had been going on since the beginning of the war (the fall in the first quarter of 1941 was mainly due to

sickness and travelling difficulties caused by the severe weather of that winter) was succeeded by a decline. The coal-fields were in those months of 1942 in a state of greater unrest than had been known for many years and this led for the first time to slackening in the miner's efforts in terms of shifts worked.

PERIOD	RECORDED FIGURES		WITH ALLOWANCE MADE FOR RECOGNISED HOLIDAYS		'Absenteeism percentage' (all causes)
	Average number of shifts worked per wage-earner per week	Average number of shifts 'possible' per wage-earner per week	i.e. Shifts 'possible' per wage-earner in a full week	i.e. Shifts worked per wage-earner in a full week	
YEAR 1938	4.96	5.30	5.53	5.18	6.43%
YEAR 1939	5.15	5.53	5.78	5.39	6.94%
YEAR 1940	5.27	5.75	5.89	5.40	8.27%
YEAR 1941	5.37	5.91	6.12	5.57	9.03%
1941: 1st Quarter	5.30	5.86	5.92	5.35	9.59%
2nd Quarter	5.40	5.89	6.14	5.63	8.42%
3rd Quarter	5.34	5.83	6.19	5.67	8.44%
4th Quarter	5.45	6.04	6.20	5.59	9.64%
1942: 1st Quarter	5.41	6.11	6.16	5.47	11.23%
2nd Quarter	5.28	5.90	6.19	5.56	9.93%
July-Aug. <sup>1</sup>	5.31	5.93	6.16	5.52	10.36%

<sup>1</sup> Excluding Bank Holiday Week.

Average figures conceal the fact that there was a minority of workers which lost time habitually and without good reason. Loss of time was most common, and for good reasons, among workers at the face, rather than workers above-ground. The rate of incidence of sickness and accident is always higher below ground than on the surface, and as the war went on the effect of the longer working week and the growing average age of the miners made them less immune from these things. Most absenteeism, among both face workers and surface workers, was absenteeism of the unavoidable sort and was recognised as such by the colliery managements. What was avoidable was highest among the face workers and was accounted for by a minority chiefly of the younger workers. It usually took place at week-ends on Mondays and Saturdays, particularly before or after a holiday. The importance of this kind of absenteeism and the anger it caused both among mine managers and miners on the shift was due to disorganisation of underground work. This was based on a minimum strength for each gang or team. The absence of one worker might upset the work of the whole team. Where the mine was mechanised and where persistent absenteeism took place the effect was to throw out the carefully built up cycle of mining operations, because preparatory shifts could not accomplish their job. The loss of production in such a case was out of all proportion to the number of manshifts lost.

There was, then, some cause for concern about loss of time by miners when the pit was working, and at a later phase of the war absenteeism which is avoidable under the best and wisest definition that can be made became a serious problem. It is equally clear, however, that when the number of shifts worked per man was not falling but rising and yet output fell, as was the case in these early years of the war, down to the summer of 1942, the cause of the declining production was not to be sought in absenteeism. Loss of time in a working pit would account for a potential output not being reached; but if the average working time is longer, then even if possible shifts are missed, absenteeism cannot be responsible for an actual decline in output. The cause of this must be looked for in other directions.

## (ii)

**The Operative Causes**

There were only two possible causes of falling output, given the actual lengthening of the working week. If the working week is longer and output still falls, either a smaller proportion of the total number of shifts is being worked where coal is actually got, at the coal-face, or the output per man per shift at the face is falling, perhaps despite a well-sustained proportion of shifts at the face. The first step towards understanding the coal output problem is consequently to distinguish between shifts worked at the face and all shifts worked, and again, between output per man employed and output per man employed at the face.

The output per manshift overall, the number of manshifts worked at the face as a percentage of manshifts worked, and the output per manshift at the face between 1938 and the autumn of 1942 is shown in the following table:

PERIOD	Output per manshift worked overall	Manshifts worked at the coal-face as percentage of total manshifts worked	Output per manshift worked at the coal-face
	Tons		Tons
YEAR 1938 . . .	1·12	38·03%	2·95
YEAR 1939 . . .	1·13	37·85%	2·97
YEAR 1940 . . .	1·09	37·04%	2·93
YEAR 1941 . . .	1·06	35·96%	2·94
1941: 1st Quarter . . .	1·06	36·13%	2·94
2nd Quarter . . .	1·05	35·78%	2·95
3rd Quarter . . .	1·06	35·86%	2·94
4th Quarter . . .	1·05	36·07%	2·92
1942: 1st Quarter . . .	1·04	36·18%	2·86
2nd Quarter . . .	1·03	35·89%	2·86
July-August <sup>1</sup> . . .	1·04	36·22%	2·86

<sup>1</sup> Excluding Bank Holiday Week.



The decline in output per manshift displayed in this table forms the general fall in the productivity of mining labour, the causes of which we are trying to explain. The third and fourth columns of the table bring us a little nearer to the two main forces at work to bring down productivity. It is clear that the number of shifts worked at the face, as a proportion of all shifts worked, fell. At the same time, output per man per shift at the coal face went down. The movement of the figures may not appear very alarming. A slight fall in the proportion of face-shifts worked among all the shifts at all the mines in Great Britain is not, however, a negligible affair. Similarly, it has to be remembered that the decline in output per man per shift at the face, although small in itself, represents a vast movement in national production when multiplied by all the workers and all the shifts worked. The fall in the number of face-shifts and the decline in output per shift at the face were in fact the most important causes during the first half of the war of the downward slump of production. They were the outcome of the general conditions of the industry.

The decline of the industry's manpower was the most important cause of the change in the balance of shifts and its circumstances have not yet been fully described. Some were the immediate result of the military disasters of 1940, the unemployment in the export coal-fields and the subsequent call-up of mineworkers. Others were older than the war itself. They belonged to the central facts of British colliery-working during the lives of two generations of mineworkers.

The majority of the miners going into the Forces joined the Army, and regiments in which miners were strong played a distinguished part in the military effort of the nation. Some miners, as Territorials or Reservists, were due to be called up in any event and were so called as soon as, and sometimes before, war was declared. Others were called up after the Dunkirk disaster. The number of men in the coal-mining industry (including office staffs) who joined the Armed Forces between July 1939 and July 1941, as shown by the number of unemployment insurance books surrendered on attestation, was about 80,000. After July 1941 no more men (other than clerical workers) were called up from the coal-mining industry. Many of those who went were young men, between 21 and 25 years. They belonged to the generation on whom would have depended, in the normal way, the future of the labour force in the industry. Many men only slightly older were also called up in the period of the rebuilding of the Army after the fall of France.

The incursions of the Army into the manpower of the industry were well known and accepted at the time, although the wisdom of some of the later callings up was strongly questioned during the production difficulties of subsequent years. They represented the biggest drain set up directly by the war upon colliery manpower. A second

and important drain was caused by the demand for men and boys in the new munitions industries. This did not play unchecked throughout the whole of the period. It was subjected to the weak restraint of the Restriction on Engagements Order from June 1940 and the far stronger deterrent of the Essential Works Order from May 1941. The attraction of the new occupations was strong, both in pay and in working conditions. They drew off not only many men left unemployed after the fall of France but also many younger workers, some drawn by immediate big money, others by brighter prospects. The rise in the number of new entrants into the metals, engineering and allied trades and the chemical industries was especially sharp in the early war years and by far the largest increase took place in the areas from which collieries normally draw their labour. It appears that as much as seventy-five per cent. of the new munitions demand for labour in the years 1940 to 1942 was in the coal-fields areas. The total number of persons who moved out during the war from coal-mining to other industries before June 1941 (not including those who did so on medical certificates of more or less authenticity) is said to have been 7,000, but may well have been very much higher.

Much of the effect of the calling up of some mineworkers and the migration of others to new occupations must clearly have depended upon the normal rate of wastage and recruitment in the industry. Was coal-mining a predominantly young industry in its personnel; did it find it easy to attract new workers and had it plenty of younger people coming in to take the place of some of the older and more trained men when they left? Or was it an elderly industry, with a rather high proportion of its workers giving up work in each year and with a rather small number of new entrants to take their place? An industry which is elderly in this sense clearly cannot stand up to the manpower strains of modern war as well as a young one, especially when it is an occupation in which trained and developed muscular power and physical fitness count heavily in the work that is being done. Coal-mining cannot be handed over to old men or, on the other hand, to boys.

Much of the talk, in the press, in Parliament and in the country, at various periods of the war about the effects of military service on coal production, took it for granted that the only question was whether miners ought to be released from the Forces to resume their old trade. It was supposed that, if the Army could only spare enough of the miners it had taken, production could be made equal to war demand. Taking the short view, this assumption was correct. Enough miners released from the Forces could raise production, so long as the other men in the industry remained in it. But in a long war, the real question was whether the effect of the recall of men from the Forces would be permanent. If the normal wastage of men from the coal

industry was high, it might offset in a year or two the return of men from the Army, leaving the state of production as bad as before. In a general way, it had been known in the industry for some years before the war that what had come to be its normal rate of wastage was high. The war forced an exact estimate of the rate for the first time and in doing so threw new light both backwards and forwards upon the development of British coal-mining.

Important changes had taken place in the age-composition of coal-mining labour in the pre-war years. If we include the first two years of war, two things stand out. They were the great decline in the important group of workers aged from 21 to 40, who were the most productive in the industry, and the marked increase in the oldest group, those over 51, as a proportion of the whole. The youngest age groups, that is, those below 21, had all fallen in actual numbers.

Coal-mining labour was growing older. This had been the tendency for years past, under the influence of a variety of circumstances, which may be here briefly recalled. Coal-mining had ceased to be an attractive industry since the disputes and the wage reductions of the depressed times between the wars. From the powerful position which the miner had occupied, economically, socially and politically, in the Britain of the period between the successful strike for the minimum wage in 1912 and the years just after the First World War, he had descended to a relative inferiority of wages compared with other occupations, to lessening numbers, and to a weakening of his industrial and political strength. He had suffered these changes under the impact of the international revolution in the fuel and power field which was first felt in all its force in the years between the wars.

One result of the hard times which followed was that the collier ceased to think it natural that his sons should follow his calling. There was, of course, a good reason why the sons should go on doing so. This was the lack of alternative employment in coal-mining districts, until the planting of the new munitions industries in the old distressed areas, mainly mining districts, during the first years of the war. But even before this date, the isolation of the miner was breaking down. The mineworker, and often the mine-owner too, in Victorian and Edwardian days, was the man who lived 'behind the turn in the hill', and whose thoughts were as much fixed on the mine as the farmer's and agricultural labourer's upon the farm. The motor-bus did much to end the old remoteness of the country from the town, in the nineteen-twenties and thirties, and it performed the same service for the mining community. The younger people found themselves within reach of a wider circle of employment than their parents had had before them at the same stage of life. This occurred at a time when prospects in coal-mining, measured in terms of wages and working conditions, were already dimmed.

The industry was not prepared to meet the competition for young labour which in the old days it had taken for granted as being at its disposal for life. The only means by which it could hope to counter it was a carefully thought out policy for its juvenile labour. But when the war broke out the recruitment of labour to the industry had recently entered a new phase, owing to the coming in of machine mining on the big scale. The old pit-craft was going through a revolution. No general scheme of training for juveniles had yet emerged out of this welter of technical change, any more than there had yet been an overhaul of the wages and conditions of young workers. The problem was only just beginning to be considered and was first thoroughly enquired into during the war itself.

New entrants to coal-mining had, therefore, been falling in numbers for some years before the war and the fall continued in the early war years. The most useful information on new entry into the industry comes from the Ministry of Labour's new unemployment insurance books issued to school-leavers. They do not include boys who went into coal-mining after first trying some other occupation, but the number of these is believed not to have been large. The table shows the new unemployment books issued in each year since July 1935.

<i>Year ending July</i>	<i>New U.I. Books issued (Coal-mining industries) (Males)</i>
1935-36	19,000
1936-37	15,600
1937-38	15,200
1938-39	13,700
1939-40	15,600
1940-41	13,800
1941-42	9,600

Some diminution in the number of new entrants was to be expected from the declining national birth-rate. The total number of new entrants to all industries fell during that decade. Coal-mining suffered also from a cause peculiar to itself. This was the sharp fall in the number of births among the mining population in the dreary years of industrial dispute and low earnings between 1924 and 1927. The birth-rate in the colliery areas fell nineteen per cent. in these years, and fourteen years later, during the early part of the war, the results of that period of distress were reflected in a shortage of new boy labour at the pits. What was not due to the general contraction of population, or to the low birth-rate among miners' families in 1927, was due to the failure of mining wages and conditions to attract boys into the industry.

The number of new entrants was far smaller than the number of

men leaving the industry each year through death or retirement, through age or incapacity. It followed that the number of adults in the industry was declining rapidly year by year, with a corresponding loss of prospective output, while the average age of the miners rose. The average age is believed to have gone up from 34·6 in 1931 to 37·1 in 1941, while the number of men aged forty or over became 40·6 per cent. of the whole, instead of 33·5 per cent.

The loss in the manpower of the industry after 1939 was thus due to about 80,000 men going into the Armed Forces, to a movement of probably well over 7,000 men and boys into other industries before the application of the Essential Work Order to the industry in May, 1941, to an annual wastage through deaths and retirements, among a labour force which was growing older, and to a certain additional and unmeasurable movement into new industries disguised behind workmen's compensation and medical certificates. It was well known that men were quietly removing themselves to new jobs, despite the Essential Work Order, with the help of medical certificates. This was a hard matter to trace, but an examination in 1942 showed that in each age group and in each district, with certain exceptions, twenty-five per cent. of the men concerned were actually at work at the time of the presentation of the certificate which led to their disappearance from the industry.

The general effect of the war, therefore, was to accelerate a process of decline in the manpower of the industry which had been going on for a long time. This tended to be cumulative because, given the low rate of new entrants, the higher age of the labour force condemned it to a high natural wastage. The war quickened the process by calling up or attracting men to military service, by opening new jobs to adult mineworkers, and by increasing the scramble for boys among employers in the coal-mining parts of the country.

The fall in the total number of workers was the main occasion of the alteration in the balance of shifts already mentioned as one of the two leading causes of declining production in the period down to June 1942.

Every cause which operated to reduce the manpower of the mines worked indirectly to lower the proportion of men at the face to workers elsewhere. There is a certain amount of work in a mine which must be done, whether coal is being cut at the face or not; haulage, surface work, winding, maintenance, repair, are overhead services without which work at the face cannot go on. As the manpower of the mines declined, the tendency was to take men from the face to look after other services not immediately concerned with coal-producing. The percentage of shifts worked at the face fell from just over thirty-eight per cent. in 1938 to below thirty-six per cent. in 1941. The lowest point was reached at the middle of 1941.

when the total manpower of the industry was only 690,000 and the percentage of shifts worked at the face was 35·8 per cent. Down to that time, the dwindling number of the face-workers was responsible for the major part of the fall in national production. From the middle of 1941, an increase in manpower brought about by the return of men from the Armed Forces and other industries and a policy of up-grading other workers to the face, initiated by the mine managements, caused the percentage of face-shifts to increase, for the first time during the war. From that time forward, the explanation of unsatisfactory coal output cannot be found in the number of man-shifts at the face but must be looked for in the decline in the output per man per shift at the face.

The output per manshift at the face remained fairly steady in the first two years of the war. In the third quarter of 1941, it stood at 2·96 tons, which was hardly lower than in 1938. It was not until the autumn of that year that the rate of output per man per face-shift showed any sign of a serious falling off. When this came, it was rapid—a drop of nearly four per cent. in nine months. This was the factor mainly responsible, to the extent of about four-fifths, for the decline in the output per shift in the industry between the latter months of 1941 and the summer of 1942. The other one-fifth was due to the effects of decreased attendance at the pits in working time.

The fall in output per man per shift worked at the face which has been described above was a national average fall. It disguises the variety of local conditions, some of which were very important. The district figures of output per manshift at the coal-face during this period fall into three distinct groups: first, districts which showed a steady decline since 1938; second, districts which showed a steady increase from the same date; third, districts which showed an increase until near the end of 1941 and thereafter a decline. Two important coal-fields, Warwickshire and Northumberland, stood outside this classification. In Warwickshire output per manshift at the face fell from 1938 to 1941 and then recovered. There was no significant variation one way or the other in Northumberland.

In the first group, the areas of falling productivity, Durham, Yorkshire, Cannock Chase, North Wales, South Staffordshire and Worcester, Forest of Dean, Bristol, South Wales and Scotland, showed a steady decline, despite the mechanisation which had taken place in all of these fields except the Black Country and Bristol. Several of these were large districts, especially Scotland, Durham, Yorkshire and South Wales; the downward trend of their productivity was an important fact for the nation's war effort, as well as for their local life. In the second group, the areas of increasing productivity, Nottinghamshire, North and South Derby, Leicestershire, Somerset and Shropshire—the first four of these, increasingly mechanised

districts—showed a steady rise. In the third group, the old Lancashire and Cheshire field showed an increase in output between 1938 and 1941 by 3·05 per cent., no doubt under the first impact of Lancashire's expanding munitions effort and her demand for fuel. But from 1941 to 1942, productivity in this field fell again by 5·19 per cent., wiping out the whole of the previous increase.

The downward movement of the national average productivity at the face was thus due mainly to the fall in such districts as South Wales, Scotland, and Durham. The fall in these large areas overwhelmed, so to speak, the upward movement of output at the face in what might be called the high productivity districts, such as Nottingham and Derby. Yorkshire, because its average productivity was high, although output per man at the face fell, stood in a special position.

There is good reason to believe that the downward movement would have been even more pronounced if the proportions of total coal output raised in the various districts had remained what it was in 1938. But a great change in the relationship of the districts had been going on during the war, and had begun indeed during the peace. By 1942 the more productive districts were producing a greater proportion of the total national coal output than they did in 1938, and the less productive districts a smaller proportion. The table below will illustrate the point, the first group being districts where output per manshift at the face was relatively high, the second districts where it was relatively low.

*Percentage of National Coal Output Mined in Six Districts*

HIGH PRODUCTIVITY		<i>Jan.-June</i>	
DISTRICTS	1938	1942	
Yorkshire . . . . .	18·67%	20·58%	
Nottinghamshire . . . . .	6·81%	8·78%	
North Derbyshire . . . . .	5·73%	7·23%	
	<u>31·21%</u>	<u>36·59%</u>	
LOW PRODUCTIVITY			
DISTRICTS			
Durham . . . . .	13·84%	12·27%	
South Wales . . . . .	15·55%	13·20%	
Scotland . . . . .	13·34%	12·99%	
	<u>42·73%</u>	<u>38·46%</u>	

The causes of this change in the balance of the coal-fields were many and some were more deeply rooted than in the conditions of the war. The South Yorkshire coal-field, which includes parts of

Nottinghamshire, Leicestershire and Derbyshire, represents the largest reserve of unworked coal in Great Britain. It is in many ways one of the most modern districts in the country, in its business organisation and mining technique. This district was favourably conditioned in a variety of ways for the development of machine mining, which is a potent instrument of higher productivity, given seams where machines can be used without difficulty. Finally, this same field was successful in retaining labour when it was being drained on a great scale from other districts, notably the export fields, after Dunkirk. This was both a cause and a consequence of the maintenance of a high productivity per man.

Important as the district differences were, they do not dispose of the question, why did production per man per shift at the face fall? This was a development so important—far from the fall being checked after June 1942, it was resumed and played a great role in the production problem of the second half of the war—that a satisfactory answer must be found, even if it cannot be cast into exact form. The relatively high output per man per shift in the newer fields encountered forces which were making for a decline in output in the country as a whole and from which presumably the newer coal-fields themselves were not immune. If forces can be detected which were sufficiently powerful to bring down the national average although they were working against the grain, so to speak, of the naturally high productivity of large regions, the question can be regarded as on the way to being understood.

The question must be separated from that of the balance of shifts which has been already dealt with. Shortage of manpower largely accounted for the decline in the number of shifts worked at the face. The present problem is to determine why the miner produced less at the face when he worked there. It is obviously a question partly of physical capacity, partly of incentive. He neither could not or he would not. These are questions very simple to put and, like almost all questions of human motive, curiously difficult to answer.

The physical side may be taken first, for it is clearly important in an industry like mining. Much of the older-fashioned manual labour in the mines was being replaced by machine working before 1939 and the process continued during the war. But the physical effort demanded of the miner, under conditions of deep-mining such as prevail in Great Britain, remains extremely heavy. This accounts for some of the irregularity of working in peace-time. A task requiring a great output of physical energy, like one needing much mental effort, is perhaps more easily met by spells of great activity with slack times in between than by an unvarying routine of work all the week through and all the year round. The miner was accustomed to some extent to take his own time within the limits of the work he had to do. No exact



study appears to have been made of industrial fatigue among miners in the first half of the war, partly from the war conditions which checked such studies in all industries, partly because of the comparative lack among mining managements of what is known in other industries as personnel work. There can be little doubt, however, that by the end of 1941 and the beginning of 1942 the strain of a week of 5½ shifts or more since the fall of France was beginning to make itself felt. The miner, as has been seen, was not growing younger and, though the oldest workers were also among the steadiest, they themselves sometimes remarked that they found the going hard.

Mr. R. J. Taylor, the member for Morpeth, put the point in the House of Commons at a later date in a personal way. 'Recently, while on the way to London, I found myself riding in a bus with a miner from Newcastle. I did not know him but he knew me, and I know the colliery at which he works. He said, "The trouble at our pit is that we are getting too old. . . ." My miner friend said, "With all the goodwill in the world, we are tired before the week is out." These men are over fifty years of age. They have been working continuously now for some years, but before then they did not work regularly.'<sup>1</sup>

The mineworkers also complained, both now and later in the war, that they did not receive the food which their kind of work required. Muscular energy requires a full and well-balanced diet to sustain it. The effect of food rationing in its earlier stages was certainly to produce some discontent in the coal-fields, on the ground that specially heavy work needs special diet and that this was not being provided. When special arrangements were introduced by the Ministry of Food for feeding workers in the heavy industries, coal-mining, for reasons which are discussed in a later chapter, was slow to take advantage of them.<sup>2</sup> As late as September 1942 it had to be reported by the Ministry of Fuel and Power in surveying the immediate problems of the coal-fields that special efforts would be needed to raise the standard of nutrition as quickly as possible, if this source of discontent was to be removed.

The question of the influence of physical efficiency upon output at the face is complicated by the fact that, under administrative arrangements which have yet to be described, about 40,000 men were brought into the pits in these early years of the war from other industries. Mining calls not only for muscles but also for trained muscles, and many of these men had to overcome physical difficulties in adapting themselves to mining conditions. It must also be remembered that some of these men had been receiving in other industries higher wages than they could earn in the pit for less strenuous toil,

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<sup>1</sup> H. of C. Deb., 23rd June 1943, Vol. 390, Column 1259.

<sup>2</sup> See below, Chapter XVII.

and were reluctant to make a change. This brings us to an altogether new class of considerations. It is necessary to turn from physical efficiency to the incentives to work.

Nothing more need be said about absenteeism or the theory of a reduced effort by the miner at the face during this period. There was little or no sign of any policy of go-slow or 'ca' canny' among the generality of mineworkers when they were at work, although customs and restrictive practices, such as the stint, some of which, it is true, were very old in the mines, were maintained throughout the war. There was general agreement among those who knew the industry well that persistent and wilful absenteeism, although a serious matter in itself, was confined to a small number of men and boys. The great majority of miners were giving, or trying to give, of their best.

Strikes and disputes were serious. The coal-mining industry had an unenviable record in the way of disputes in the years before the war. It was responsible for a high total of the time lost in industrial disputes throughout the country; for as much as 697,000 man-days or fifty-two per cent. of the total for Great Britain in 1938. The war saw in its first two years a great decline in the time lost at the pits through disputes. It amounted to 505,000 man-days in 1940, or fifty per cent. of the total time lost in the country, and to 336,700 in 1941, or thirty per cent. of the total. The year 1941 was the most peaceful for some years. Much the most contentious district that year was Scotland, where the Lanarkshire field managed to have disputes in forty-nine out of the fifty-two weeks in the year. The year 1942 was in strong contrast to the preceding twelve months. The first half, and especially the second quarter of the year, was stormy, particularly in Durham, South Yorkshire, Lancashire and Cheshire, North Wales, North Staffordshire and Cumberland. The total loss in man-days in 1942 was nearly double that in 1941, and of the 834,400 tons reckoned to have been lost from this cause, 685,000 were lost in the first half of the year. The last six months of the year were comparatively quiet.

There was plenty of the substance of contention in the industry, although the nature and the amount of this substance are matters on which the best observers, with the best opportunities for judging, might disagree. If any attempt is to be made to put the issues in order of importance, according to the degree of the influence which each had upon the working efficiency of the miner during this period of the war, the first place should, without doubt, be given to the level of wages, compared with those of other industries. The second place would be taken by the working of the Essential Work Order, and the method of dealing with absenteeism under that Order, until it was amended in this particular in the summer of 1942. The third place belongs to a variety of questions affecting pit upkeep and organisation, ranging the whole way from the irritation provoked by some

small misunderstanding or some piece of stupidity or pettiness, such as are inevitable in any large organisation of men, to that demand for nationalisation of mine property which the miners had supported between the wars, and which the more politically conscious of them had never dropped from the programme of their hopes and desires.

The influence of these problems upon industrial relations and efficiency in the pits and upon Government policy in relation to these things is matter for later chapters.<sup>1</sup> There can be no question of their seriousness. Their general effect down to the summer of 1942 was not to increase absenteeism, although one or any of them may have caused the absenteeism of individuals at various times, but to damp down the energies and enthusiasm of the miners as a body. They induced a peculiar mood in the coal-fields, especially strong in the later months of 1941 and the first half of 1942. It was a mood compounded of both peace-time and war-time experiences, hard to define and sometimes impossible to deal with. Difficult as it may be to pin down and describe, the attempt must be made, because the mood of the miner, whether good- or ill-humoured, was one of the most important factors in the production problem. Perhaps it may best be done by quoting the words used by the Minister of Fuel and Power in an official report in the summer of 1942, on the many strikes of that year. They were well-weighed words and they hit off the more important matters exactly.

Nothing is more unjust or more short-sighted than to denigrate the whole body of the miners for the shortcomings of a few whose apathy and lack of co-operation show themselves in absenteeism or in a failure to produce the maximum amount of coal. But the degree of enthusiasm which would sweep away the inertia of a few and lead to the renunciation of customs and practices which obstruct the winning of greater quantities of coal is lacking. To understand why this is so, and what must be done to create the spirit that is necessary, involves an understanding of the miners as a community and of the history of the industry over the last few decades.

The mining community, more than all other industrial groups, is profoundly conscious of its history and traditions. Miners tend to see present events in the light of the history of their own community and of their experience as miners. For instance, they date the events of their own lives by reference to memorable strikes, to pit disasters, and to times of low wages and unemployment.

The last thirty years, seen through the miners' eyes, have been a period of decline and frustration. The growing mechanisation of mining has left less scope for the individual miner's pride in his vocation and in his skill as a workman. More important still, the prolonged depression and contraction in employment in the industry have left bitter memories of the catastrophic wage reductions after the last war,

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<sup>1</sup> For the wages issue in the early years of the war see Chapter XII; for the Essential Work Order and its application to mining see Chapter VII.

the long strikes of 1921 and 1926, and the growing unemployment and slackness in the industry, which was combined with more exacting conditions for those in work. These years of friction and of unsuccessful struggle have developed in the miner a deep-seated distrust of the coal-owners, an attitude which finds expression at the present time in allegations that the owners are more concerned with their post-war position than with the winning of the war, and also in the demand for nationalisation of the industry.

This distrust of the coal-owners has tended to make the workmen suspicious of their own leaders. Their authority was already weakened by the difficult period between the wars. It was further weakened in the first two years of this war by the confusion among the leaders about the war-time policy of co-operation with Government and owners. Since June 1941 there has been unity among the miners' leaders. But the rank and file have been slow to swing round. Until recently they have tended to resent the spectacle of their leaders urging more production side by side with managers and owners, and the leaders' conciliatory attitude in colliery disputes.

Underlying the feeling against the owners and the suspicion of the miners' leaders is a more general attitude of disbelief in the statements of those in authority concerning the urgency of the present need for coal. This also is explicable when it is recalled that the miner thinks primarily in terms of his own industrial experience. In the first nine months of this war the miners did excellent work. April 1940, when the war in the West opened, was the peak month for production. But after the fall of France there was a swift though temporary contraction of employment and this, together with the withdrawal of miners to the Forces and to other industries, left a deep impression on their minds. Early in 1941, when greatly increased production became necessary, the bulk of the miners would not believe that there could be a danger of coal shortage. It is still difficult for some of them to grasp that there is such a danger.

(iii)

## Conclusion

If the results of this analysis may be briefly summed up, the causes of the serious decline in the national output of coal in the war years extending down to June 1942, when the Government took over operational control of the mines, were complex rather than simple. The industry was being pressed upon from all sides by a variety of conditions, some old, many new, the cumulative effect of which was to drive down output. At the risk of some over-simplification, the causes at work may be reduced to two. In the first place, the industry lost a considerable portion of the best of its manpower in the early days of the war and after Dunkirk. Coming at a time of high wastage in the

industry's labour force, this was bound to have its effect on production. The effects took the form mainly of the creation of a new balance of labour in the pits and a consequent decline in the number of face-shifts by comparison with all shifts worked. In the second place, there began, after the first two years of war, a sharp decline in output per manshift at the face. Throughout the period, the effective working week of the miner tended to increase, until he relaxed his efforts during the discontents of 1942.

There is no need to depreciate the importance of the habitual absentees as a social and industrial problem; they reflected many discontents, old and new, and many features of mining life. Neither was the acrid absenteeism controversy unimportant, as a symptom of habits of mind both in the industry and outside it. But the habitual absentees were not the determining force in creating the great coal-production problem of the middle years of the war. This was the work of the two factors mentioned above. In order to deal with the first of them, the fall in the number of face-workers, the Government had to take a number of important steps to keep up the total strength of mining labour. The fall in output per manshift at the face was more difficult. Any remedies for this depended for their effect, not only on a successful sum in the stubborn arithmetic of national resources in time of war, but also on a correct reading of the power and complexity of the motives at work. In the hope of maintaining productivity, it was found necessary to carry out during the war a series of major reforms in the industry. These proved ultimately inseparable from the question, what the prospects and organisation of British coal-mining were going to be after the war.

# CHAPTER VII

## MAINTAINING PRODUCTION

(i)

### War Fact and Pre-War Expectation

**T**HIS chapter will consider the attempts made by the colliery managements and the Government to raise output. If the main initiative came from the Government side, this was because throughout most of the war statistics of production and other information necessary to form a judgement on coal questions were, together with other industrial intelligence, systematically withheld from the public, including the mineworkers and the colliery staffs themselves. The first step towards putting things to rights in the mines and rousing the energy of the managements and the workers was, therefore, to disclose this secret and urgent information, through some appropriate channel which would not broadcast the news to the four winds. The second step was to persuade the men concerned to act upon the information given without overmuch resort to the Mines Secretary's powers of direction, which the indirect form of control adopted for the coal industry did not in any case afford him many opportunities to use. To find appropriate machinery for doing all this was the more important because what was happening to coal production did not fit into the plans and expectations of the Mines Department. The pre-war schemes needed urgently to be adapted to the new circumstances of the war and of the industry.

The process of adjustment both in official circles and on the coal-fields proved to be a slow one. It took two main shapes. The first was internal to the Mines Department. This consisted in the building up late in 1941 and in 1942 of an economic and statistical service capable of supplying officials and the industry with a clear analysis of what was happening in all spheres of coal production, distribution and consumption. The information utilised in the last chapter in describing the nature of the production problem was gathered by this service, although it was not until 1942 that a fairly clear and comprehensive picture could be said to exist, to form a satisfactory basis for action. The Mines Department had, of course, collected statistics and other data before the war but never on this scale or with this

degree of analytical thoroughness. War-time policy imposed new standards of intelligence service.<sup>1</sup>

No doubt the Government did not at any time possess such a thorough and scientific knowledge of the industry and its problems as was possible. Let us take a single question, in which the clear disentangling of forces and motives is indispensable to the solution of a practical difficulty. The decline of labour productivity was the central problem of coal output throughout most of the war years. Something about its causes has been said in the last chapter. Yet there was not at any time a concerted enquiry into these by the mixed team of physiologists, industrial psychologists, statisticians and others who would have been necessary for such a task, although it is possible that even a prolonged enquiry might have paid dividends during a long war. The coal industry was, as a whole, too indifferent to personnel management and the skilled analysis of personnel problems to be able to correct the deficiency by systematic investigations of its own.

Gaps of this kind affected the refinement rather than the substance of official knowledge of the industry, although it should not be supposed that administratively they were unimportant. They should not, however, be allowed to disguise the importance of the evolution of an economic service, capable of supplying at any time an analysis of the current situation or of carrying out a special investigation. It was indispensable to the making of policy.

The other development towards the adjustment of the industry to new conditions of the war was the discovery of an organ through which information could be imparted and some pressure for action could be applied. This organ was the Coal Production Council, which became the major instrument of coal production policy until the creation of the Regional Control of the Ministry of Fuel and Power. Like the war-time form of statistical service, no place had been found in the pre-war plans for an organisation of this type. Under the form of coal control adopted at the beginning of the war, the Coal Supplies Officers were the representatives of the Secretary for Mines in the coal-fields. These men played an important part in the development of plans and some of them brought qualities of energy and initiative to bear which were of a high order. Single-handed they could, however, have done little; some machinery of consultation was needed. This the Coal Production Council and its subordinate committees supplied. The history of the production drives of 1940 and again of late 1941 is largely the Council's history.

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<sup>1</sup> Much of the credit for the organisation of the economic and statistical services first of the Mines Department, then of the Ministry of Fuel and Power, must go to the young Oxford don, Mr. J. H. Wilson, who was for a long time their official head and who became after the war President of the Board of Trade in the Labour Government.

The Coal Production Council and its system of district and pit production committees were set up in a great hurry at the beginning of April 1940 during the French export crisis of that year. The establishment of the Council and the local organisations depended much upon the energies of one man, its first chairman, Lord Portal, who toured the coal-fields that month and encouraged the setting up of the committees. The response of the districts to his appeal was very uneven. When the export drive was over and depression and unemployment set in in many parts of the country, many local committees became moribund, so that a great effort had to be made to revive them when they were wanted again in the summer of 1941. Yet the hastily improvised organisation of 1940 put down roots.

The Coal Production Council held its first meeting on 9th April 1940. The Council was not endowed with compulsory powers. So far as requisition and direction were applied to the coal industry at this date this was done by the Mines Department. The authority enjoyed by the Coal Production Council was that of a body of owners' and miners' representatives sitting together with high officials of the Department, who disposed between them of a wide knowledge of the state of the country's coal supplies and requirements and were in a position to make agreed recommendations upon measures to increase output. The Council acted by persuading, where they could, both managements and men. A small secretariat was built up in the Mines Department, where the Council held its meetings until its dispersal in 1942.

The Coal Production Council proved to be a place where local difficulties and complaints could be explained and discussed in a wider air, where notes and suggestions could be compared, and where headquarters action could be secured without the use of a complicated intermediary organisation. This character it owed largely and especially at the time of its maximum ability to the chairmanship of the President of the Board of Trade at that date, Sir Andrew Duncan. His character, his experience of the coal control in the 1914-18 war, and the peculiar constitutional position which put the Mines Department and its Secretary until 1942 under the President of the Board of Trade, combined to make him the most influential figure in the history of the coal control during the years 1940 and 1941, especially in the latter year.

At an early date the Council appointed and co-opted to its meetings a number of liaison officers who were to go between the Council sitting in London and the chief coal-mining districts. These officers, known as Coal Production Advisers, were extremely useful in seeing that advice was drawn up in London with reference to the varying needs of the districts, that it was communicated to the districts with



the authority of men who had taken part in the Council's sittings and was as far as possible carried out.<sup>1</sup>

The organs of action in the districts were the District Production Committees, consisting of representatives of the colliery managements and organised miners. Something more was wanted to give to the general recommendations of the Council a particular application to the pit. This need was met, it was hoped, by the establishment of Pit Production Committees to deal with absenteeism and every other question affecting production. These pit committees shared the general character of the organisation which had been set up, in that they were representative of both sides of the industry.

The conditions and atmosphere of the spring and early summer months of 1940 should be remembered. The Council and the district and pit committees were then new. The war was still young. The dimensions of the Allied coal requirements, when Britain and France were the chief Allies, were beginning to be fully appreciated as an urgent practical problem. Men were still flowing into the industry and the miners, untired as yet by years of total war and by successive complete and puzzling changes of circumstances, were settling down to what they expected would be a summer of hard work in strong contrast to the relaxed summer working of peace-time. The first stages of the German attack in April and May had been a stimulus, not a discouragement, to the miners and the colliery managements. As the strokes succeeded one another, each harder and more disastrous in its effects for the Allies than the last, the needs of France for British coal and her competition with Britain's war needs grew and the consequent need for increased output was reflected in the discussions of the industry.

The necessity in coal production, it was put to the Council at the beginning of June 1940, was for a ten per cent. increase on the current rate. The Council had already informed the Secretary for Mines, and through him the Cabinet, that an increase of this magnitude could not be brought about without an addition to the labour power of the industry. The rate of output even before the war was substantially lower than that which now was being asked for. They pointed out that the total number of persons on colliery books in May 1940 was about 9,000 fewer than at the same date a year before and about 4,000 fewer than just before the war. The gross number of those who had left the industry since August 1939 was some 65,000, of whom more than a half had been men of military age and physical

<sup>1</sup> The Coal Production Advisers were first appointed in June 1940. In that month, Sir Nigel Campbell took Scotland; Mr. O. V. Smithson, the East Midlands and Yorkshire; Sir Robert Burrows, Lancashire; Mr. Clive Cookson, Durham and Northumberland; Mr. James Cadman, the West Midlands. Almost all, except Sir Robert Burrows, continued to act in this capacity until the Coal Production Council ceased to meet, two years later.

fitness who had joined the Forces. This loss had been made good to the extent of some 60,000 persons by the inflow of labour to the mines since the declaration of war; but in terms of quality the loss of labour to the miners had been greater than the figure of net loss would suggest.

The Council recommended as a first step to increase output that no further recruitment to the Services should take place; that the flow of men to other industries, which was fast stripping some of the collieries of their most enterprising and adaptable members, should be stopped by national measures; that all experienced colliery men in Civil Defence or the Home Defence units, on searchlight or anti-aircraft work, should be brought back to the mines as soon as they could be replaced, and that if there were any men still remaining among those registered as unemployed mineworkers who were fit for the mine, the expenses of rehabilitation should be shared by the Government with the collieries.

These arguments were represented to the Economic Policy Committee of the War Cabinet.<sup>1</sup> They were answered by the application to coal-mining, on 4th June 1940, of the Undertakings (Restriction on Engagement) Order.<sup>2</sup> This Order, introduced to stop the poaching of labour by competing employers in the engineering industry, was now extended to prevent agricultural and mining labour leaving for better-paid jobs on aerodrome construction and in munitions factories at a rate which might be detrimental to the national supplies of food and fuel. Hitherto, the movement of mining labour had been entirely free. Now the engagement in some new employment of a man previously a mineworker required the authority of the manager of the local labour exchange. The Order did not prove a great restraint upon the movement of miners into other industries. It came late, when many men had already taken up new employment, from which they could not be recalled. More important still, the fall of France forced a relaxation of the Order, for it was found expedient not to prevent unemployed miners seeking jobs in other industries. The Order then became, so far as coal-mining was concerned, little more than a relic of the exceptional circumstances of the spring and early summer of 1940.

It is evident that, if France had continued to fight, the coal industry would have been forced to face, one year earlier than it did, the full implications in the labour field of a production drive. For a little while, the drive continued. District Production Committees had already been set up in April 1940. They consisted of representatives of the local owners and men, who met to work out agreed measures

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<sup>1</sup> For the Economic Policy Committee, see Hancock and Gowing, *British War Economy*, Chapter III.

<sup>2</sup> S.R. & O., 1940, No. 877.

which could be adopted throughout the district. The Pit Production Committees were constituted in June.

By this month, France was already staggering towards her fall. Armistice negotiations began and were concluded in June. The first impressions of what the results would be upon the coal-fields, as upon everybody else, were obscure and alarming. The evacuation of the Kent coal-field and the loss of all its production was at one time contemplated. Coal production throughout the north-east, it was assumed, would be subject to enemy action and might be dislocated altogether by invasion. The fine summer months saw what might be called the Home Guard and Air-raid Precautions' phase of the life of the coal-fields.

The existence of the stocking programme, which has already been described, was the great makeweight in the scales against the French disaster that summer. The French collapse was still echoing when the Secretary for Mines informed the Council that production must be kept up to provide adequate stocks of coal within easy reach of all the main consuming centres. Stocking was pursued energetically so long as the transport position remained fairly good, that is so long as heavy air attacks held off.

The building up of stocks formed only a half of a solution for the problem of unemployment in the export fields. More might have been done with better transport and more stocking organisation, but sooner or later the question had to be faced, what was to be done with the unemployed men in the industry, for whom no immediate work could be found? Much could be done to switch the export production into home markets, but it was a difficult and lengthy process, and even if it could be wholly accomplished, would be bound to leave many men in the export fields idle for many months. Some of these were men of military age who, under the Schedule of Reserved Occupations as it stood then, were reserved as miners. It was unthinkable, at a time when the Army was engaged in filling the Dunkirk gaps, that these men could be permitted to continue to be reserved by virtue of an occupation which they no longer pursued. Others, although not of military age, were suitable men for other industries, if the mines could not employ them. They too could not be allowed to stand idle in a country which was short of guns. The miners themselves felt strongly that they ought to be allowed to go where their muscular skill and capacity would be of the most use, rather than stand idle, and this point of view was pressed by their leaders upon the Government.<sup>1</sup>

The problem of the unemployed miner was the reverse side of a manpower problem throughout the country as a whole, created by

<sup>1</sup> See Sir John Anderson's speech in the House on 6th October 1942; H. of C. Deb., Vol. 383, No. 107, Col. 1175.

the fact that Great Britain was now left alone in the war. How this immediate and acute problem of unemployed mining labour should be solved, dominated all discussion of mining issues in the summer and autumn of 1940.

(ii)

## Reactions to War-time Unemployment

There was some disposition at first to see the problem through the eyes of the districts, rather than as an issue to be faced by and for the industry as a whole. There was even a toying with the idea of evading the difficulty altogether by resorting to the time-honoured method of spreading the work. Work was shared for a little while in the South Wales field. But it was clear at an early date that mere work-sharing was unsatisfactory to all concerned; it meant waste of manpower from a national point of view, increased costs to the management and reduced earnings to the worker. On a national scale, work-sharing was impracticable because there were certain types of coal, usually mined for export, which neither could nor ought to be worked on the same scale for the British market in time of war; while some fields could more easily transport their coal overseas than to the main areas of consumption at home.

The Secretary for Mines had already expressed the view to the Coal Production Council in July 1940 that the labour force of the industry must be kept intact and that, if anyone was to be taken, it should not be, if this could be helped, the young miner, with whom lay the future of coal-mining. How to give effect to this admirable aim was another matter. There was no machinery to direct miners from one part of the country to another, and there was already a strong feeling among the miners that they should be allowed to quit the coal-fields if they had no work. This state of feeling both in and outside of the industry led to a modification, by a Ministry of Labour circular of 5th July, of the Undertakings (Restriction of Engagement) Order. Miners who had at a late date been employed in some other industry, but who had returned to coal-mining during the war and now found themselves unemployed, were permitted to be engaged again by some other trade. This relaxation and the feeling which had given rise to it, showed the strength of the forces with which the Mines Department and the Coal Production Council had to contend.

The alternative to work-sharing was to transfer men from districts where there was no work to those where labour was known to be short. It was important, however, that if a policy of transfer was to work at all, agreed measures should be reached quickly. The contrast

between the unemployment and the low rates of pay in the mines and the activity and good earnings in the munitions factories, which in some parts of the country drew much of their labour from the coal-fields, became more marked to the observant eye of out-of-work men and lads with every week. Many men on the other hand wanted to join the Forces and, while no obstacle was placed in the way of such volunteers, it could only be a question of time before the Army collected all the fit and unemployed men who were of military age.

The Minister of Labour, Mr. Bevin, was already being pressed, in July, in view of the intensely difficult military situation, to modify the Schedule of Reserved Occupations which had governed hitherto the supply of men to the Forces. He agreed then to make no change in the position of mineworkers till October. This settled the period within which any schemes to retain the labour force of the industry intact must be brought to success, if a general de-reservation of miners was to be avoided.

A policy of voluntary transfer was thought to be the only scheme possible. Early in August, it was decided to work out schemes experimentally through the District Production Committees. One of the first was for the transfer of men, to the number of two or three thousand, from Durham into Cumberland, where labour was wanted. Other moves proposed were from South Wales to Somerset and the Forest of Dean, and from Durham to Warwickshire. These plans broke down on many points of detail, but chiefly on the opposition of the miner, founded upon the wide differences in wages and in working and living conditions between one part of the country and another. Housing was usually hard or impossible to find and the Ministry of Labour did not feel able to do more than provide lodging allowances. Men often did not wish to work in a pit they did not know—in a dusty pit when they had been used to a pit free from dust or in hot or cold pits when they were used to a different temperature—or in a part of the country and amid a community which was strange to them. These were not difficulties which could be brushed aside or settled in a day; they were rooted in the physical and social conditions of the industry. Indeed, any industry less well adapted, by its old habits and general organisation, to carry out schemes of this sort, it would have been hard to find. By the end of October 1940, it was clear that the proposals had completely failed. Even from Durham, where alone they seem to have been seriously taken, only 166 miners were transferred to other districts between 2nd September and 28th October. In the same period, hundreds and even thousands of former Durham miners must have found their way for themselves into other occupations, many of them far removed from coal-mining.

Once voluntary transfer had failed, there could be no question but that either men must be directed to move or a valuable part of the

labour force of the mines must be given up to the Armed Forces. Even with the aid of the Regional Control of the later war years the direction of men proved a most delicate and difficult business. It is hardly surprising that, without any such machinery to assist, the Secretary for Mines decided not to attempt such a task. Therefore, some men of military age had to be released for the Forces.

The problem of unemployed men of military age was not special to the coal industry. But the mining unemployment was on a large scale and raised difficult issues. Under the system of labour reservation at that time prevailing, the de-reservation of particular age groups, including employed men, was the appropriate means of calling up the unemployed men.<sup>1</sup> The Mines Department and the industry, represented by the Coal Production Council, felt that only the unemployed miner should be de-reserved. Their anxiety was lest a general de-reservation should strip the industry of some of its best workers, especially among the younger men. They felt that, in view of probable future demand, the labour force of the mines ought to be held together.

These were rational fears, but the proposal to retain all except the unemployed men was open to strong objections. It would have meant discrimination in favour of the employed men of military age in the industry, as against the unemployed; and it would have meant discrimination in favour of districts of brisk trade against depressed ones. More serious was the fact that the proposal implied discrimination in favour of the mining community against other classes of workers. No industry, it was felt at the Ministry of Labour and National Service, could be allowed, with invasion in the summer of 1941 a lively possibility, to argue that only its unemployed persons should be called up, out of those who were in any way fit for military service. The solution ultimately adopted was substantially that proposed by the Minister of Labour and National Service and was intended to combine equal treatment for mineworkers of certain age groups with a regard for local conditions.

It was assumed that there were about 35,000 unemployed miners in all, of whom about 12,000 were of military age. At a meeting between the Minister of Labour and National Service and the Secretary for Mines, in October, the latter accepted a proposal that the age of reservation for miners should be raised from eighteen, twenty-one, twenty-three or twenty-five (according to occupation) to thirty, so making men up to this age, whether employed or not, free to volunteer or available for call-up. This important move was subject to the appointment by the Minister of Labour of special tribunals in the mining districts to determine in each area the number

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<sup>1</sup> For the system of reservation of labour from military service, as practised at that period of the war, the Manpower volumes of the Official History should be consulted.

of mineworkers needed and the number who could be released for call-up, regard being had to those who would be available to take their place. The tribunals consisted of representatives of the owners and the miners, under independent chairmen. The proposals were accepted by both sides of the industry in their Joint Standing Consultative Committee. All the tribunals except Northumberland (which declared eighty-one men available for call-up) reported that they were unable to recommend the release of any miners for the Forces, because there was no longer a surplus of labour in the industry, but a considerable number of miners were accepted as volunteers.

Much criticism of this release of mineworkers for the Forces in 1940 was roused in Parliament and elsewhere later when the labour situation in the mines and the general situation of the war had both become very different. It was said then that the men should never have been let go. The controversy tended to become acrid. There can be hardly any doubt that the release was unavoidable. The plea of national necessity was all-powerful, and rightly so in the winter of 1940-41, when Great Britain was fighting alone, with a German invasion still on the cards. The only argument that could have carried weight in the opposite balance would have been one based upon the same national necessity. But no such counter-argument appeared at the time important enough to outweigh the military need.

It may be that a mistake was made in tactics. Mineworkers might perhaps have been called up on the understanding that they were kept together in this country or elsewhere, subject to recall to the mines if and when wanted. It has to be remembered, however, that there were grave military objections to keeping together bodies of men, many of whom were volunteers, and giving them military training, when it might be necessary to release them at any time.

Meanwhile, the depression caused by the cutting-off of the export trade was still acute. It was not until the year 1941 was well advanced that it was plain to everyone who knew the facts that British war industry was going to press the mines hard for coal. Throughout the whole of the winter of 1940-41, transport difficulties were so acute that the pits lost much time; there was no pressure on production and it was hard to believe it would ever come. Many miners were angry and disgusted at the return of the dreary unemployment of the inter-war years, thought only of leaving the industry or of getting the younger people out of it, and approved the step taken by the Minister of Labour.

So depressing were the conditions and the immediate prospects that the Coal Production Council, once the question of releasing unemployed miners to the Army was settled, found little point in continuing its meetings. For two months from 20th November 1940

to 29th January 1941, and again from 29th January to 12th March, it did not meet. When it did come together again in March 1941, it had to consider a problem similar to that which had originally called it into being, namely, how to increase production.

(iii)

## The Essential Work (Coalmining Industry) Order

Such were the main moves of public policy on coal production down to the spring of 1941. They have been described at length in order to bring out one or two important points. The first is that Government concern with production dated back to the export demand for coal in 1940 and not to the fall of output in 1941. The second point is the blow to the evolution of any consistent output policy dealt by the military events of 1940. The destruction of the coal export trade which followed the German occupation of continental Europe had two most important effects on this industry. First, the industry had to release a number of men to the Armed Forces and, as the need for men was great and many mineworkers were idle in the export fields that summer, it was natural that this should be so; but the loss of men continued to be felt throughout the war. Secondly, the return of mass unemployment and the accumulation of stocks represented bewildering changes in an industry which for some months past had been told that a major effort of production was urgent, and they undoubtedly had a confusing and discouraging effect on managements and men in the districts which were hardest hit by the new turn of events. As a result, the coal industry was exceptionally ill-prepared, physically, morally and intellectually, for the production drive of 1941.

The circumstances of that drive—the rising demand for coal, the falling output—have already been referred to, and the causes of the decline in production, into which the events of 1940 of course entered, have been analysed in the last chapter. It has also been seen that the first clear warning of big production difficulties ahead was given by the trend of output in the spring and early summer of 1941, and its failure to equal requirements. The effects of the difficulties of 1941 upon production policy now fall to be considered. They include that important event, the application to the coal industry of the Essential Work Order.

Early in 1941, it became necessary to bring home to the industry the urgency of production. A conference of owners' and workers' delegates from all districts was called in London on 27th March 1941.



This was addressed by the Lord President of the Council, Sir John Anderson, in a candid review of past and future difficulties. The subsequent discussion showed much difference of opinion both on facts and on remedies. No one denied, however, that a strenuous effort would be necessary, and a unanimous resolution of the meeting put the district and pit organisation behind the fulfilment of the programme.

At a later date, a letter was sent by the Coal Production Council to each District Production Committee, suggesting steps to accomplish the programme. Each district was given an output figure at which to aim and it was invited to submit its observations on the proposed target figures and on the possible sub-division of the target among the individual undertakings in the district. The action of the Coal Production Council assumed that the Pit Production Committees would be able to deal with production problems, such as absenteeism and the organisation of pit operations, which could only be tackled pit by pit. But many of the Pit Production Committees had lapsed since 1940. Much time was spent in organising their revival. The committees had not always been successful in 1940 and they resumed their work surrounded by the suspicions of the two parties in the industry.

In the meantime, the coal position was deteriorating, partly owing to the unusually cold spring of the year 1941, which kept domestic consumption for many weeks almost at winter level, partly owing to the continued failure of production to reach the weekly figure of 4,500,000 tons required. By the beginning of June the size of the deficit made it necessary to raise the figure of weekly production required for the rest of the season to 4,650,000 tons, with every week's failure adding to the difficulty of the task. The experience of these months was ample justification for the application to coal-mining of the Essential Work Order, and for other measures which followed.

The Essential Work (Coalmining Industry) Order<sup>1</sup> was made by the Minister of Labour and National Service, under the Defence Regulations, on 15th May 1941. The greater part of it came into force at once and the whole by 9th June. Its effects were these:—

- (a) following the practice of this type of regulation, the new order made coal mines scheduled undertakings, in which employment could not be terminated nor a man leave his employment without the consent of the National Service Officer. The National Service Officer's decision was subject to appeal to the Local Appeal Boards, representing employers and employed, with independent chairmen, set up by the Minister of Labour;

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<sup>1</sup> S.R. & O., 1941, No. 707.

- (b) every scheduled undertaking was bound to pay a guaranteed wage to its workers, whether piece-workers or day-workers;
- (c) persistent absenteeism might be reported to the National Service Officer by the undertaking. After consulting the Pit or District Production Committee, the officer would deal with the absentee, if necessary, by the issue of directions. These directions were subject to an appeal by the absentee to the Local Appeal Board.

Certain amendments to the order were made towards the end of the year, chiefly in the arrangements for the disciplining of absentees. By an amendment of 9th December,<sup>1</sup> the Pit Production Committees were given the right to report offenders to the National Service Officer. Both managements and committees were required to report in writing, not merely verbally, and the absentee was given four days to defend himself before the National Service Officer issued directions. A further order,<sup>2</sup> made upon 18th December, incorporated these changes and revoked both of the earlier orders.

The Essential Work Order made very important changes in the conditions of employment at coal mines in three respects. First, it prohibited the free taking on and dismissal of men by the companies. In the name of the national interest, it bound the worker more closely to the industry than had been known since the days of the annual bond in the North of England and of mining bondage in Scotland, more than a century before. Secondly, it guaranteed the miner for the first time since the war of 1914-18 a wage, whether short-time was being worked or not, although not during an industrial dispute. Thirdly, it handed over to the State, in the form of the National Service Officer, an important part of the discipline of the mines, namely, the work of dealing in the last resort with habitual absentees. All of these changes hung together. There could be no compulsion of mining labour to stay in the mines without the guaranteed wage and freedom from dismissal; and once the unfettered right of dismissal had been taken away from the mine managements, some provision had to be made for the maintenance of discipline by State power.

The guaranteed week's wage affected the miner's earnings; it did not make any difference to wage rates. Yet there was a slight change in mining wages about this time which needs to be noticed, although it formed no part of the Order. The introduction of a guaranteed wage was an opportunity for the mineworkers to draw attention to the lowness of wages among the less well paid men. To remedy this, while at the same time offering an incentive to production, an attend-

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<sup>1</sup> S.R. & O., 1941, No. 2008.

<sup>2</sup> S.R. & O., 1941, No. 2096.

ance bonus was suggested. Agreement was reached in negotiations between the owners and the workers, the results of which were not incorporated in the Essential Work Order. It was an independent industrial agreement, but it was thought to be of importance to the success of the Order for, as a debate in the House of Commons made clear, some improvement of wages was deemed necessary by the miners to recompense them for the loss of freedom of movement under the Order.<sup>1</sup> An increase of one shilling per shift was given to the adult workers and sixpence to the boys, conditional upon attendance for work every day of the week. This increase made necessary a rise in coal prices of tenpence per ton or one halfpenny per hundredweight over all, which was approved by the Government.<sup>2</sup> The attendance bonus did not have the effect of improving attendance and output which had been expected. On the contrary, it threatened to give rise to serious disputes on the question whether this or that man had qualified for bonus. It had been left to the managements to decide the rather difficult point, what was perfect attendance for bonus, and they ran up against the feeling of the mineworkers that if a man's attendance had been on the whole good, he should not be deprived of the bonus because he had failed, for some reason or other, to work every possible shift. They looked on the bonus, in other words, as a reward for good rather than complete attendance. The President of the Board of Trade, Sir Andrew Duncan, was forced to intervene in September 1941, and the bonus henceforward appeared as a straightforward flat-rate increase in wages.

The Essential Work Order, as applied to coal-mining, marked a new era in mining affairs. The Order was a measure passed to deal with an immediate situation; to ensure that labour was retained in the mines in the summer of 1941 to build up the stocks of coal which would be wanted in the third winter of the war. But it was also the most striking act of recognition by the Government and the country of the extraordinary reversal of economic fortune which the war was bringing about in the coal industry. For a generation, coal had been a contracting industry, with too many men trying to live by it and with much unemployment and short time. Compared with the reality of this experience, the activity of the first nine months of the war seemed to many of the miners a transitory thing; for had it not been

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<sup>1</sup> The House of Commons, in a debate which turned on the Order, showed its general sound feeling for a situation, although the debate displayed the usual varieties of opinion on a mining topic. The feeling of the House clearly was that the Order was inevitable, but there was also a strong conviction, not limited to the representatives of the miners, that it was not in itself enough. Conditions must be improved and the industry brought into line with others. H. of C. Deb., Vol. 371, No. 67, Cols. 1879-1954.

<sup>2</sup> The finance of the guaranteed week and of the bonus were explained in the House of Commons by Mr. Lyttelton, then President of the Board of Trade, on the motion to make an order amending the Central (Coal Mines) Scheme; H. of C. Deb., Vol. 371, No. 67, Col. 1879.

followed by a return of the old large-scale unemployment in the export fields after France fell? Incredulous as they might be and were, the miners were from 1941 onwards faced by the fact that a scarcity of labour had set in, which the Essential Work Order helped to prevent growing more acute, but which it could not alter.

The Essential Work Order, with its guaranteed wage, was not the cause of the social upheaval which took place in the British coal industry in the later years of the war and which led to the important wage increases of the Greene and Porter Awards. This is to be found in the underlying economic fact of the scarcity of coal-mining labour. But the Order helped to stimulate it by setting men thinking, 'I am kept by law in the mines. Why?' This could be, and was, the beginning of a mental debate which had its fruits in the wage disputes of the first half of 1942.

Another direction in which the Order stimulated a break with the past was in the new conditions of labour discipline. Here again the new situation was due mainly, not to the Order itself, but to the changed economics of the industry from 1941 onwards. Discipline in the day-to-day routine of the mines before the war was simplified, for those who did not shun harshness and who were content with the hit or miss methods of arbitrary dismissal or engagement, by the bad state of employment. The managements were free to do as they pleased, simply because the miner was not. This was industrial discipline under conditions of under-employment and free management. Very different were conditions in 1941 and afterwards, when the country as a whole was experiencing full employment.

The prevention of movement among the mining population and the guaranteed wage which went with it did not automatically solve the problem of day-to-day discipline in the working of the pits. On the contrary, it complicated things considerably. The State was not the actual employer of the miner, neither had it assumed operational control of the pits. Yet in making engagements and dismissals subject to its consent, it took out of the hands of the managements some of the most important decisions of an employer. A novel situation was created which lasted for the rest of the war.

The Order was applied to the industry, however, not as an essay in a new kind of economics, but with the purely practical and immediate intention of preventing the further exit from the industry of fit miners. While the control of the worker's movements so introduced was stricter than anything which the coal-fields had yet known, the Order was, as will be seen later, not perfectly successful in the object aimed at. Henceforward, old age or a medical certificate was the only means by which a man could leave the industry; but fit men did continue to quit and to find their way into other industries, chiefly through the use or misuse of medical certificates. The Order

was a determined effort to stop some of the wastage of the labour force of the mines under war conditions; it was not a final word, if only because it was inevitably negative in character.

(iv)

## The Registration of Miners Scheme

Once movement out of the mines had been stopped, the next step was to recruit new labour. The problem was not only to increase, if possible, the number of men at work, but also to prevent their rapid decline owing to the inroads of age and physical incapacity; to counteract, that is, the extremely serious normal wastage of the labour force of the industry. The full dimensions of the wastage problem were, it is true, not appreciated by anyone until statistical investigation made them clear, late in 1941. Meanwhile, the leaders of the industry, both managements and trade union officials, felt that the wastage was only one half of the manpower difficulty. They held that the country's demand for coal could not be supplied without a substantial increase in the labour force obtained, if necessary, by the return of men from the Army and the combing-out of the munitions works. This attitude of mind had later to be contested as inappropriate to the condition of a country which was growing short of manpower in all spheres. There was, however, agreement on the desirability of recalling men to the mines from every job which was less than indispensable in time of war. This was the expedient now resorted to, but it soon appeared that it possessed considerable difficulties.

Reliance was first placed on the volunteer. On 23rd June 1941, the Minister of Labour and National Service broadcast an appeal for the return of 50,000 ex-miners to the mines, and a few days later an embargo was placed on further recruiting from the industry for the Forces. The response to the broadcast was wholly disappointing, and it was decided to use the powers which that Minister possessed to direct men and women from their previous occupations into industries deemed indispensable to the nation's war effort.

The Registration of Miners Scheme, introduced in July, was intended to form the basis for direction by disclosing the number of men with mining experience in other industries. All men under sixty years of age who had had more than six months' experience in the industry since 1st January 1935 were required to register. The registration days were 17th and 18th July. Over 104,000 men registered and of these 24,988 indicated a willingness to return to their old occupation. This was hopeful; but the actual business of placing

the men in the mines proved, for many reasons, both slow and disappointing.

The work of handling this movement of labour was put into the hands of the Divisional Officers of the Ministry of Labour and the District Production Committees. They did their work well, in the opinion of the President of the Board of Trade, Sir Andrew Duncan, who toured the coal-fields and conferred with the committees towards the end of July, and who, as Chairman of the Coal Production Council, supervised the coal production campaign throughout that summer and autumn.

The difficulties encountered ran deeper than administrative machinery. In the first place, many men either were not fit, or could make out a case that they were not fit, to go back to the pits. In the second, the Departments engaged on industrial war production took the alarm and succeeded in obtaining an order of the Production Executive that no skilled men should be withdrawn from establishments working for them except after consultation with the Department concerned; and that if a man was let go to the mines, he must be replaced. This ruling proved to be a very effective ring-fence. Once the medically unfit and the exempt were excluded, the number of additional miners who could be hoped for from the Scheme was much reduced.

The following were the figures, as worked out in September 1941, when the manpower problem showed little, if any, abatement.

<i>Registered under the Scheme</i>	<i>Excluded as exempt or obviously unfit</i>	<i>Apparently available</i>	<i>Already placed in work</i>
104,000	55,000-60,000	45,000	16,000

Of the men apparently available, a considerable number might be expected to be turned down as medically unfit or would be contested with success by the Production Departments. The number that would actually come back would probably be no more than 25,000 men; these might return to the mines by the end of September. By that time, winter conditions of transport would have set in and the summer stocking season would be almost over.

The position at the close of September showed that the Registration of Miners Scheme and the subsequent direction of men had not markedly improved matters. The total number of men placed in the mines under that scheme by 4th October was 23,057. Owing to the rate of natural wastage of the labour force, the net increase in manpower was about 16,000. This provided the mines with a total number of men and boys of approximately 706,000.

The Coal Production Council had agreed in August 1941 not to press for the release of men from the Army until the results of the

return of miners from manufacturing were seen. They subsequently came to the conclusion that the number of mineworkers required to fulfil the programme was 720,000. This figure had been approved as reasonable by the Lord President's Committee, in September, and was subsequently accepted by the War Cabinet. With this august sanction behind it, the figure of 720,000 tended to assume almost mystical significance among those more given to quoting figures than to analysing them; it became a hindrance to clear thinking. At this time, it was a new standard set and intended to be reached. The figure might have been reached if the Scheme had produced the number of men which had been at first expected by the Council. It had not done so, and the question was, what was now to be done?

For the time being, the Coal Production Council turned its attention to ways and means of using to the best advantage the men already at work. Two courses were open, either to increase output per man per week at the face or to increase the numbers of those working at the face in proportion to other workers in the mines. The first line was less immediately practicable than the second. An improvement of methods at the face would be a long job, but it was possible to raise the number of face-workers either by upgrading, that is, by placing men there who had been doing other work in the pit, or by recruiting new entrants to the industry who would set older men free for the face.

The Coal Production Council devoted its energies to the question of upgrading throughout the early months of 1942. A first examination of the number of men available for promotion showed that this method of economising labour required the bringing in of substitutes from outside the industry to take the place of those promoted to the face from less urgent but still essential jobs. There was still, in the early part of this period, a small source of such outside labour in the Registration of Miners Scheme, although the return of men under the Scheme was in these months too small a trickle to prevent a decline in the total labour force. How much was due to the prodding of the Coal Production Council and how much to the natural disposition of managements to make the best use of the labour they had it would be hard to say, but the serious fall in the face-shift proportion, which had been one of the main causes of declining production, was checked. The proportion of face-shifts to all shifts worked had reached the lowest level in August 1941. It rose slightly with the return of men to the mines under the Registration Scheme in the autumn and it fell in January 1942. Then it rose appreciably and in February and March was higher than for fifteen months past. In April 1942, by which time the first few men were being released to the mines from the Army, it was higher than at any time since October 1940, before the age of reservation for miners was raised.

The production and stocks position was much better during the last three months of 1941 than anyone had anticipated, although it was not as good as could have been wished. October set the pace, with an average working week as high as any since the war started. Average weekly output that month was the highest of any month that year and nearly 100,000 tons a week above the production of October 1940. Stocks rose. By the end of the month there were approximately three million tons of coal more in stock and the stocks were better distributed throughout the country than at the end of the same month a year before. The main work of the 1941 programme, the building up of stocks for the winter of 1941-42 in addition to current consumption, had been accomplished, partly because consumption had not grown at the rate expected earlier in the year. In the meantime, men were still coming, although slowly, into the mines under the Registration Scheme. Over 25,000 had been brought in by the end of October and the labour in the mines now stood at 707,000. By the end of the year the number was up to 708,000.

The improvement upon 1940 both in transport and production continued throughout November and December. Stocks were holding up, although consumption began to show a significant increase in the last month. The position was so encouraging as to be almost misleading, if it had not been completely certain that the national war production in 1942 would be bigger than in 1941. This, it was assumed, would make corresponding demands upon the mines, and it could not be foreseen at this time that inland consumption would not increase in 1942. One decision could be taken, however, with some confidence in the late autumn months of 1941. The summer stocking season was over and winter conditions of transport had begun, which might hold up production if the weather turned severe or if enemy air attacks were renewed. There was no point in pressing further, in these circumstances, for 720,000 men immediately. The industry had as many men as it could usefully employ in the circumstances. It was decided to let the matter of extra labour rest until the early months of 1942, when the programme and stocking season for the fourth winter of the war, that of 1942-43, would fall to be considered.



## CHAPTER VIII

# CONTROLLING CONSUMPTION

(i)

### The Rise in Demand

THE estimates of the trend of national coal production and consumption displayed an increasingly serious tendency to move apart as the year 1941 wore on. The present chapter will examine the trend of consumption during these years when the production of coal was falling off. We shall also consider the coal-rationing proposals of the spring of 1942 which the President of the Board of Trade sponsored. The political storm occasioned by those schemes was an important cause of the War Cabinet's intervention in the affairs of the coal industry during the summer of 1942.

The consumption and distribution of coal had many aspects of interest during the war. Commercial and official circles were constantly working upon them. We shall deliberately select, however, in this chapter the problems which bear most upon the events of 1942.

The consumption of coal was in one direction greatly lessened and simplified throughout the war by the virtual disappearance of exports after 1940. The question how much coal could be found from British (and American) sources for military purposes and to restart Continental industry did become, it is true, urgent when the invasion of German-occupied Europe began. But in 1941 and 1942 that difficulty was still in the future. The quantity of coal exported, excluding ships' bunkers, which had amounted to nearly 36 million tons in 1938 and 37 million tons in 1939, had fallen from between 19 million tons and 20 million tons in 1940 to a mere five million tons in 1941 and to 3½ million tons in 1942. These figures represented the level of coal exports for the rest of the war. Even in 1945 they did not rise above 3¼ million tons.

Coal shipped for the use of steamers and other vessels, including fishing vessels, fell in the meantime from the 10½ million tons of 1938 and the 9½ million tons of 1939 to four million tons in 1941 and three million tons in 1942. During the rest of the war they were even lower.<sup>1</sup>

Export and shipping demands for coal ceased therefore to be very important after 1940. The problem of consumption in the years 1941

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<sup>1</sup> Figures from *Ministry of Fuel and Power Statistical Digest*, 1945 (Cmd. 6920), Table 46.

and 1942 was almost entirely a problem of the inland market, that is, of British domestic and industrial consumption.

At all periods of the war, there were vital differences between the different regions of Great Britain in respect of coal consumption and production. Large areas consumed far more coal than they produced, if they produced any at all; other areas were able to export coal. These differences presented important administrative problems at all times. We have already seen something of them in studying the shortages of coal in London and the South and South-West of England in the winters of 1939-40 and 1940-41. They continued to engage the attention of the Ministries of Fuel and Power and War Transport during later years of the war, and the London demand for coal from the rest of the country was far from being the only problem of the kind. The needs of Lancashire for coal for industrial purposes, over and above the output of Lancashire pits, would be an equally good example. Under war conditions, these regional demands required much ingenuity in solving the many questions of price, quality, amount, transport and so forth, which arose out of the interruption of peace-time arrangements.

All these problems were regional. They did not greatly affect aggregate national demand, except in as far as areas without coal mines required exceptionally large stocks to see them through the winter, and so helped to make urgent the need for a high national output during the summer.

The problem which began to press upon the coal control at this period of the war was one of fuel supply arising out of a state of full employment. Unemployed national resources, both of capital and labour, as they had been known in the disastrous decade of the nineteen-thirties, disappeared altogether as the national war effort developed towards its peak in the middle war years. Had this happened under conditions of peace it would have been a fact of capital importance for the coal industry. Coming as it did when the war had dealt a heavy blow to the productive capacity of the mines, it produced the fuel crisis of 1942. The economic core of that crisis was a constantly threatening disequilibrium between supplies and demands.

The rising industrial demand was especially reflected in the need for coal at the gas and electricity works, which supplied so much of the heat and power for the national war effort. The amount of coal carbonised at gasworks in 1938 had been 19 million tons and in 1939 was 20 million tons. This amount rose to 22 million tons in 1940, to 21 million tons in 1941 and again to 22 million tons in 1942. The amount of coal used at electricity stations for generating purposes had been rising for years, but the war drove it up faster than ever. It had been 15 million tons in 1938 and was 16 million tons in 1939; jumped

to 18 million tons in 1940, to 20 million tons in 1941 and to 22 million tons in 1942.

The growing electricity demand was perhaps as good an index as any of the upward thrust of war production. But an increased and increasing demand for coal made itself felt all round in these early war years. Excluding coal used at the coke ovens, in gasworks and at generating stations, the quantity of coal used for all purposes in Great Britain grew from 128 million tons in 1938 and 129 million tons in 1939 to 139 million tons in 1940, falling slightly thereafter but remaining well above the pre-war level at 137 million tons in 1941 and 132 million tons in 1942.<sup>1</sup>

By 1941 and 1942, especially in the latter year, measures of coal economy began to be enforced upon the nation which were expanded later and had much to do with the balancing of the national coal budget in the second half of the war. The picture of the early war years is different from that of the period after 1942. Consumption is leaping forward, production flags; it is a question what measures can bring them into line with one another and how soon this can be done. The measures taken to maintain coal output have already been described: in the remainder of this chapter we shall survey, very briefly, some of the administrative controls over consumption devised before June 1942.

## (ii)

### Industrial Supplies

Industry, including the public utility undertakings, took the bulk of the coal produced in the country and applied a great deal of it directly to purposes of war production. The control of supplies to industrial consumers may therefore be considered first.

On the face of things, the supply of coal to industry might well appear susceptible to a system of control somewhat resembling that which was being applied by the Ministry of Supply to the major raw materials of industry. The problem was different, however, in some essential respects. Coal in process of distribution was not under the control of the Mines Department as directly as, say, an imported raw material which the Government purchased abroad and which it was consequently free by the power of ownership to distribute as it pleased.<sup>1</sup> Neither the pits nor coal in process of distribution belonged to the Government; consequently a system of direct Government allocation, such as was applied to some imports, was not possible.

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<sup>1</sup> These figures of consumption come from Table I, *Ministry of Fuel and Power Statistical Digest, 1945* (Cmd. 6920).

The industrial uses of coal had to be programmed by methods which differed widely from those adopted by some of the better-known raw material controls, partly owing to the character of the industry and partly to the decentralised structure of the Mines Department's war organisation. The industry, it will be remembered, had adopted a strict control of colliery sales before the war. Of the seventeen districts into which the industry was divided under the Coal Mines Act of 1930, four had created central selling organisations which disposed of the whole marketable product of the district; thirteen others left the collieries to sell their own coal, subject to a strict regulation of the price and other terms of the sale. The interests of the competing districts in those large consuming centres which draw on many sources of supply, such as the North-West, the Midlands and the London and southern counties, were regulated by three committees, representing the sales organisations of the coal-fields concerned and the main wholesale distributors.

By the arrangement of 1938 between the Mines Department and the Central Council of Colliery Owners, much of this machinery was taken over for war purposes. The full-time senior officials of the colliery sales organisations became the Coal Supplies Officers of the Department, directly responsible for seeing that the flow of coal to consumers was maintained. On the other hand, the co-ordinating committees in the large consuming centres were scrapped, because it was assumed that the direction issued by the Department to the Coal Supplies Officers would cover all the matters with which the committees had concerned themselves. This proved to be a mistake. The functions of the committees, which were predominantly local and depended on local knowledge for their discharge, were not and could not be carried out by the Department. The committees were revived by the Coal Supplies Officers themselves, who reverted to a practice which was familiar to them because they found it convenient for attacking problems of war-time distribution. At a later date, the committees were given formal status and became in 1942 part of the regional organisation of the new Ministry of Fuel and Power.

Continuous difficulties of coal distribution on the large scale were first met in the summer stocking season of 1941. They were due partly to the transport hindrances which, with the help of severe weather, had already produced two sharp but short-lived crises in the distribution of coal during the first and second winters of the war.<sup>2</sup> But they were due also, and even more, to the combination of a rising industrial war effort and an unresponsive coal output.

The chief problems which arose were those of supplies to public

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<sup>1</sup> Reference may be made here to the studies in the history of the raw material controls contained in the War Production volumes of the Official History.

<sup>2</sup> See Chapters III and V above.

utility undertakings, especially gas and electricity works; supplies of house coal, which was not an industrial use, but the control of such suppliers was connected in origin with the early programming of public utility supplies; and supplies to the Lancashire cotton trade. The first experiments in programming coal consumption and distribution were carried out in these fields in 1941.

The main difficulty was the position of the public utility undertakings. These were comparatively few in number, about 1,700 in all, and they consumed not more than about twenty per cent. of the coal mined. But their position in the war production effort was central and much anxiety arose when the unsatisfactory state of coal deliveries in the early summer of 1941 appeared to endanger their position in the following winter. The undertakings, of course, felt that they might be saved if only other consumers were treated more roughly. This was done and a quantity of the output of house coal was diverted to their use. But diversion could not be resorted to always, the production position being what it was, and the undertakings had to adjust themselves unwillingly to the idea of coal being less abundant than of old. This increasing shortage gave point to the demand for the programming of requirements and available supplies. The demand came in the first instance from the Coal Supplies Officers or rather from those of one district, the Midland (Amalgamated), which was a supplier both of house and gas coal.<sup>1</sup> The officers in that part of the world were anxious to take the measure of their commitments for the summer months. They felt that, when these were known, they could distribute the requirements among the collieries of their district and plan a regular rate of deliveries. This was the commonsense of the situation and became more evidently so as coal production declined.

The public utility undertakings themselves expressed in June 1941 to the President of the Board of Trade, Sir Andrew Duncan, their strong dissatisfaction with the state of their coal supplies. After hearing what they had to say and agreeing that the figures left much to be desired, the President cut the discussion short by issuing to the undertakings a very clear and direct invitation to take the matter in hand themselves. This invitation brought into existence a body, the Public Utility Undertakings Committee, which at a later date proved itself useful, within the limits of its advisory capacity, in the programming of the requirements of the industries it represented. But programming in its final form was not done exclusively by a central body in London, whether by a committee of the public utilities or any other central committee or authority. The Mines Department had committed itself to a decentralised or regional form of control which

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<sup>1</sup> The officers concerned were Dr. H. S. Houldsworth and Mr. R. J. Moffat, then acting as Joint Coal Supplies Officers for the Midland (Amalgamated) District.

it was held was alone suitable for an industry so intensely local in its natural conditions, its industrial organisation and in its markets. The technique of programming coal supplies which was evolved had to adapt itself to this fundamental character of the industry and was the result of a combination of regional and central efforts, not of an imposed central plan.

The theory that occasional intervention to correct the normal flow of coal deliveries was the whole duty of a Coal Supplies Officer had long ceased to correspond to facts in the case of the public utilities, even before June 1941. The importance of maintaining the movement of supplies to this class of undertakings had been largely responsible for the building up of the programmes of special coal trains in the previous eighteen months. This had been done partly because of the painful experiences of two successive winters in supplying their needs, but partly also to meet the changes in the transport and delivery of coal on the inland market which the war had produced. The principle that undertakings ought to be supplied, not from whatever source technical or economic considerations might suggest, but from the nearest coal-field was so obvious a saving of transport that, although hard to apply, it had been increasingly applied, with the will of the Coal Supplies Officers behind it. With this development went the practice of train- or block-loading, that is, the loading of coal by the train-load for particular destinations, which saved much time in shunting and the re-sorting of wagons. Neither practice was at first welcomed by the undertakings, or for that matter by the collieries, but as the war deepened these changes were seen to be inevitable and were increasingly accepted with something like philosophy. These developments cleared the way for a replacement of the idea of the normal flow of coal, which had been a product of peacetime conditions, by that of planned allocation of supplies, which was wholly a growth of the war.

The programming of supplies involved three things; an ascertainment of minimum requirements over a given period; an ascertainment of available supplies of coal over the same period; and the maintenance of guaranteed minimum deliveries to the undertakings over the programme period. The total requirements of the gas and electricity industries, based upon those of each undertaking, were supplied to the Mines Department by the National Gas Council and the Central Electricity Board and were squared with a forecast of the available coal. Once the total requirements were known, the business of fixing a weekly delivery rate for each undertaking, enough to meet its requirements both for consumption and stocking purposes, was turned over to the Coal Supplies Officers in the districts, who agreed the figure with the local spokesmen of the industries. The detailed programmes, that is to say, were made by the Coal Supplies Officers.

The responsibility for seeing that deliveries at this rate were actually made attached also to the Coal Supplies Officer, who tied the undertaking to the pit by allocating the task of supply to a particular colliery or group within his district. It was, of course, equally important that the coal offered by that source of supply should be accepted. This was guaranteed by the industries.

There were, naturally, mistakes at first. Even after prolonged bickering, the figure agreed for a particular undertaking sometimes proved to be hopelessly out and the officers concerned had to ignore the figure and use their powers and their local knowledge to put the matter right. It became abundantly evident that the programming of coal supplies needed, not only the most accurate statistical knowledge of requirements and supplies on a national scale and the closest communication between headquarters and the industries and the Supply Departments concerned, but also the most constant attention and the widest miscellaneous knowledge of his district which the Coal Supplies Officer could bring to the job. These were, however, administrative details, although important ones; they were matters of staffing, of organisation, of men and women growing familiar with the difficulties of their task.

Meanwhile, what counted was the success of the first step. By September 1941 it was evident that it had been successful, at any rate for the gasworks, which had been much in want of improved deliveries earlier in the summer. Their stocks rose, and they showed a relative improvement on the position at the same time a year before, even taking into account that house coal had been diverted to them. But house coal had had to be diverted and much of it from a district, the Midland (Amalgamated) District, which was also engaged in producing gas coal. This further complicated the work of the Coal Supplies Officers and it helped to precipitate the later programming of house coal to house coal merchants.

In addition to the public utilities, there was the field of general manufacturing industry. The first industry to experience, much against its will, a planned allocation of coal supplies was the Lancashire cotton industry.

For many months before July 1941 there had been an arrangement by which the Cotton Control and the Cotton Board, the two official bodies chiefly concerned with that industry, brought to the notice of the Coal Supplies Officers cotton mills which were not receiving the tonnage of coal which they deemed themselves to require. The supply of coal to the industrial north-west was a problem, mainly because this part of the country consumed far more coal than the Lancashire coal-field could supply. The making up of the balance by large imports from the Midland (Amalgamated) District, from North Staffordshire, from Cumberland, Durham and Northumberland,

produced its own crop of difficulties, owing partly to limitations of rail transport, especially across the Pennines, and partly to the great pressure on some of these coal-fields for supplies in other directions.

The concentration of the cotton industry which took place in 1941 under the directions of the Board of Trade gave the Coal Supplies Officers an opportunity to put the matter on a new footing. Acting in this instance not at the invitation of headquarters but on their own initiative, they obtained from the mills, through the Cotton Control, what was in effect a programme of requirements for a period of eight weeks and proceeded to allocate coal, in a manner similar to the allocation to public utilities, from 15th September onwards. The scheme at first met with the obstacles which were to be expected. Mills disliked sometimes the quantity, sometimes the quality, sometimes the price of the coal which they received, and their complaints had to be met. But the first programme period was succeeded by a second and when the first was reported on in October to the Mines Department by the Coal Supplies Officers responsible, the cotton industry programme was already coming to be looked upon as a possible model for the allocation of coal to other industries.

There were many interesting aspects of the programming of coal supplies, some of which will be considered later. The details above have been given only in so far as they bear upon the coal situation in the early years of the war. The programming of coal supplies and requirements had already begun, under the pressure of the coal shortage of 1941, largely on the initiative of the local officers of the Mines Department operating the decentralised form of control which then existed. But so far only a small part of the industrial field had been covered.

### (iii)

## Domestic Consumption

The formidable aspect of coal consumption in the spring of 1942 was that it was increasing among all classes of consumers. In January it was the gas and electricity works, the railways and the engineering shops which showed a sharp rise in current consumption and a consequent fall of stocks and gave rise to concern. February broke the records, not least for the consumption of domestic coal, for the weather that month was the severest for many years, but it was significant that throughout the whole of the winter and the previous autumn, the domestic use of coal had been considerably above that for the same period in the coal year 1940-41. Household consumption was obviously important for morale; a cold population which



found difficulty in cooking its food was as likely to break down as a hungry one. This made the task of control a ticklish one; but there could be no doubt that the time had arrived or was fast coming when the British householder must give up the right to burn as much coal as he liked if general coal consumption and production were to be kept in line with one another.

Before the war, the rationing of domestic fuel consumption had been taken to be a foregone conclusion among those concerned with the fuel aspects of another war, chiefly because of the expected pressure in the export market. A scheme to enforce economy had been included in the war plans and was duly brought into force. The Fuel and Lighting Order,<sup>1</sup> which was issued in September 1939, was modelled on the Fuel and Lighting Orders of the First World War. It required domestic and small industrial consumers to restrict their quarterly consumption of gas and electricity and their acquisition of coal to seventy-five per cent. of the amounts consumed or acquired in the corresponding quarter of the year which ended June 1939. But as soon as it appeared that fuel consumption was less heavy than had been expected, the Order was relaxed in November and consumers were allowed up to 100 per cent. of their pre-war consumption.<sup>2</sup> There was no adequate machinery to enforce even this mild rationing. Certain provisions of the Order remained in force. They required coal merchants to register with the Local Fuel Overseers; consumers to register with merchants; and records of deliveries to be kept by the merchants. The Order also contained provision whereby the Local Fuel Overseer could impose local restrictions on the delivery of coal. These parts of the Order were important because they required the household consumer to deal only with his registered merchant and they made possible the restrictions on household deliveries which the Local Fuel Overseers imposed in various parts of the country during the coal shortages of the first two winters of the war. But from rationing the consumer was henceforth free.

It was not until the summer of 1941 that the rationing of the domestic user was taken up once more. This was when concern was beginning to be felt about the rate of coal stocking for the following winter. Towards the end of June 1941, the Mines Department obtained the consent of the Lord President's Committee that they should launch an appeal for voluntary economy on the broadest lines; restrict deliveries of coal and coke to non-industrial premises for the rest of the summer, so as to prevent lucky persons accumulating larger stocks than they needed or ought to have; and prepare a general rationing scheme, in case it should be wanted in the following winter. It is significant of the change from the pre-war official view

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<sup>1</sup> S.R. & O., 1939, No. 1028.

<sup>2</sup> S.R. & O., 1939, No. 1640.

that these measures were so far from being intended to help exports, that exports were now being deliberately cut in the interests of the inland market; they reached in September of that year the lowest level of any month since the war began.

The measures authorised by the Lord President's Committee were taken in hand. The appeal to the consumer was not exactly new; he, or she, had been appealed to before. In the first winter of hostilities, when heavy French demands for 1940 were in prospect, the then Secretary for Mines, Mr. Geoffrey Lloyd, had asked Sir William Bragg to accept the chairmanship of a committee on the economy of fuel, charged 'to consider and review in the light of war conditions the scope for the substitution of imported fuels by home-produced fuels and to recommend what detailed enquiries should be undertaken with a view to securing the best use of home-produced fuels in wartime'. This committee entrusted the examination of particular topics on its wide field to six sub-committees, most of which were concerned with the problem of the substitution of home-produced for imported fuels. One of these, however, under the chairmanship of Sir Clement Hindley, took up the problem of the efficient use of fuel and made a number of recommendations in May 1940. Then came the fall of France, the coal shortage was replaced by temporary abundance, and the matter lapsed.

When economy was taken up again in the summer of 1941, most effort was devoted to the industrial side. Dr. E. S. Grumell, of Imperial Chemical Industries Limited, who had been chairman of one of the sub-committees in 1940, was requested to accept the chairmanship of a new committee, the Fuel Efficiency Committee, which first met in September 1941. It devoted its energies to stimulating the economical use of fuel in industry by every possible method of publicity and advice. This was the beginning of the fuel efficiency campaign in industry, which by the spring and early summer of 1942 was making fairly rapid progress. The domestic consumer had meanwhile been approached by a Fuel Economy Publicity Committee, set up in August 1941, under the chairmanship of Colonel Scorgie, who was lent to the Mines Department for this purpose by the Ministry of Information. A wide campaign was begun that summer and autumn through the press and posters, exhibitions, the B.B.C., leaflets and window displays. These were steps in the right direction, but it would have been as unsafe to leave fuel economy to voluntary efforts wholly as it would have been to commit economy in the use of food to the care of householders. It is unfortunate, but true, that the most effective argument for voluntary economy is often a measure of compulsion, so hard is it for the public to realise that supplies are genuinely short until part of them is cut off. Voluntary economy, besides, works unjustly; the public spirited are sacrificed to the selfish.

By late 1941, still more by early 1942, a public which was beginning not only to accept but even to approve food and clothes rationing as both expedient and just, was prepared for the deliberate reduction of fuel supplies, so that all as far as possible fared alike, and the bigger income and the larger coalhouse got no unfair advantage.

Restriction of house coal could be enforced legally, as has been said, under the Fuel and Lighting Orders. When the rising general consumption in the spring and early summer of 1941 suggested that a fuel crisis might be imminent, the Secretary for Mines laid it down that from 1st July no domestic coal consumer might receive more than one ton of coal a month. The public saw the necessity, but there was much angry comment because of the lack of discrimination between large consumers, such as hotels, blocks of flats, hostels and clubs, and small householders. The critics were not wholly appeased by the provision that the Local Fuel Overseers would be empowered to licence larger deliveries where genuine hardship might occur. *The Economist* enquired where hardship began; was it when the householder had to forgo a daily bath?<sup>1</sup> This was merely a foretaste of the many difficulties and objections which lay before any scheme of control.

In the autumn of 1941, the Secretary for Mines revoked the Fuel and Lighting Order 1939 and the Fuel and Lighting Order 1940 and took to himself the powers for a thorough-going control of the coal supplies of all non-industrial premises and of all industrial premises consuming less than 100 tons a year, under the Fuel and Lighting (Coal) Order 1941.<sup>2</sup> The Order was dated 26th November 1941; it came into force on 1st January 1942. As amended by the Fuel and Lighting (Coal) (No. 1) Order 1942<sup>3</sup> of 12th March 1942, this Order formed the legal foundation of the control of domestic supplies by the Mines Department throughout the first half of 1942, when the restriction of deliveries was being generally applied.

(iv)

## The Rationing Question

The restriction of deliveries of coal to domestic consumers proved a useful weapon to enforce economy and secure a rough justice in the distribution of supplies; neither of these aims could have been reached so immediately or so securely by appeals to abstinence. But

<sup>1</sup> *The Economist*, 12th July 1941, p. 43.

<sup>2</sup> S.R. & O., 1941, No. 1920.

<sup>3</sup> S.R. & O., 1942, No. 475.

the mere restriction of supplies of solid fuel left some things to be desired.

For many household uses, coal, gas and electricity can be substituted for one another without much inconvenience. The 1939 rationing scheme had taken account of this; it tried to control the consumption of all three types of fuel. The 1941 restriction of household coal was not so comprehensive. It left open the way to a possible waste both of gas and electricity and it advantaged those who could make use of those fuels when coal supplies ran short, against those who could not. Rationing—the allocation of a fixed quantity of fuel to each consumer over a given period—was theoretically a more comprehensive, more closely effective and fairer form of control.

Food rationing was already well organised in 1941 and clothes rationing was announced on 1st June of that year. The success of the Ministry of Food and the Board of Trade in this difficult administrative field encouraged hopes that the rationing device might also be used to balance the coal budget, which was now rapidly becoming, behind the scenes, no less important than the problem of food and raw material supplies. There need be no surprise then that the Mines Department asked for authority to proceed with the drawing up of a comprehensive rationing scheme in June 1941 when they were also proposing to restrict merchants' deliveries. At the same time, they felt they could not simply go back to the plan of 1939 which tried to measure consumers' needs by the amount of their consumption at a given date. The datum line of the 1939 plan was out of date by 1941; it gave an unfair advantage in any case to people who were habitually high and wasteful consumers. The precedent of 1939 was abandoned and it was determined to work out something which would be more satisfactory both to the official and the consumer.

Work upon a rationing scheme was begun as soon as the permission of the Lord President's Committee had been given, in a series of negotiations between the Mines Department and the principal industries concerned. The going was by no means easy, apart from the intrinsic difficulties of the job, for the public utilities did not take kindly to the rationing intention. It was not until the first week of March 1942 that the Mines Department was able to submit its proposals to the Lord President's Committee, through the new President of the Board of Trade, Mr. Dalton. The Department suggested that there were three alternatives, which had come to be known briefly as Schemes A, B and C. The first was a comprehensive rationing scheme for all forms of fuel, namely, coke and coal, gas and electricity, based on the number of rooms in the house. The completion and running-in of this scheme would take some time. Scheme B was a less elaborate method of rationing, but relied on the

same method of a total fuel allowance. Scheme C was a rough and ready scheme for restricting deliveries of coal and coke, coupled with publicity to induce householders to reduce consumption of gas and electricity by a quarter. This restriction could be introduced at once, pending one or other of the comprehensive schemes. The President of the Board of Trade expressed his own preference for the first and most thorough-going scheme, by which he hoped to save in all eight million tons of coal per annum.

The Lord President's Committee authorised the President to go forward with Scheme C at once and asked him to make plans to supersede it as soon as possible by Scheme A. It was understood that the introduction of fuel rationing would require Parliamentary sanction. With the authority of the Lord President's Committee to support him, Mr. Dalton, who had become President of the Board of Trade on 22nd February, took up the rationing plan with energy, although he was no doubt spurred by disheartening reports on the future of coal consumption submitted to the Lord President's Committee by the Minister for Production, Mr. Lyttelton, and by the Minister of War Transport, Lord Leathers, and the Secretary for Petroleum, Mr. Geoffrey Lloyd. They anticipated that the expansion of war industry and the difficulty which then existed in the way of importing petroleum would make coal supplies more important than ever in the winter of 1942-43. In the course of a debate in the House of Commons on 17th March 1942, when the general position of coal production and consumption was being discussed, Mr. Dalton announced that a comprehensive rationing of fuel would be introduced by the Government. He added that Sir William Beveridge was working out the details of such a scheme.<sup>1</sup> This announcement of the scheme before it was ready to go into operation was probably a tactical error. It gave an opening to prospective critics which they were not permitted, for example, when clothes rationing was introduced; and they were not slow to seize the chance.

The development of the rationing proposals becomes complicated at this point by a clash of personalities, sectional interests and general opinion to a degree which makes it impossible to follow out all the intricacies in a history written on the present scale. In the internal history of the Mines Department, Mr. Dalton's handling of the rationing of fuel coincides with the retirement of the Permanent Under-Secretary for Mines, who had been responsible for the plans so far. Sir William Beveridge, as a man of much experience in rationing devices, was asked by the President of the Board of Trade on 17th March to draw up a final and comprehensive scheme. Sir William worked, as he was requested, with extreme rapidity. The

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<sup>1</sup> H. of C. Deb., Vol. 378, No. 45, Col. 1441.

memorandum in which he set forth his proposals was submitted by Mr. Dalton to the Lord President's Committee on 14th April, was accepted and was published as a Government White Paper the same month. After the publication of the report, the work of preparation was transferred from the Mines Department to the Board of Trade, which had acquired considerable experience of rationing technique in its work on clothes rationing and was in those days in charge of gas and electricity, as well as being the parent department to the Mines Department. The intention now was to start fuel rationing from June 1942 onwards in order to assist the building up of the summer coal stocks.

But by May there had come about a change in the political weather. If the attitude of Parliament in the March debate could hardly have been interpreted as a burst of sunshine, Mr. Dalton was justified in regarding the speeches then as relatively favourable to his rationing plans. The House had been much impressed by the picture of impending coal shortage and by the strong plea of necessity. But in the interval between that day and the debate on the White Paper, on 7th May, a violent, if slightly absurd, political storm blew up and the air of summer turned out far more fierce and cold than that of early spring. The strong opposition now expressed to the fuel rationing proposals was in part the opposition of industrial and class interests—of all those who felt that the ration would be inconvenient to their methods of doing business or their way of living. Fairly heavy sacrifices were being demanded of the middle classes and the larger houses. The public utilities also were no better pleased with the scheme and were unimpressed by the plea of its necessity. Perhaps, too, since irrational elements often weigh with public opinion, the opposition had something to do with the low state of public morale that spring and early summer. The public was in no exalted mood for sacrifice; it was prepared to listen to the counter-arguments, whether good or bad, of interested parties. Nor could any political observer fail to notice that the coal industry, which had been a centre of political storms for many years past, was gathering to itself about this time a good deal of the latent political electricity inevitably generated in a coalition government, even in time of war. It was publicly known that coal supplies were such that production could hardly be left to be carried on as it was; some sort of Government control was presumably in the offing; and those who are quick to draw far-reaching inferences from the small characteristics of events marked with suspicion that it was a Labour Minister, one of the party who were known to favour Government ownership of the mines, who was in charge of the rationing of fuel. The question became mixed up with feeling against the Government control of industry, which since the general concentration of industries by the Board of Trade in 1941

was beginning to make itself keenly felt. The rationing plan became a sort of unacknowledged test of the relative strength of parties and interests within the Coalition Government and in Parliament, behind a barrage of arguments about its administrative virtues and defects.

Certainly the administrative problems of rationing were difficult and could not be brushed out of the way. The scheme could not be guaranteed to work, although it could probably be made to work. A large staff would have had to be recruited at a period of the war when administrative staffing was already becoming difficult.

There were more important matters involved than the size of the staff required to administer the scheme. Rationing was often discussed at the time solely in terms of the restriction of consumption. It was advocated by some as a sovereign cure for an expanding coal consumption which threatened to become chronic; it was scorned by others on the ground that a larger quantity of coal might be saved by an appeal to the conscience of the consumer. Both parties tended to regard it, sometimes exclusively, as a measure to reduce consumption. But there is another side to rationing besides the restriction of consumption. As Sir William Beveridge observed, 'Rationing is not simply restriction of supplies and does nothing of itself to diminish supplies. Its be-all and end-all is fair play, to ensure that whatever supply is available, in total whether large or small is distributed fairly and reaches each individual customer in the right proportion. Rationing is distribution even more than restriction'.

The element of equitable distribution was confused at the time with the cutting down of supplies, but it is obviously distinct. It formed the most powerful argument for rationing. The conclusion does not, however, follow that if the Beveridge scheme had been introduced equity must have been achieved. For one thing, the equitable distribution of fuel is by the nature of the case a more difficult matter than the fair sharing of food or even of clothing. This was generally acknowledged and the easy argument by analogy from other forms of rationing was in many respects misleading. Stomachs are so much more alike than buildings. In the opinion of one who was otherwise very favourable to the fuel proposals and was close to the work done upon both these and the clothing scheme, the rationing of fuel, had it been attempted, would certainly have been the most difficult of all the rationing plans to administer.

Pursuing this line of thought, an actual breakdown of rationing would have been less fair to the consumer than no rationing at all. Food can be fetched, but fuel must be delivered, and no fuel rationing scheme is satisfactory which does not provide for delivery at regular intervals of the rationed amount whether those intervals are long or short. For the consumer looks upon his ration as a promise of supplies, quite as much as, if not more than, a denial of them. This was a point

which played little or no part in the Parliamentary debates or public discussion but was practically important later. It formed the ground of the Minister of Fuel and Power's later reluctance to introduce fuel rationing, even when the shortage of supplies pressed him hard, for it was plain that regular deliveries of coal were going to be difficult. Under the conditions of the later years of the war, for example, during the early months of 1944, any rationing scheme would have had to take some violent knocks in this way from an overstrained transport system.

Mr. Dalton maintained an attitude of no compromise in the debate of 7th May. He declared that, even if a reorganisation of coal production came about, the rationing of domestic fuel would still be necessary.<sup>1</sup> The outcry had been so sharp, however, that Sir Stafford Cripps, then Lord Privy Seal and Leader of the House, promised the House that same day a further Government White Paper on the rationing proposals as material for another debate.<sup>2</sup>

The history of the War Cabinet decision which followed to postpone fuel rationing belongs to the political record of the war rather than to the dull pages of a history of administrative shifts and devices. The crisis was a sharp one, not without offers of resignation if political gossip is to be believed. But there was much to be said for the view which prevailed towards the end of May that one controversial measure at a time was enough, even for the coal industry, and it was felt in high quarters at that time with some conviction that if the reorganisation of the industry was to be given a fair chance, the emphasis should be placed directly on that and not on the rationing scheme.

Hence the advice of the Lord President's Committee to the War Cabinet on 28th May to make administrative preparations for rationing but postpone decision on its introduction until September. The War Cabinet accepted this advice. The further White Paper on rationing which had been promised in the early May debate never appeared. There was published instead at the beginning of June a new White Paper, containing the Government's plans for the future operation of the mines. The Fuel Rationing Scheme was reduced to an annex to that paper.

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<sup>1</sup> H. of C. Deb., Vol. 379, No. 63, Col. 1464.

<sup>2</sup> *Ibid.*, Col. 1411.



# CHAPTER IX

## THE INTERVENTION OF THE WAR CABINET

(i)

### The Character of the Crisis

**T**HE analysis of the last three chapters will, it is hoped, have made clear the origins of the fuel crisis of 1942. A serious drop in coal production had coincided with a rapid increase in demand, as the national resources were brought into full employment by the requirements of the war. By the irony of events, the revival of demand which the coal industry had prayed for throughout the nineteen-thirties had come at the very moment when the industry was embarrassed for lack of men and material to meet it.

The effect of these developments was constantly to threaten the balance of coal supply and demand. The peculiar nature of the coal crisis has to be understood. At no time during the war was essential war work brought to a stop for lack of coal, except on a small scale and in isolated cases during the distribution troubles of the later winters, when transport difficulties were the main cause. The fuel crisis was one of expectations. There was a tendency later among some observers to discount the fuel crisis of 1942 on the ground that no serious coal shortage developed. The criticism overlooks the fact that after June 1942 a much closer control over both coal consumption and production was introduced and that this had something to do with the comparatively quiet issue of events. It disregards also the no less important point that for an administration directing the efforts of the nation in a great war, uncertainty in matters which ought to provide reasonable certainty of calculation is itself a calamity. The balancing of the national coal budget in the coming year had appeared to be threatened in the summer of 1941. It was menaced again, this time it seemed far more definitely, in the spring and early summer of 1942. In June, the War Cabinet took decisions intended to remove this element of doubt from the calculations of the war as they saw it. The purpose of the present chapter is to display the sources and character of those decisions and so put the reader in a position of being able to judge for himself the reasonableness and necessity or otherwise of what was done.

The administrative and political commotion over the prospects of the national coal supplies took place in the late spring and early summer months of 1942 and revolved upon the estimates of coal consumption and supply for the year May 1942–May 1943. The fears then expressed coincided with a new slump in production and an outburst of widespread discontent among the mineworkers, which had to be taken into account in considering the prospects of the year ahead.

The productive arrangements of the industry were in some ways improving. The average number of shifts worked per week was rising and rising fast. The number worked in the week ending 25th April 1942, at 5·66 shifts, was the highest recorded since weekly returns had been collected and was above the highest monthly figure for the war, even in the pre-Dunkirk days. Neither could the decline in output be blamed upon too low a proportion of face-shifts. The face-shift proportion was now higher than for more than a year past, thanks to the great efforts of the past few months in upgrading men. The maintenance of this improved proportion was being made easier by the return of men from the Army. It began to make itself felt in the last half of April, when over 2,000 men returned from the Army to the mines, thus bringing to an end the decline in the industry's manpower which had been going on since December 1941.

All these improvements were outweighed by a low output among shifts at the face. At 2·86 tons a week, this was now lower than at any time since the war started. Its persistence suggested a new and disagreeable possibility—that the raising of the number of mineworkers to 720,000, which was the goal for the coming year, might not after all produce the hoped for coal and that other devices would have to be resorted to besides increasing the number of workers and the number of face-shifts.

What those measures ought to be, depended on one's view of the causes of the low output among the face-workers. One cause might be physical. High absenteeism and a high working week were going together and they played into one another's hands, the week being continually lengthened to counter the effects of absenteeism, this leading again through fatigue and lower output to more absenteeism. It looked, in a word, as if the economic length of the working week was almost, if it had not been quite, reached.

Industrial fatigue was, however, not the only cause at work or the most important. When the production of late April was discussed in the Coal Production Council, Mr. Arthur Horner, the South Wales miners' leader, observed that the causes of the low output at the face were partly—he might have said mainly—psychological. He thought the discontent was due to the wide difference between earnings in coalmining and the munitions industries. The miner needed to be convinced not only that his work was important, but also that he

was getting a square deal economically. The Council felt much concerned by the state of feeling among the miners. The chairman at that time, who was also the Secretary for Mines, Mr. D. R. Grenfell, called for great efforts to build up mutual confidence and good-will. This was on 27th May. It was growing late for the spirit of conciliation to do its work. That month and the next saw the earthquake in the coal-fields, when the exasperation over wages which had found a partial outlet in low output and absenteeism in the earlier months of the year boiled over into many strikes. This prolonged outbreak of trouble strengthened the case for some reorganisation of the industry and an overhaul of the existing methods of Government control in the interests of an increased war production. Measures were already in contemplation by the War Cabinet at the time when the Coal Production Council was considering the matter.

The impending coal crisis was brought to the notice of the War Cabinet early in April 1942. The Lord President's Committee had been considering the estimates of coal consumption and production worked out by the Mines Department for the coming year, including the summer stocking season, from 1st May 1942 to 31st April 1943. The estimates were prepared when the year 1941-42 had still a few weeks to run. It looked as if production and consumption would run true to estimate to the end of 1941-42, almost balancing at 207 million tons, with total stocks unaltered and no appreciable deficit except that created by the deterioration of a certain amount of coal in stock.

The prospects for 1942-43 were, as the Lord President, Sir John Anderson, reported to the War Cabinet on 6th April, of a decidedly different kind. Owing to the expected general rise in demand, the production target for the year was 215 million tons. This might be reduced to 210 million tons if domestic coal were rationed after October. Some 107 million tons of this must be produced in the six summer months in order to build up stocks, leaving 103 million tons to be produced in the winter months; that is, weekly output must run at the rate of 4.35 million tons in summer and 4.2 million tons in winter.

The labour required to maintain this rate of output was not less than 720,000. But numbers in the industry had now fallen to 705,000. Weekly output was only 4.1 million tons and was not expected to rise above 4.15 million tons in the summer, given the existing labour force. To reach a production of 4.35 million tons a week, it would be necessary to increase the number of workers by 15,000, all of whom should be active coal-face workers. This must be done at once, so that summer output should not be lost, because output lost in the summer could not be made good under winter conditions of transport and production.

There were only two sources where the extra men could be found.

They were other industries or the Army. Under the Registration of Miners Scheme, 33,000 ex-miners, who had drifted away to other industries after the fall of the coal export trade, had returned to work in the mines. Allowing for wastage, their return had brought numbers up by some 15,000. No more men could be looked for here, except by stripping war industries and occupations which had been so far exempted from the Scheme. This was about to be done and men were going to be released from these key industries. Together with others drawn from among the Police (War Reserve) and Civil Defence workers, they might number 3,000.

Another 12,000 men would consequently need to be found. They could only be had by the immediate release of men from the fighting services. Enquiry had shown that some 23,000 former coal-face workers were serving as rank and file in the Army at home, excluding men of certain special classes whose release the War Office would not permit. It had been lately agreed with the Secretary of State for War that all these men, excluding those who belonged to Field Force units, should be released as soon as possible for employment in the mines. It was thought that it might be practicable in this way to find another 5,000 miners.

This measure would still leave a shortage of about 7,000 men. Some of these might be found among the ground staff of the Royal Air Force. But the main issue could not be avoided, whether a substantial number of ex-miners should be withdrawn from the Field Army, so as to give the industry the 720,000 men required to meet the programme for the coming year.

Behind this problem of immediate manpower and the Field Army lay another one. In an industry where forty per cent. of the men at work were aged forty or over, the net wastage rate ran so high that the labour force of the mines was now falling by 28,000 men every year. The force of the industry's unchecked decline was such that, even if 720,000 men were found by 1st May 1942, the labour force would be back to 705,000 by the beginning of the next winter, while by the summer of 1943 it would be too small to produce an output even of 200 million tons. A constant wastage of this sort could not be met twice by the expedient of recalling men from the Army.

The Lord President submitted to the War Cabinet that two questions of long-term industrial policy had become urgent. One was to close the gap, somehow or other, between the flow of labour out of coal-mining and that into it. This was a business of reversing trends which had become deeply rooted both in the economic conditions of the industry and in the social feelings which surrounded it. The Lord President was able to point out that the Minister of Labour was already discussing with other Ministers the future of juvenile labour in the mines.

The other possibility was the reorganisation of the industry so as to make the best use of the labour that it had or was likely to have. By this the Lord President meant control over the operations of the mines. The Lord President pointed out that the War Cabinet would have to decide whether it was possible to secure operational control while leaving the financial responsibility of the mineowners untouched. It might be necessary to go further and introduce a measure of control which would affect the ownership of the pits. That the increased output required would be obtained only if the mines were rented from the owners by the State for the duration of the war had already been urged by Mr. Dalton, then President of the Board of Trade, at the end of March.

This was putting squarely to the War Cabinet the main issues of the coal control. The War Cabinet considered them at its meeting of 10th April 1942. It rejected the proposal to withdraw men from the Field Army, on the ground that this would have serious military effects. The Lord President's other main proposals, that there should be a new policy for juveniles and a reorganisation of the industry, were adopted. A committee on the recruitment of juveniles in the coalmining industry consisting, of Sir Max Bonn, Mr. J. W. Bowen, Mr. Ronald Gould and Professor K. Neville Moss, with Sir John Forster in the chair, was, therefore, set up on 18th April by the Minister of Labour and National Service and the President of the Board of Trade. The War Cabinet appointed a committee under the chairmanship of the Lord President of the Council himself to examine mining reorganisation. The committee on juveniles did not report until July.<sup>1</sup> The committee on reorganisation reported to the War Cabinet on 28th May. The conclusions of the latter committee will be examined in detail in this chapter for they were the main cause of the setting up of a Ministry of Fuel and Power in the following month.

## (ii)

### The Discussion of Remedies

Long-term projects of the type entrusted to these committees were necessary if the coal industry was going to play its proper part in a long war, but the possibility of a serious coal crisis in the winter of 1942-43 remained. Following the Cabinet discussion, the Prime Minister sent to the Lord President a minute expressing the War Cabinet's approval of his long term proposals, but setting out a

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<sup>1</sup> Committee on the Recruitment of Juveniles in the Coal Mining Industry, *First Report* (July 1942).

number of suggestions which were frankly intended to avoid the serious military dislocation which would have been caused by the sudden withdrawal of 7,000 trained soldiers from the Field Army. These 7,000 men, if they produced the same output as the average mineworker, might hew two million tons of coal in a year. It was suggested that an equivalent amount of coal might be produced in ways less injurious to the general war effort. The suggestions included:

- (1) running down coal stocks;
- (2) allocation of coal to industry, as in the case of other raw materials;
- (3) reductions in industrial use;
- (4) reductions in exports;
- (5) monetary rewards to miners in return for surrender of a portion of their customary coal allowance;
- (6) direction of untrained youths of 18–19 years into the mines;
- (7) persuading or allowing some ageing men to work for another year;
- (8) outcrop working;
- (9) lengthening of the working week by fifteen minutes.

A quantitative evaluation of these proposals was made forthwith and it showed that by the adoption of four of them—namely, running down stocks, fuel economy in industry, cuts in exports and foreign bunkers, and outcrop working—the amount of deep-mined coal required for the year 1942–43 might be reduced from 215 to 208½ million tons. This left no margin for contingencies; it was possible that military operations, a sudden diversion of coastwise shipping, or a demand for bigger exports on strategic grounds in this or that part of the world, might increase the demand.

Against this revised aggregate demand could be set the possible output of 702,300 men, assuming that miners were not to be withdrawn from the Field Army. (Some 6,500 men were expected on a revised estimate from the non-Field Force units of the Army at home, perhaps another 1,300 could be released from the ground staffs of the Royal Air Force. Industry and Civil Defence might supply about 3,500 ex-miners. These measures would secure an average labour force during the year, despite wastage, of 702,300.) If their output per shift throughout the year equalled that of the first quarter of 1942, this number of men would produce a total of 205·3 million tons of coal. The produced amount would fall short of estimated consumption by over three million tons.

The suggested budgeting was close, and it still left a gap between production and requirements. The two chief dangers were that the efficiency of the workers, already falling, might fall even farther; and that some turn of military events might increase the demand for coal.

Production might then fall short of consumption by much more than the three million tons which it was possible to foresee. However, the Lord President presented revised coal estimates to the Cabinet on 28th May 1942 which included the economies in coal requirements which the Prime Minister's minute had proposed and accepted, of course, also the War Cabinet's rejection of the release of men from the Field Army.

The new estimates ran as follows. They are, of course, summed here as briefly as possible, omitting many details.

The estimated coal requirements for the year ending 30th April 1943 totalled as before 215 million tons.

The average labour force over the year, making allowance for wastage and taking into account the measures already taken for the return of ex-miners from the forces and industry, was expected to be 702,300. On the assumption that their output per shift during 1942-43 would on average equal that secured during the first quarter of 1942, they might be expected to produce 205,300,000 tons of coal during the year. In addition, two million tons was forecast as the yield from outcrop workings.

There would thus be a gap of 7,700,000 tons between output and estimated requirements. Part of this, it was hoped, would be bridged by a reduction in estimated consumption due to greater efficiency in the use of coal in industry (one million tons), reduction of stocks (two million tons from colliery banks and 750,000 tons from public utility stocks) and by a cut in exports and bunker shipments (750,000 tons); a total of 4,500,000 tons. These were the economies in consumption which the Prime Minister had suggested.

These economies still left a prospective deficit on the year of 3,200,000 tons. This gap was to be filled by three proposed measures:

- (a) programming industrial supplies to bring about a reduction in consumption;
- (b) a campaign for voluntary economy in domestic consumption;
- (c) a reorganisation of the industry under Government control of mining operations so as to increase productivity.

In submitting these new estimates the Lord President was making an assumption about coal output of some importance. It was that the decline in output per shift which had been so marked in the second quarter of 1942 would go no further. This assumption was based on the belief that new measures for the control of the mines, drafted by the committee on reorganisation of which the Lord President was chairman and submitted to the War Cabinet along with the revised coal budget, would suffice to stop the downward drift of productivity and even perhaps reverse it. We must now turn to the recommendations of that committee and see what the proposed

measures for the control of production were. They were regarded by the Lord President as indispensable to make the coal budget for 1942-43 balance and they were accepted as such by the War Cabinet.

The committee to which the War Cabinet in April, as has already been seen, had handed over the detailed study of the problem of the reorganisation of the industry with the Lord President of the Council as its chairman, had as its other members the Minister of Production, Mr. Oliver Lyttelton; the Chancellor of the Exchequer, Sir Kingsley Wood; the President of the Board of Trade, Mr. Dalton; the Minister of Labour, Mr. Bevin; the Minister of Supply, Sir Andrew Duncan, who had been a member of the Coal Control in the 1914-18 war, and President of the Board of Trade in 1941 and the early weeks of 1942; and the Secretary for Mines, Mr. Grenfell, the member for Gower. In addition to these, the Secretary of State for Dominion Affairs and Deputy Prime Minister, Mr. Attlee; the Lord Privy Seal, Sir Stafford Cripps; and the Minister of War Transport, Lord Leathers, attended the two last meetings, when final proposals were taking shape, before the committee sent in its report to the War Cabinet on 28th May.

The Committee heard the views of the representatives of the Mining Association and the Miners' Federation, Sir Ernest Gowers of the Coal Commission, and officers of the Board of Trade and the Mines Department with special technical or administrative knowledge of the problems of coal production. From this mass of evidence a number of practical points stood out.

The wastage problem was outstanding and could not be solved by recalling men from the Forces. If output was to be maintained, still more if it was to be increased, the urgent need was to conserve the labour force of the industry. Despite the Essential Work Order, the number of mineworkers was dwindling away at a net rate of something like 25,000 men a year. Deaths, disablements, normal retirements and compensation cases were roughly balanced by the intake of youths. The larger part of the wastage was represented by men in middle age who left the industry on medical certificates. Some of these were fit to continue in the mines, but under the Essential Work Order a certificate was the only means of release to more attractive work.

The chief reasons why men were still leaving this industry for others were that the miners had no confidence in the industry's power to continue to employ them after the war; they could earn more in munitions than in mining—a fact which had now led to a formal claim by the Mineworkers Federation for a national minimum wage of £4 5s. a week for all miners—and the man who was injured, only too commonly, could not find in the coal-fields the medical treatment which might have been sufficient to keep him in the old job.



There was little hope of increasing at once the flow of boys into the industry, although the Forster Committee was considering this. Some new men might come in, under the instructions given by the Minister of Labour that coalmining should be added to the priority industries which a man might choose in preference to military service.

There appeared to be no single solution to the problem of the middle-aged workers in the industry. Their just grievances needed to be met, although no measures that could be devised would infallibly or at once cure ills which sprang from deep and difficult sources. The steps thought by the Committee to be immediately necessary were an assurance about the post-war period, a new approach to wages, and better medical care.

The fall of productivity per man was no less dangerous than the wastage of the labour force, and the experience of the 1914-18 war suggested that it might easily turn out to be long-term. The Committee were agreed on the main measures to be taken to counteract the fall.

- (i) There was a wide variation in the technical standards of the colliery managements. If the best mining engineering advice in each district could be made available to any colliery that needed it, whether by grouping of collieries or any other scheme, output could be raised.
- (ii) The extension of machine mining was bound to be slow, but in a long war it would pay. Only sixty-six per cent. of the output of 1941 had been mechanically cut; only sixty-four per cent. had been mechanically conveyed.<sup>1</sup> The mechanical loader, by which the coal cut at the face is loaded on to the conveyor, was unknown in this country. It was in use in the United States and if introduced was capable, according to the advice of very competent men, of bringing about an immediate improvement in output. The further mechanisation of mining, therefore, needed to be given a high priority.
- (iii) Even speedier in its effect would be a concentration of manpower in the most productive mines and seams, abandoning all long-term development work and difficult seams. A statistical survey of a sample of pits which had been carried out by the Mines Department encouraged this view, although statistics, it was admitted, could mislead here. The transfer of 17,800 men for an average distance of only four miles from their present scene of employment might increase output by as much as 6½ per cent. Would the men willingly allow themselves to be moved? Although concentration would depend at every step on their goodwill, it was one of the first steps to be taken to increase production.

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<sup>1</sup> The proportions are given in the *Ministry of Fuel and Power Statistical Digest*, 1946 and 1947 (Cmd. 7548), Tables 37 and 40.

- (iv) The charge of excessive absenteeism could not be sustained against the great majority of the miners. On the contrary, it was doubtful whether more effort could be expected of men working, week in, week out, under the arduous conditions of deep mining. But this was not true of all miners. Measures were needed to discipline the offender, whose absence might upset a whole cycle of mechanised mining operations, and the existing methods, under the Essential Work Order, were unsatisfactory. They would need to be reformed.

These measures, it was hoped, would not only arrest the fall in productivity, but also lead to an increase in output per shift.

The proposals of the Lord President for reorganising the coal industry, combined with the economies in consumption which it was intended to enforce, had considerable political and administrative significance. They made, for one thing, immediate fuel rationing unnecessary.

By voluntary economy and by restriction it was intended to secure savings not substantially less than those which fuel rationing would have obtained. The rationing scheme had been estimated to be likely to save six million tons of coal over the whole year 1942-43, if introduced from 1st July 1942. But in addition to saving this amount of coal, the Lord President's proposals offered a way of closing the threatened gap between national coal supplies and requirements over the year. It will be remembered that the gap had been estimated as of the order of 3,200,000 tons. Through voluntary economy and restriction, through the programming of industrial supplies and through the reorganisation of coal production, it was now hoped not only to fill that gap but also to provide a small margin against contingencies. Fuel rationing could be kept in reserve.

The proposed control of mining operations, which was indispensable to the Lord President's plans, raised, however, another issue which was no less controversial than that of fuel rationing. This was the question whether the State should take over the mines as a means to control their operations.

The Mineworkers Federation in their evidence before the Committee revived the demand, which the Miners Federation had advanced at the time of the decontrol at the end of the First World War and had fought for so stoutly in the twenties, that the mines should pass into public ownership.<sup>1</sup> On the Committee, the Ministers belonging to the Labour Party favoured the requisition of the collieries for the duration of the war, on the analogy presumably of the requisition of shipping.

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<sup>1</sup> The proposals advanced by the Mineworkers Federation did not differ in any way from those which had already been publicly put forward by the National Council of Labour Coal Sub-committee on 5th January 1942.

The broad argument for national ownership was that nothing short of this would give the miners the confidence that whatever was necessary would be done, both now and in the transition time after the war. They were suspicious of the owners' profits and fearful of unemployment when the war came to an end. The main line, that is to say, was psychological. This argument failed in the long run to carry conviction with the Cabinet Committee because, although the mineworkers expressed a general desire for a more efficient industry, they made little attempt to relate the proposed national ownership to the most pressing of practical problems, the wastage of the labour force and the drop in productivity per man. It was never clear how the new incentive was to be brought to bear upon these obstinate facts, except that it was assumed that national ownership would bring about some improvement in mining wages and conditions which might have some effect.

While the miners' proposals appeared to have too little to do with the coal budget of 1942-43 and the summer stocking programme of the next few months, the mineowners suffered from the disadvantage of being still under the leadership which had seen them through the big dispute of twenty years before. They were not only opposed to the permanent buying out or the temporary requisition of the mines, which was only to be expected, but they reiterated their opposition to any national form of wage negotiation. On the immediate problem of production they were of the opinion that it was insoluble except by the return of men from the Forces.

Two things prevented the question of national ownership from becoming a burning one despite the flat contradiction of views. The first was that its bearing on the immediate technical problem of increasing production that summer was somewhat remote. The other was that the measures of concentration, mechanisation and so forth, which the Committee agreed to be urgent, could all be carried out under powers already existing.

The Defence Regulations had conferred on the Secretary for Mines wide powers over the production, storage, transport and distribution of coal and the authority to give directions to colliery managements in the conduct of their undertakings. If such directions were not complied with the Minister could take control of the colliery.<sup>1</sup> Powers equally wide to control labour in the mining industry were available to the Minister of Labour and National Service under the Defence Regulations,<sup>2</sup> and the Essential Work (Coalmining Industry) (No. 3) Order 1941. Since what was wanted was more control at once over coal production, the taking over of the mining industry as a whole appeared to the majority of the Cabinet Committee an

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<sup>1</sup> Defence Regulation 55.

<sup>2</sup> Defence Regulation 58A.

administrative step more troublesome than was necessary for the limited amount of extra coal required.

The coal control of the war of 1914-18, when the mines had passed into national ownership was, of course, quoted; but the record of that control for efficiency had not stood so high as that of some other Government controls, such as those for food and shipping. It was believed possible to control coal production much more closely than in those days without adding to the administrative job in hand by requisitioning the mines or putting the State where it would become a party to every dispute in every pit in the country.

New administrative machinery, it was agreed, was more important than new powers. The conception of what later came to be called dual control, that is to say, the State directing mining operation wherever necessary while the colliery-owners continued to be responsible for the finance of the mines, was critically examined and finally carried the day with the Committee upon certain conditions.

The first of these was that there should be no confusion of responsibility at the pit. The pit manager was responsible by law for the safety of the pit. Any direction given by the Minister would have the force of law, subject to a representation from the manager that he could not comply with a direction because it was inconsistent with the pit's safety. The obligation to comply with the directions of the control would rest with the colliery company. But to give a direct and unambiguous link between the Minister and the person in executive charge of the pit, the Lord President and his Committee recommended that every colliery undertaking should be asked to nominate one person to receive on their behalf the directions of the Control and to be responsible for seeing that these were carried out. The man nominated would, as a rule, be the pit manager.

This arrangement appeared to clear the point of responsibility, but other conditions also had to be fulfilled. A completely centralised control would not do. The business of increasing output was mainly one of bringing about the changes at particular pits and in particular regions. Besides, the staff of the Mines Department had learned by experience that it was absurd to allow London to be called in every time a 'bus broke down in the provinces and miners found themselves unable to get to work. The Committee recommended to the War Cabinet a Regional Control, based upon controllers exercising extensive delegated powers in the coal-fields, under the general supervision of London. The Committee felt that only a control of this kind could adapt itself readily to the extreme variety of local conditions in coalmining.

Another condition of satisfactory control was that wages and conditions in the industry should be dealt with on national lines and by a national body, as an important step towards putting industrial

relations upon a new and better footing. It was equally important that a settlement of these matters should not stand in the way of production. For this latter reason the Committee recommended that the Government should announce their intention of discussing with the owners a new permanent machinery for dealing with hours and conditions, but this machinery should not be part of the machinery of control.

Wages and conditions were only one, although a most important part, of the vexed problem of industrial relations, which was in so many ways the key to the inefficiency of the industry. Another cause of unsettlement in the coal-fields was the miner's lack of confidence in the future of mining. This was partly a result of the terrible experiences of unemployment, partly a memory of the abrupt ending of control after the last war, which was associated in the traditions of the coal-fields with the break in coal prices about the same time and the industrial depression which followed. The Committee recommended that the new control should last until a final decision was taken by Parliament on the future organisation of the industry, in the hope that the knowledge that this was so would help to remove a sense of insecurity, which was both injurious to the miner's self-respect as a man and a handicap upon his war-time efficiency.

Finally, both concentration and mechanisation were bound to create labour problems, and while these could be solved to some extent by the issue of directions, it was very necessary that the directions should be issued in a favourable atmosphere. The Minister of Labour thought that the labour problems of reorganisation could be handled more easily if labour in the mines was regarded as national service. The Committee recommended that the industry should be organised on this basis.

These proposals formed the gist of the report sent to the War Cabinet by the Lord President on behalf of the Committee on 28th May 1942. Accepted by the War Cabinet, they formed the substance of the White Paper containing the Government's proposals for coal submitted to Parliament by the President of the Board of Trade on 3rd June.<sup>1</sup>

(iii)

## A New Ministry

Neither the recommendations of the committee of the Lord President nor the White Paper suggested that a new Department of State would be necessary to carry out these plans. But the War

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<sup>1</sup> Cmd. 6364.

Cabinet concluded that this was so. This appeared to be the practical lesson of the attempt to ration all forms of fuel that spring and of the unsatisfactory relations between the Mines Department and the Board of Trade since the coal production problem became acute in 1941. A unified control of fuel was also in line with a powerful body of opinion among trade unionists and the mineworkers themselves, which disapproved of the existing system of determining coalmining wages by reference entirely to the proceeds of the sale of coal at the pit-head, whereas much of the profit on coal was made in the allied industries of fuel and power. Whatever the relative weight may have been which these arguments carried, there can be no doubt of the essential soundness of the decision. National fuel and power problems stand or fall together and it had been obvious for twenty years that the time was coming when they would need to be handled as a unity. The only regrettable aspect of the matter was that a decision had been postponed until it had to be enforced at short notice in the middle of a great war.

The Mines Department, which had been set up in 1921, thus died soon after passing its twenty-first birthday. In its handling of the war problems of the industry, it had been hampered by the administrative traditions of the years between the wars. In those days it had been a small Department with severely limited powers and with no great record of success to its credit in dealing with an industry well organised to resist intervention even when it was incapable of dealing with its own problems. The war years had called upon a Department with this uninspiring past to face administrative problems of the first order, without the quantity or the quality of the staff which was required for the successful discharge of its new functions. Its situation reflected in some degree the failure of public opinion and of the political leadership of the country to grasp even before the war the changing nature of fuel problems in the national economy. With the abolition of the Mines Department and the establishment of the Ministry of Fuel and Power, the nation took a step forward, late in the day and at much cost to itself in unfortunate experience, towards better ideas and arrangements.

The White Paper was debated in Parliament on 10th and 11th June. The Lords, on the 11th, carried without a division a motion which was introduced by Lord Snell to approve the Government proposals. A similar motion, introduced by Sir John Anderson, was debated in the House of Commons on that and the previous day. The nationalisation issue returned, as everyone had expected it would, on an amendment moved by Mr. J. P. Maxton, Labour member for the Bridgeton division of Glasgow, condemning the Government scheme as too tender towards colliery-owners and too little appreciative of the miner's hardships and dangers and calling for public

ownership. The House took the trouble to divide on the point, but only eight votes were cast in favour of the amendment, against 329.<sup>1</sup> Most Members of Parliament were prepared to give the new control its chance. Many miners felt that, with the taking over of operational control by the Government and the wages award of last summer, things were moving in the direction they wanted, even if not fast or far enough to please them wholly, and this feeling was reflected in the House. Besides, it has to be remembered that the coal problem interested Parliament chiefly in its bearing upon the war. The issue of the war at this period was still doubtful; the sense of impending events and of the risks attached to them quelled the normal ardour of party conflict and brought the votes into line with the compromise policy of a Coalition Government.

The new plan of control therefore stood approved. The Ministry of Fuel and Power, which was intended to give it life and force, had already come into being at midnight on 10th-11th June. The administrative change involved the resignation of Mr. D. R. Grenfell, the Labour member for Gower. He had held the unenviable post of Secretary for Mines through all the difficult times in the coal industry since May 1940, when he took over from Mr. Geoffrey Lloyd, the first war-time Secretary for Mines. He had discharged the duties of his position energetically and with honesty of purpose; there can be no doubt that both the industry and the country owed him a debt for his conscientious service. But he had not disguised his view that part of the policy which the War Cabinet had now adopted, especially the concentration of production, was impractical and unwise. This made inevitable a change of directing personnel. The new Minister of Fuel and Power, Major Lloyd George, the Liberal member for Pembrokeshire, was in the House when the debate took place. He received from all parties those warm congratulations which the House gives to a man who is generally liked and trusted, and which it extends with peculiar heartiness to anyone who accepts open-eyed a position which may be the grave of his political reputation.

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<sup>1</sup> H. of C. Deb., Vol. 380, No. 75, Col. 1348.

# CHAPTER X

## THE CONTROL OF PRICES AND COSTS

(i)

### The Need for Price Control

**T**HIS history has described the growth of a problem in reconciling national coal requirements and national coal supplies. In 1942, the problem reached a point where drastic measures became necessary, which involved a reshaping of the Government's system of control over coal production, distribution and consumption. The scrapping of the old control formed the subject of the last chapter. But before we go on to examine the history of the new control, it will be necessary to go back to an aspect of production and consumption which has had to be neglected in describing the physical facts of declining coal output and expanding coal demand. This is the aspect of prices and costs.

Finance was not a first class issue in 1942. The problem of that year was to match requirements with supplies. But finance had a part to play in solving that problem. Emergency financial arrangements affecting the coal industry became complicated and imposing after 1942. They are hardly intelligible, however, without reference to principles laid down and measures enforced before that date. It will be necessary to begin with the Government's desire to prevent inflation, which caused it to make its first modest but highly significant steps in this field.

A country's financial system will soon be disorganised if any wartime tendency towards inflation is not checked at the beginning. It is common knowledge that the prevention of this evil in a war economy depends on three main instruments; taxation, rationing and price control.<sup>1</sup> Unless these weapons are used, any increase in the total of money incomes while the quantity of consumer goods and services

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<sup>1</sup> These three weapons are mentioned in the Government White Paper *Price Stabilization and Financial Policy* issued in June 1941 (Cmd. 6294). By price control, they implied not only price fixing but also price subsidy. Despite its date, this announcement merely stated principles which had been in force since the beginning of the war and with reference to which the Departments drew up their plans before the war. The application of price control to raw materials other than coal is described elsewhere in the Official History.



remains unaltered or is reduced must cause the level of prices to rise and begin the vicious spiral of inflation. And, of course, money incomes in time of war are greatly increased by the huge Government spendings, as they begin to trickle out in the form of profits, salaries and wages into thousands and even millions of pockets. Heavy taxation curtails purchasing power, but there are many reasons which call for the added support of rationing and price control.

It was as part of the Government plans for stabilising prices that some interference in the finances of the coal industry first became necessary. Coal prices had to be controlled because coal enters into the production of so many goods and services that any marked rise in its price would soon increase the cost of living and perhaps have important effects on war industrial production. If coal supplies became short, some rationing of the domestic consumer might be required to ensure a fair distribution to all classes. Effective rationing means the registration of individual consumers with particular merchants, and unless retail prices are controlled, the tied consumer may easily fall victim to the merchant or suffer price increases due to local circumstances.

Some control over the finances of the coal industry was therefore indicated as part of the Government plans for general price control and rationing. The financial organisation of the industry, however, had also to be considered in relation to production. Undesirable as a sharp rise in the price of coal was from the standpoint of war industries consuming coal and officials concerned to keep down the cost of living to the ordinary citizen, a case might still have been made out for it if it had been necessary to encourage new development at the mines. But new development was not necessary to supply as much coal as was wanted. A considerable incentive to owners to expand their daily output was already there under the existing price levels. Before the war there was surplus productive capacity in the industry and much short time was being worked. Under these conditions, costs decrease with any increase in output and there was room for additional profit so long as the war did not add to costs. Moreover, the main hope of increasing production lay in the efforts of the miners themselves, and they were hardly likely to be co-operative if the owners secured the exceptional profits which an immediate raising of prices at the beginning of the war would have brought to them. The Government's disposition in 1939 was therefore to control somehow or other prices at the pit-head as something which was both necessary in the interests of consumers and consistent with the increased output which was required.

The heavy financial loss, together with the violent industrial disputes and the miners' demand for nationalisation which had followed the ending of the coal control after the First World War, were enough

to make the Government wary of adopting a similar form of control in a second war. But the structure of the industry on the production side had in any case changed fundamentally in the inter-war period, and the Government believed that the necessary financial stability and control over prices in another war could best be achieved by some other means than requisitioning the mines. Neither did the authorities wish to adopt direct price control at the pit-head, for a cogent reason. The Wages Agreement of 1921 had provided for a division of the net proceeds of the industry (i.e., all proceeds less all costs other than wages) between wages and profits in an agreed proportion. This system of splitting the proceeds was still operative in 1939 and direct control of prices at the pit-head would thus bring the Government dangerously near to a determination of what wages and profits ought to be and might lead to full financial responsibility for the industry. The officials who devised the control of coal prices therefore fell back upon a system of indirect control, which was made possible by the existing price structure and the organisation of the industry in 1939. This structure and organisation forms the background and the foundation of the Government price policy as it was put into force when war broke out and must be briefly described to make the latter intelligible.

## (ii)

### The Structure of Coal Prices

The first stage of the price structure is at the pit-head. The coal industry broke away from its old competitive structure under the Coal Mines Act 1930 when it set up District Executive Boards to control output and minimum pit-head prices in the districts under the general supervision of the Central Council of Colliery Owners.<sup>1</sup> With the establishment by each district of minimum pit-head prices much of the intense competition between pits was checked, but the district bodies had no power to control individual sales and price evasions by the collieries were not infrequent. During 1936 amendments were made to the schemes to prevent these evasions and to provide either for central selling or for the central control of selling in each district. Prices came to be settled on a collective and minimum basis by methods which varied from complete central selling to controlled selling. In Lancashire, South Staffordshire, Shropshire, the Forest of Dean and the Lothians, for example, no coal at all was sold by collieries on their own account; the whole output of the district

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<sup>1</sup> See Chapter I.

was disposed of by the District Executive Board at the Board's price. Where there were no central selling schemes of this kind, the coal was sold by the collieries as principals or, as in the important Midland (Amalgamated) District, which covers Yorkshire, Derbyshire, Nottinghamshire and Leicestershire, by selling agents on behalf of the District Executive Board, subject to the Board's control of the price and conditions of sale.<sup>1</sup>

With the strengthening of price control through these amendments and the exercise by the Central Council of its powers of co-ordination, a determined attempt was made to prevent competition between districts selling into the same consuming areas. Arrangements began to be made between different districts to refrain from supplying one another's customers and to co-ordinate prices to individual consumers so that similar coals produced in different districts could be quoted at similar prices, irrespective of transport costs. In the case of locomotive, gas, electricity, and industrial coal, committees of the Central Council representing the supplying districts were established to schedule the classes of coal and attach to them relative prices.

This process of the adjustment of district prices to one another had not, however, been carried far when the war broke out. Much of the kingdom was supplied with coal of which the pit-head price had been little, if at all, affected by schemes for co-ordinating prices as between one supplying district and another.

The most significant feature, in many ways, of the pit-head price structure at the beginning of the war was its complexity. The regional variations of coal prices and coal production costs, and the complicated effects of the war upon them, were to create severe financial problems in the industry over the next few years. It was also an important fact that coal was described and priced, not only with reference to its physical and chemical characteristics, but according to the market in which it was sold. The same kind of coal, produced from a single seam at a single colliery, of identical size and preparation, would realise for that colliery different prices, sometimes widely different prices, according as it was sold to the railways, the gas industry, for export, domestic consumption, coastwise bunkers or some other class of consumers. Each colliery sought the most profitable of these markets. When suppliers had, under war conditions, to be diverted from one market to another, where they did not by custom fetch the same price, many difficulties arose.

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<sup>1</sup> The methods in the districts were fully described in evidence before the Departmental Committee on the Distribution of Coal, Coke and Manufactured Fuel, *Minutes of Evidence (First Day, evidence of the Central Council of Colliery Owners)*. This Committee, under the chairmanship of Sir Walter Monckton, K.C., began its sittings to take evidence in July 1938 and was still at work when the war broke out. The Committee's published minutes of evidence form by far the best source of information on coal prices of all kinds before the war had changed the situation, and this narrative is much in their debt.

The control exercised by the schemes under the Act of 1930 was very different in its general purpose from that which war required. The peace-time control of prices was intended to prevent them from falling; the main object in war-time must be to stop them, so far as possible, from rising. The peace-time attitude towards output had come to be to restrict it, in the interests of a higher price; the sole end in war-time must be to maintain and expand it. But if the Central Council of Colliery Owners were prepared to co-operate, the peace-time machinery, it was felt, could be adapted to war needs. The Secretary for Mines therefore approached the Central Council and received from it a written assurance that in the event of war 'no increase in the general levels of prices charged by producing districts for inland or export supply will be permitted except after discussion and agreement between the Central Council and your Department'. The pledge became operative on the outbreak of war and soon afterwards the necessary amendments were made in the statutory district schemes to suspend the trade share provisions and to enable maximum or actual pit-head prices to be fixed instead of the minimum prices to which control had generally been confined before the war. A similar general assurance that the general level of coke prices at works, both gas coke and hard coke, would not be increased except in agreement with His Majesty's Government was obtained from the coke producers. An assurance was forthcoming too from some makers of manufactured fuel made from coal or coke, but there was no general assurance from that trade.

The second stage in the structure of prices was the wholesale merchant's price. About 165 million tons of coal were marketed in this country in 1937 as 'commercially disposable' coal, and of this about 100 million tons were handled by the wholesale trade, the remainder going direct to consumers or retail merchants. The wholesale distributors fell into two big classes, according as to whether they handled seaborne or railborne coal, a distinction which proved of some practical importance later when sea freights began to rise. The railborne wholesale trade was about three times as large as the seaborne, the one handling some 73 million tons in 1937 and the other some 24 million tons. In the railborne wholesale trade there were in 1937 about 500 firms who were members of five associations of coal traders organised on district lines in England and they handled all but a negligible proportion of the total tonnage. There were estimated to be some 130 firms engaged in the seaborne wholesale trade, of which the 117 members of the Seaborne Coal Traders Association handled ninety-five per cent. of the total tonnage.

The wholesale traders' associations were not in the same monopoly position as the Central Council of Colliery Owners and they had no statutory powers. In the inter-war period the competitive character

of the wholesale coal trade had changed very little. What little co-ordination there was in the trade arose largely from the influence and encroachment of the colliery selling schemes which, particularly in the central selling districts, threatened to squeeze out the factor.<sup>1</sup> In certain districts where central control of selling had been instituted the colliery sales control bodies had been able to exercise some control over merchants' margins and to co-ordinate selling prices by specifying:

- (1) the market or area into which coal might be resold;
- (2) the price below which it might not be resold and other terms and conditions of sales.

By means of these powers, so the Central Council of Colliery Owners stated to the Monckton Committee, 'Progress is being made in the direction of agreements with the distributors' organisations on conditions of resale, which is a matter of importance in connection with the inter-district co-ordination of supply and price arrangements'.<sup>2</sup>

In the absence of a trade organisation with sufficient powers to compel their members to fix a price and hold them to it, the Government decided to fix wholesale prices by statutory order.<sup>3</sup> The basis of the order was that the merchant's margin was fixed at the pre-war level. The merchant could, however, increase his price without reference to the Mines Department by amounts corresponding to two elements in his costs, the increased cost of coal or increased cost of transport payable by him to another person. He was allowed to do this because in these two instances it was not easy for him to hide the figures from his purchasers. An increase of price on any other ground required the consent of the Secretary for Mines.

The effective control of the enormous mass of small retail transactions proved to be, next to the control of the pit-head price, the most difficult task of the price control. The number of merchants engaged in the retail coal trade had never been the subject of an accurate census, but there were probably appreciably more than 30,000 handling the 40-45 million tons of house coal consumed annually before the war. Like wholesale prices, maximum retail prices were fixed when war broke out by a statutory order<sup>4</sup> which worked upon the principle that the retail price of coal in any district should be the pre-war retail price, plus any increase which might be necessary to meet increased costs. The determination of what coal prices had been in the district before war appeared to be primarily a local job and was at first placed in the hands of the Local Fuel

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<sup>1</sup> Monckton Committee, *Minutes of Evidence (Second Day, evidence of the National Council of Coal Traders)*.

<sup>2</sup> *Ibid. First Day.*

<sup>3</sup> S.R. & O. 1109 (1939). Wholesale Prices (Inland) Order.

<sup>4</sup> S.R. & O. 1029 (1939).

Overseer who was appointed, not by the Mines Department, but by each local authority and an advisory committee of local coal merchants.

One other great branch of prices remained to be controlled, the price of exports. Instead of a maximum price fixed with reference to pre-war conditions, the Coal Prices (Export and Bunkers) Order 1939<sup>1</sup> fixed the exporter's margin at three per cent. The reason for doing so was that the pit-head price of export coal had been raised to the inland level soon after the outbreak of war so as to bring in much-needed foreign exchange at a time when there was no longer any point in keeping export prices below the inland levels.

Behind the Government policy in relation to coal prices, as it came into force in 1939, lay the assumption that the peace-time price structure of the industry as it existed at the outbreak of war should, as far as possible, be maintained, and that increases in price were to take place only so far as they were justified by increases in cost. The outbreak of war was regarded as hardly the time to use the emergency powers of the Mines Department to correct the many anomalies which existed in the peace-time structure of the industry, both on the distribution and production sides. But the assumption of continuity with peace-time arrangements could only be maintained if the war was short and no serious problems arose to affect the industry. If the war was long and difficulties became great, it might become necessary to face a large-scale industrial reorganisation or a strengthened financial control in order to maintain the stability of the industry.

Difficulties might arise in a number of directions. On the pit-head side, where the industry's District Executive Boards had been made responsible for keeping a hold on prices, there was a danger that the Boards might not exercise satisfactory control or might give too liberal a definition to the term 'general' level of prices. The position of the Mines Department was weak, for it had no established regional organisation and considerable courage might be needed to withstand pressure from the Central Council and the District Boards. On the retail price side the problem was not one of keeping a check on the activities of officials attached to the industry but of co-ordinating administration by a vast number of inexperienced laymen, for the new machinery of control had been placed in the hands of Local Fuel Overseers appointed for each of some 1,580 local authority districts of widely differing sizes and standards.

Even graver problems might spring from the exceptional nature of the coal industry, with its high transport costs and its production costs which varied widely from pit to pit and from district to district according to natural geological differences and the wage bargaining

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<sup>1</sup> S.R. & O. 1008 (1939).

strength of the separate District Miners' Unions. Some idea of the differing costs of production and the varying financial position of the districts may be gathered from the following table.<sup>1</sup>

*District Costs and Proceeds, 1938*

DISTRICT	NET COSTS PER TON		PROCEEDS PER TON		BALANCE PER TON	
	s.	d.	s.	d.	s.	d.
Scotland . . . . .	15	2	17	0	1	10
Northumberland . . . . .	14	10	16	3	1	5
Durham . . . . .	15	5	16	4		11
South Wales and Monmouthshire . . . . .	18	3	18	8		5
Yorkshire . . . . .	15	6	16	9	1	3
North Derbyshire . . . . .	14	8	16	3	1	7
Nottinghamshire . . . . .	14	1	16	0	1	11
South Derbyshire . . . . .	14	8	16	7	1	11
Leicestershire . . . . .	13	8	15	5	1	9
Cannock Chase . . . . .	16	7	18	7	2	0
Warwickshire . . . . .	16	2	18	11	2	9
Lancashire and Cheshire . . . . .	18	10	20	8	1	10
North Staffordshire . . . . .	16	7	18	4	1	9
Cumberland . . . . .	20	3	20	9		6
North Wales . . . . .	16	7	17	9	1	2
South Staffordshire . . . . .	15	8	17	0	1	4
Shropshire . . . . .	17	8	18	0		4
Forest of Dean . . . . .	15	0	17	3	2	3
Bristol and Somerset . . . . .	18	7	20	2	1	7
Kent . . . . .	18	9	19	6		9
Great Britain . . . . .	16	0	17	4	1	4

The persistence of great inequalities of cost had been encouraged by the growth of the coal 'cartel' after 1930. Instead of being driven out of production by the process of competition the high cost collieries were to some extent enabled to continue owing to the fixing of minimum prices and maximum output quotas in the districts. As already indicated in the brief survey of the coal price structure, a kind of equilibrium between the districts had been achieved in the coal market by attempts to co-ordinate delivered prices and by restraining certain producing districts from selling into certain areas. Any substantial changes in production costs or in the normal direction of trade in the coal market during the war were likely to make co-ordination of delivered prices impracticable and to have serious effects on the pocket either of the consumer or the colliery owner.

The direction of trade on the coal market began to be disturbed at a very early date. The growth of war industries in particular areas, the dislocation of transport through bombing, the restriction of coal movement through shipping difficulties were some of the circum-

<sup>1</sup> See Table 35 of the *Ministry of Fuel and Power Statistical Digest* (Cmd. 6538), published in July 1944. The particulars included in this table relate to undertakings which produced about ninety-seven per cent. of the total quantity of saleable coal raised during the period. They are based partly upon the returns made for the purpose of wages ascertainties for certain districts and partly upon other returns supplied by individual colliery owners.

stances which forced consumers to take supplies from different collieries or districts from those which had supplied them before the war. They therefore found that they had to pay more sometimes for their coal, even though its quality was less suitable for their purposes than the coal previously supplied. These repercussions of the war in the coal market are examined in the following section. The rise in production costs, which threatened to impede production as well as aggravate seriously the many anomalies which the war had already caused in the coal market, was chiefly felt after 1942 and will be dealt with later.

## (iii)

### Diversion of Supplies

Diversion of supplies between consumers and their accustomed supplying districts took place for two main reasons. Firstly the increasing tempo of the war effort increased the coal required for war industries in certain districts. Secondly, the transport crisis during the first and subsequent winters led to Government intervention to prevent cross hauls and to the policy of 'block loading'. This policy, adopted in the first winters of the war, of despatching full trainloads to a single destination, upset the normal practice of those concerns who usually ordered from a number of different collieries and now found themselves compelled to accept trainloads from a single source. The disturbance in price relationships and in sources of supply was accompanied during the first year of war by numerous adjustments within each district and, as co-ordination of prices between districts on a delivered basis became impracticable, price quotations on a pit-head basis were generally substituted.

The outstanding instance of diversion of supplies from normal sources due to increasing war demands was Lancashire, one of the districts where central selling had been instituted. Even in peacetime the Lancashire coal-field was unable to meet the whole of local demand, and during the war additional supplies soon had to be brought from Northumberland and Durham, two districts which, especially after June 1940, were in need of markets to replace their export trade. The long haul by rail made the delivered price much higher than that for fuel normally sold in Lancashire. Since it was essential that coal should move in trainloads it could only be supplied to consumers who had facilities for dealing with large consignments in trainloads or part trainloads. In the national interest these consumers therefore had to purchase the more expensive north-east coast coal.



To lessen the unfairness of this position, arrangements were made in June 1940 whereby coal sent from the north-east coast into Lancashire was first sold to the Lancashire Associated Collieries, which was the sales and trading organisation of the collieries in the Lancashire and Cheshire district. The Associated Collieries resold it to consumers at a price which was lower than its cost to them. The loss incurred was made good by a surcharge on the locally produced coal sold by Lancashire Associated Collieries to its normal customers. The arrangement worked smoothly for a time, but owing to the increase in the volume of north-east coal entering the area, the surcharge by September 1940 had increased from 4d. to 2s. per ton and the additional cost to consumers of Lancashire coal was becoming excessive. The position became more difficult because supplies from other districts, particularly the Midland (Amalgamated) District, were being sold in Lancashire at prices below the pooled price for Lancashire and north-east coast coal. Approaches were made without success to the Midland (Amalgamated) District and other supplying districts to participate in a scheme to spread the cost of emergency supplies over all industrial and public utility coal consumed in the area. But these districts were peace-time rivals for the Lancashire trade and they were not prepared to sell their share of the market through Lancashire Associated Collieries or to allow a surcharge on their sales in order to assist sales of Northumberland and Durham coals. The reappearance of the old inter-district competition showed itself not only in the arguments of the colliery organisations but amongst the miners as well. Thus it was proposed at one point that any increase in the price of Midland (Amalgamated) District coal going to Lancashire necessary to meet a surcharge should not find its way into the district wages ascertainment. This immediately brought forth a protest from the miners in the affected districts that the Lancashire consumers would be receiving preferential treatment at the expense of the wage-earners of the more productive Midland (Amalgamated) District. Both owners and men were, it seems, in collusion to oppose what they considered to be a request to one district 'to further the trade of another district at the expense of the first'.

The difficulties of adopting a general pooling scheme in the face of this Midland opposition were too great and in September 1940 the Lancashire surcharge scheme was abandoned. Hard weather soon set in and as the supply position became tighter the reluctance of consumers to take higher priced supplies lessened. In July 1941, however, to overcome some of the worst inequities brought about by compulsory diversions, certain subsidies were given by the Exchequer to railborne industrial coal moving from Northumberland and Durham into Lancashire and Cheshire and to seaborne coal going from South Wales into the area.

The fate of the Lancashire price-pooling scheme indicated that if anyone was to suffer financially as a result of diversion of supplies it was perhaps more likely to be the consumer or the Government than the colliery. In some districts, however, particularly in Scotland where the amount of diverted trade was considerable, the collieries were faced with the problem of accepting a lower price for coal diverted under Government direction from a high to a low priced market. The problem was most acute where coal was being diverted from one type of market to another, such as domestic coal to industrial use and export coal to coastwise bunkers. The peace-time practice of charging higher prices for domestic coal and so subsidising the industrial market had been carried over into the war period. When industrial and public utility demands were increasing and had to be met at the expense of domestic supplies, the receipts obtained by the collieries decreased as a consequence. That the collieries' profits and miners' wages also (through a reduced district ascertainment balance) should suffer in the cause of the war effort was no more unfair than what happened in other industries which were left to close down without compensation or assistance as a result of Government restrictions. But in the summer of 1941 the inadequacies of coal output were becoming all too clear and the Government could not afford to allow any colliery to go out of production. Two methods of avoiding the risk, the Necessitous Undertakings Scheme and further increases in price, are examined in detail below. A simple solution for the immediate difficulty of the price of diverted coal, although affording obvious loop-holes and unfair to the consumer, was to allow a colliery to charge the price which it would have obtained if its coal had not been diverted. An instruction to this effect was issued in July 1941.

Throughout the rest of 1941 and the early part of 1942, large-scale diversions from the domestic to the industrial market became increasingly necessary. The large Midland (Amalgamated) District, which produced roughly two-fifths of the output of the country, was particularly affected. A scheme was worked out by the officials of the district organisation there, in agreement with the Government, to alter completely the pre-war price basis of that district. This they proposed to do by averaging the pit prices obtained from each quality of coal produced by each colliery and charging the average price to all consumers everywhere. The individual pit would, therefore, receive a uniform price for each size and quality of coal, irrespective of where or for what purpose the coal was used. The revenue of the colliery per ton would remain unaffected by coal diversions.

The arrangement was put into operation in the summer of 1942, and Scotland followed suit with a similar scheme in April 1944. From the colliery end, price averaging removed any objection to the

free flow of supplies whenever they were most needed. The consumer also no longer faced the confusing position wherein he paid one pit-head price for a quality of coal taken under one contract, and a higher pit-head price for precisely the same quality diverted to him from another market. The new arrangement did sometimes result in price changes which appeared arbitrary to the consumer. But it was felt by the Ministry of Fuel and Power that the difficulties from time to time of getting supplies accepted by consumers under this scheme were outweighed by the need to maintain production and by the advantages of a free flow and ready diversion of supplies from the collieries.

District price averaging may be regarded as having met the price problem caused by the diversion of supplies in those parts of the country, such as Scotland and the Midland (Amalgamated) District, where the multiple price system had been most fully developed. These formed an important part of the total inland market for coal. With the rise and the varying incidence of costs in the different coal-fields, other pricing problems came into view, of a different order.

#### (iv)

### Retail Prices

Before we go on to examine the effects of the rise in costs of coal production upon prices, there are certain changes during the war in the costs and the price control machinery of coal distribution, particularly in the retail trade, which may be briefly outlined.

The Retail Coal Prices Order (1939)<sup>1</sup> placed the control of retail prices in the hands of a Local Fuel Overseer appointed for each local authority district. It was the task of the Fuel Overseer, assisted by a district advisory committee which represented coal merchants, co-operative societies and the suppliers of gas and electricity in the district, to draw up schedules of retail coal prices showing the prices at which the various grades of coal and coke had been generally sold in the district before the war. The Local Fuel Overseer was given power to increase the scheduled price of any grade if he was satisfied that cost increases justified it.<sup>2</sup>

Difficulties were soon encountered in the administration of the Order owing to the Local Fuel Overseers' widely differing conceptions of their duties. By some, the original schedules were prepared

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<sup>1</sup> S.R. & O., 1939, No. 1029.

<sup>2</sup> Retail Coal Prices Order 1941. Explanatory Memorandum for Members of Area Advisory Committees, October 1943, p. 2.

without sufficient care, by others price increases were allowed too freely, while others adopted the attitude that they represented the consumers and that their main duty was to keep down prices irrespective of cost increases to the merchants. It also proved impossible to get anything like uniformity in the description of coals in 1,500 different schedules prepared by the same number of local officials.

During the first year of the war when the Government was first feeling anxiety about the spiral of ascending prices, there was considerable concern lest Local Fuel Overseers acting independently should allow undesirable increases in retail coal prices. Consequently Local Fuel Overseers were mainly stopped by the Mines Department from exercising their powers without reference to the Divisional Coal Officers and, through them, to the Mines Department. Then came an important amendment of the 1939 Order by a new Order in June 1940,<sup>1</sup> transferring from Local Fuel Overseers to Divisional Coal Officers the responsibility for amending the existing price schedules. Under this Order the country was divided into areas covering groups of local authorities. Each area was supervised and controlled by an Assistant Divisional Coal Officer acting on behalf of the Divisional Coal Officer. This officer was assisted by an area advisory committee, appointed by the Mines Department, which represented not only merchants, co-operative societies and gas suppliers, but also consumers and the colliery owners serving the district.<sup>2</sup>

The area advisory committees were chiefly expected to assist in the compilation of 'keys' or indices to the local schedules of retail coal prices. These keys, which were given statutory recognition, were intended to indicate to which grade in the schedule a particular colliery description of coal should be related. They enabled both merchants and consumers to ascertain the correct retail price of the various qualities of coals supplied. In the schedules which had been adopted coals were grouped in grades under heads such as 'House Coal', 'Kitchen Coal', etc., and it was often difficult for the consumer and sometimes the merchant to know into which grade or even which group of grades an unfamiliar quality of coal should be placed and what price should be charged. Some idea of the inadequacies of a schedule unaccompanied by a key may be gained from the example of London, where some 1,600 different colliery descriptions of coal were listed on the key which was finally produced in 1945 after long and difficult preparation. By the end of the war, by no means every district had prepared a key. In some coalmining districts, where the coals received for retail sale were familiar and few in number, a key was not needed. In other districts, where the number of qualities was

<sup>1</sup> Retail Coal Prices Order 1940; S.R. & O. 1062.

<sup>2</sup> Retail Coal Prices Order 1941. Explanatory Memorandum, p. 3, and Divisional Coal Order Circular, June 1940.

excessive, the task had not been completed. The compilation of a key was a highly controversial matter and inevitably met with considerable opposition from merchants who disliked being so carefully tied to particular prices.

There were two main methods by which a key might be organised. The first consisted in grouping together as a separate grade, irrespective of quality, all coals falling within a given cost range. The other method was to disregard costs and to proceed on the basis of the collieries' and merchants' assessment of the quality of the coal. The latter was the better basis, but there were serious differences of opinion among merchants as to the proper grading of their coals. Most areas adopted the cost method, modified by moving up or down those colliery descriptions which seemed to be seriously over- or under-valued in relation to their quality.

The machinery outlined above remained substantially unaltered throughout the rest of the war. The main change in the administration of price control was a gradual stiffening of the attitude of the Mines Department towards the demands of the retail merchants. The Divisional Coal Officer, like the Local Fuel Overseer before him, had to refer all demands for increased prices to cover greater distribution costs to the Mines Department. But under the 1940 Order he was given power in amending the local price schedule to take into account decreases as well as increases in costs, a contingency which had been overlooked before. He was also permitted to adjust the whole of the original schedule if it had been wrongly compiled. At the same time, the Mines Department informed the Merchants' Consultative Committee, which used to meet the Department once a fortnight to discuss matters of general interest, that it was not the policy of the Department 'to allow the circumstances of the war to be used to effect changes in the normal relations between the various interests involved in the retail coal trade'. This statement did not amount to a considered policy, based upon a careful examination of the rightness or wrongness of existing profit margins. It was judged a piece of administrative expediency to cause as little disturbance as possible in the existing relationships between merchants, even if one effect of it was to confirm some margins which were extortionate.

While the merchants had good cause to be satisfied with the maintenance of existing relationships, they did not win the claim which they advanced that increased prices should be granted automatically to meet increased costs, irrespective of increases in proceeds. The Divisional Coal Officers were empowered to amend schedules to meet increased costs, but there was nothing in the Statutory Orders to compel them to do so. The Mines Department was thus able to instruct its officers not to allow increases without the authority of the Department. In May 1941, when a new Order was issued embodying

the main provisions of the previous Orders, the Mines Department stiffened its policy. The Divisional Coal Officer was authorised by the Order to vary as he wished the schedule of prices for a district.<sup>1</sup> From this time onwards, although lip service was still paid to the principle of pre-war margins and relationships, the Department became firm in its determination to allow no further price increases without firm evidence of their necessity based on current instead of pre-war costs. Merchants were required to show that maximum economies had been secured through reorganisation and that they were unable to carry on without increased margins.

The only national increase in retail margins during the war was 1s. a ton authorised in December 1939. Costs increased by more than that amount and a few additional local increases were permitted in special circumstances. But generally speaking there were no increases in retail price beyond those which were authorised nationally to meet, not increased distributors' costs, but pit-head prices. This may appear surprising, but the reason was that proceeds in many cases increased more than costs. Proceeds went up because, in the first place, the schedule prices fixed in 1939, on the advice of committees representing distributors only, were often the highest average pre-war list prices rather than the average price actually realised on sales.<sup>2</sup> Although Divisional Coal Officers were instructed after 1940 to review these schedules, pressure of work and staffing difficulties often prevented it being done. Secondly, lower summer prices were no longer operative, special discounts became fewer and 'cut' prices were practically eliminated. Further, although sales diminished in some areas due to such causes as evacuation, trade generally was much more regular throughout the year than before the war and this meant a substantial decrease in overhead costs per ton. Finally, although few economies were made by rationalising deliveries, the elimination of competitive advertising and canvassing and a falling away from the peace-time standards of good service, all tended to reduce costs.<sup>3</sup>

It is difficult to believe that increased proceeds alone enabled the merchants to withstand the increase in war-time distribution costs without price increases. Their success in doing so suggests that pre-war margins were high. There were many declarations by the merchants during the war that they would be unable to carry on without increased margins. The breakdown did not materialise and the control could afford to take the risk, for although the failure of colliery undertakings might endanger the war effort, a small number of merchants who went out of business would not.

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<sup>1</sup> S.R. & O., 1941, No. 789, 2 (3).

<sup>2</sup> Retail Coal Prices Order (1941). Explanatory Memorandum, p. 6.

<sup>3</sup> *Ibid.*

(v)

## Costs of Production

By far the most important price problem which faced the coal trade during the war was caused by the rise in costs of production. This threatened to cause difficulties in the coal market and for the colliery altogether bigger than the troubles arising from diversion of supplies. It involved the whole question of keeping mines at work for the sake of the war effort, by a suitable manipulation of prices. The problem of how to meet the rising level of colliery costs, without on the one hand permitting unjustified price increases and without on the other letting the high cost pit or district go out of production, was finally solved by the evolution of the highly complicated and technical instrument known as the Coal Charges Account. The development of this instrument we shall now proceed to trace. It will be necessary to go back to the early years of the war and to ask what happened to the part of the Government control of coal prices which related to the pit-head price, when colliery costs began to go up. Much of the seriousness of the cost problem lay in the varying incidence of the increases on different districts and the Mines Department early had to decide whether the increases should be met by national or district pit-head price increases. Whichever policy was chosen, difficulties were certain to arise.

The first pit-head price increase of 1s. a ton came in November 1939 to meet a wage increase of 8d. a shift granted on account of the higher cost of living. It sought to meet the average increase in costs for the industry as a whole, and apart from South Wales, where an increase of 1s. 4d. was authorised, no account was taken of the fact that, owing to natural differences and the varying organisation of labour in the mines, the extent of the cost increase varied from district to district. It became clear that if this policy of uniform price increases based upon a national average of costs were permanently adopted, the less profitable districts would soon be in acute financial difficulties. In 1940, special price increases were allowed to particular districts. This change in policy brought the Mines Department up against a second problem, for price increases varying according to districts had the effect of raising the level of prices in the high cost districts and upsetting such correlation of prices as had existed between districts. When coal had to be diverted and normal sources of supply changed, these relatively higher prices put a further obstacle in the way of willing acceptance of supplies by consumers from whatever district and in whatever quantities the national interest might require.

These early price increases had a further unsatisfactory effect in that they were granted at a flat-rate per ton irrespective of quality. This resulted in greater percentage increases on the cheaper and inferior coals and smaller percentage increases on the better and more expensive coals, so inducing the consumer to purchase the better qualities and the colliery to pay less attention to washing and grading. The position was remedied in later price increases by differentiating according to the quality of the coal.

In January 1941, a national price increase of 8d. per ton was granted to meet an increase in wage costs amounting to 6d. per ton. The remaining 2d. was to cover the cost of a levy instituted under the War Emergency Assistance Scheme. This scheme, which was administered by the Central Council of Colliery Owners, was first formulated in the autumn of 1940 during Mr. Grenfell's tenure of office as Secretary for Mines. The Mines Department suggested to the Central Council that, under the authority of the 1930 Coal Mines Act, a levy should be made on all coal so as to form a fund out of which payments might be made to collieries which by reason of the war were producing less than their pre-war share of coal. This scheme, which was intended chiefly to help the export districts, would enable the pits to be maintained in a suitable state to resume full output when needed.

The object of the levy had been to diminish the dispersion of profits above the average, not to increase the average level of profits and there was therefore no apparent reason to increase prices. It is not clear that the Government were justified in giving way as they did to the owners upon this point. The excuse was that the money received from the levy in the first quarter of the year would not be paid out until the second and that, in the meantime, some assistance must be forthcoming for the needier collieries. Very soon it became clear that under the scheme some collieries which did not need financial help were being given grants because their output had been reduced owing to the events of the war, whereas assistance to needy pits was insufficient. Moreover, the scheme did not meet the case of collieries which were suffering from chronic financial need rather than a substantial specific loss of output. The general problem of maintaining output from any and every colliery that was physically fitted to produce was not wholly solved by the scheme.

In June 1941 came a further rise in prices to cover another wage cost. Pit-head prices were increased by 10d. per ton to meet an undertaking by the owners to pay an attendance bonus of 1s. per shift to all mineworkers who attended for work every day of the working week. This bonus was a recompense to the miners for their loss of freedom of movement under the Essential Work Order which was applied to the industry in May 1941. Under the Order, the



miner was guaranteed a continuous wage whether short-time was worked or not.<sup>1</sup> The owners estimated that the cost of the guaranteed wage might amount to as much as 6d. per ton. As its incidence was likely to be arbitrary, the owners agreed not to leave the extra cost to be met by each undertaking for itself but to evolve an insurance scheme on the lines of the War Emergency Assistance Scheme. What they had in mind was the risk of continued wage payments during extensive short-time, brought about by enemy bombing or transport troubles, such as they had experienced in the recent winter of 1940-41. They formed a pool for the industry as a whole from a levy of up to 6d. a ton. The Central Council accepted under protest the Government decision to allow no immediate increase in prices to meet the levy. They demanded in return an understanding concerning the maintenance of a reasonable rate of profit in the industry.

There had as yet been no official decision as to the profit balance to which the industry should be entitled. This was indeed exactly the sort of problem which the Mines Department had hoped to avoid under its scheme for indirect control of the industry. Its appearance at this point, in May 1941, helped to focus attention on the various other financial problems which would soon have to be met by a considered policy. It was clear that the war was not going to be short, and that the original hope of being able to scramble through without disturbing existing trade conditions was impossible. Those conditions had already changed and were plainly going to change again.

The move away from the peace-time level of the industry's profit balance had come early. In the war plans it had apparently been taken for granted that, if the general level of prices was raised only to the extent that costs increased, there would be no material change in the proceeds of the industry. During the first year of the war, however, it soon became clear that this was not going to be the case. Firstly, the district executive boards, as might have been expected, gave a fairly liberal interpretation to the term 'general' level of prices. There were innumerable loop-holes to allow of a general levelling up to the higher of many levels, for the economic structure of the industry had been based upon a wide variety of prices and there were different price levels for coal in the same use in different parts of the country. Secondly, the Mines Department had allowed the raising of export prices to the inland level and the discontinuance of the practice of charging lower summer prices.

These early moves in price policy increased the proceeds of the industry even though they had no startling effect on the peace-time

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<sup>1</sup> For further details, see Chapter VII above.

price structure. The Central Council took the view that the industry should be allowed to retain the fruits of the levelling up. Together with the price increase of 1s. per ton which was allowed in November 1939 to meet the rise in operating costs, they gave an average credit balance of over 2s. per ton in the first nine months of 1940. The industry, the Central Council held, was at the beginning of the war not securing a reasonable return on its capital and this levelling up of prices and proceeds was no more than was due.

The officials, however, were growing nervous of the possibility of inflation and the dangers of giving way too easily to the Central Council. After May 1940, the Mines Department abandoned the principle of allowing price increases to meet rises in operating costs, irrespective of the effect upon proceeds. No commitment was made to guarantee any particular profit balance, but national and district price increases were authorised henceforward roughly to the extent necessary to maintain the 1939 profit per ton. This had been about 1s. 6d. for the country as a whole. The Central Council on the other hand, held that nothing less than 2s. a ton was reasonable. The cleavage of opinion on the issue became so sharp that negotiations over price increases were protracted and difficult.

When in the spring of 1941 the mine-owners were asked to accept the Essential Work Order without an increase in prices, the President of the Board of Trade, Mr. Lyttelton, agreed to consider district price increases on their merits, also an application for an increase of coal prices generally, should the net balance of proceeds of the industry over a reasonable period fall below 1s. 6d. a ton. The industry agreed in return to assist, by financial arrangements made within the industry, those undertakings which were in financial difficulties, whose production was essential and whose financial needs were too profound to be met by the existing War Emergency Assistance Scheme. Effect was given to this understanding by superimposing on the original War Emergency Assistance Scheme a new scheme called the War Emergency (Supplementary Assistance) Scheme.

The settlement of May 1941 carried the question of the finances of the coal industry under Government control a step further. It was now acknowledged that official policy on the pit-head price of coal involved the formulation of an official policy about profits. A minimum profit level had been established at a figure which, in the form of the so-called 'Lyttelton pledge', represented a victory for the official point of view. The old and new emergency assistance schemes administered by the industry provided assistance for some of the collieries hard hit by the war, which might otherwise have ceased production. The cost of the guaranteed wage was looked after by the new levy. The settlement proved, however, no more than a half-way house towards a closer Government control over the finances of the

coal industry. This was due partly to the fact that important problems had been left unsolved, partly to public and official dissatisfaction with the working of existing arrangements and especially with the main War Emergency Assistance Scheme.

(vi)

## Finance in 1942

It is now possible to look back and see what had happened to the control of coal prices instituted at the beginning of the war. This control had aimed, as we have seen, at preventing an indiscriminate rise of prices, as part of the control of inflation, while at the same time it left the normal channels of production and distribution as far as possible unchanged. It was an indirect control in its handling of pit-head prices, which were the subject of an agreement between the industry and the Mines Department, whereas wholesale and retail merchants' prices were fixed by statutory order.

Some part of this price control had worked reasonably well, notably the control of wholesale merchants' prices. Retail prices had proved more difficult and the administration of the control had had to be improved and made considerably tighter. But the most radical changes of policy had occurred as regards the pit-head price of coal. It was here where the immense, but in many respects fundamentally weak, economic structure of the coal-mining industry had to accept increasingly novel conditions of marketing and production, that the cost and price relationships of peace-time were most seriously distorted and that the control came to need most overhaul. Upon the one hand, as has been seen, the need grew up to compel consumers to take supplies from unaccustomed quarters. On the other, costs in the mining district began to rise, but their incidence was very unequal. How to adjust coal prices to this situation, so as to avoid complaints by consumers that they were being forced to take high priced coal and at the same time to recoup the high cost districts without sending prices sky-high, was the problem that became increasingly acute as time went on. It reached a peculiarly critical point in the summer of 1942 when a big increase in miners' wages and a further unequal increase in costs could no longer be delayed.

These circumstances led to an important step being taken on 3rd June 1942. Under the Coal (Charges) Order of that date, the foundation of the new Ministry of Fuel and Power was made the opportunity to introduce a new method of handling pit-head prices and rising production costs. This was accomplished through a reform of the system of industrial levies. The administration of these by the

Central Council of Colliery Owners had come in for criticism. Under the War Emergency Assistance Scheme, large automatic allocations of funds were made to undertakings whose output had certainly been impaired by the war but whose general financial position, it was held by competent observers, did not warrant the assistance they received. It was decided by the control to remove the ground of criticism, by discontinuing the system of levies raised and administered by the industry itself and replacing it by a system of charges upon all coal produced, levied under the order of the Minister of Fuel and Power and disposable by him, with the approval of the Treasury, for any purpose connected with the production or marketing of coal. The main War Emergency Assistance Scheme therefore came to an end, although the Supplementary Assistance (or Necessitous Undertakings) Scheme, which had always been subordinate, was continued under revised conditions.

The significance of this, on the face of it merely administrative, change was great. The system of combined charges became the method by which the rising costs of the coal industry were pooled for the duration of the war and the low cost districts were made to help the high. The charges were recouped to the industry by national price increases. Just because they had to meet a pooled cost, these increases were less than the consumer might otherwise have had to pay and they did not put a bonus in the pockets of the more fortunate firms. The Coal Charges Account met in other words some of the most pressing needs of both coal producers and consumers. At the same time, it maintained the principle that the industry must meet its own costs, without Government subsidy, and that the consumer should pay the full price of the coal.

While the Government had succeeded so far and succeeded for the rest of the war in avoiding direct responsibility for the finances of the coal industry and any subsidy to coal production, the hope of avoiding deep entanglement in the industry's financial affairs had proved an illusion. The agreement of May 1941 went well beyond the timid official approach of 1939 to the problems of coal finance. The evolution of the Coal Charges Account after 1942 was to draw the State into a much closer relation with the financial policy of the industry. By a series of steps later to be described, the Government came to acquire by the end of the war a thorough general control over the financial affairs of the coal-mining industry.

PART IV

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The Central Development  
of the Control



# CHAPTER XI

## THE NEW CONTROL

(i)

### Perspective

**D**IFFICULT choices faced the nation in 1942 in the way of obtaining sufficient coal fuel for an industrial war effort which was then beginning to tax the whole of the national resources. They made necessary the important decisions by Parliament and the War Cabinet related in the last chapter. The rest of this history will have to show how far successful, if at all, those decisions were in the outcome.

A simple and convenient method of explaining what happened would be to provide the reader with the figures of the national demand for and supply of coal during the later war years and to follow this brief analysis of the annual coal budgets by a consideration first of the position of the consumer and then that of the producer in the long and uneasy process by which those budgets were balanced. But while this method of approach would give the reader an easy access to many of the main issues of the war history of coal, it would not serve so well for an understanding of certain other matters which are also important.

The chief of these things which require to be grasped before approaching the effects of the Government control upon the consumers and producers of coal, is the change which took place in the nature and the scope of the control itself. This was a result of the conditions of the industry and of the general trend of the war. The new coal control was set up with comparatively limited aims, although with wide powers. The programme of the White Paper of June 1942, which laid down those aims, was short-term. It was a collection of shifts and devices to balance the national requirements and supply of coal so long as the war lasted. Almost nothing was said of the post-war organisation of the industry, which seemed then a remote problem. At the same time, when the Ministry of Fuel and Power was set up, care was taken to dissociate it from wages questions and indeed from control of the financial structure of the industry generally. The great wage inquiry of 1942, for example, was put into separate hands, those of the Greene Board.

When the Ministry got to grips with the special questions of the

coal industry and as the war drew on, the men in charge of the control found themselves navigating deeper waters than the White Paper or the Parliamentary discussions of 1942 had contemplated. In doing so, they were not exceeding their powers but they were departing from the 1942 design for living for a coal control. In two matters especially, as regards the wages question and the post-war organisation of the industry, they found themselves drawn on to play a considerable part, sometimes much against their will, by the sheer pressure of the human forces they were trying to manage. In order to get ahead with their immediate job of making the ends of the national coal budget meet, they found that they had to take account, for example, of the miner's fear of after-war unemployment and the disputes over financial matters which took place between owner and worker in the industry. In this way it happened that the Minister who in 1942 was so carefully excluded from the wage negotiations of the industry found himself—by invitation—acting as chairman at discussions on that very topic in 1944, which resulted in an agreement on wages expressly intended to cover not only the war years but also the years after the war down to 1948.

The rapid broadening out in the work of the control and the vivid light which it throws upon the underlying conditions of the industry must be the justification for the arrangement of chapters which follows, which may otherwise appear somewhat arbitrary. The first few chapters will sketch a number of matters which have to do with the social unrest which the directors of the control found themselves facing on the coal-fields during those years and the consequent, if involuntary, widening of the control's activities which this brought about. They include the initial establishment of the Ministry of Fuel and Power and its first year's working; the sharp Parliamentary attack upon it in October 1943, which called out a decided opinion from the Prime Minister, Mr. Churchill, against the demand for the nationalisation of the mines; the progress of national wage inquiries and awards, down to the spring of 1944. During the whole of this period, the Minister of Fuel and Power and his advisers found themselves constantly drawn towards the centre of coal-mining politics and sometimes of national politics too. The foundation of this administrative and political position lay in current economic fact, above all, the full employment of the nation's resources, including its coal mines, in the industrial war effort of those years and the consequent stimulus to the mineworker to try to win back that position in the British economy and in society which he had been forced so many years before to exchange for a seemingly bottomless pit of low wages and unemployment.

The circumstances and happenings just mentioned form, however disagreeable and even deplorable they may appear in some lights,



the true centre of coal-mining life during the war. It may be imagined how this steady simmering and sometimes violent boiling over of social and political passions complicated and impeded the main task of the men in charge of the control; how to make supply and demand meet. They should not be allowed to conceal from us that the national coal budget was successfully balanced to the end of the war. This balancing of the coal budget will provide the theme of this history, once the record of the development of the control itself is out of the way. It was achieved by the steady application of those devices which the White Paper of June 1942 recommended and which formed the staple of the policies of the Ministry of Fuel and Power.

On the one side, the Ministry of Fuel and Power carried out through its Regional Control that control over the operations of the mines which the Lord President and the War Cabinet had regarded as necessary to raise output or to prevent it from falling farther. The problem here was the productiveness of mining labour, which it was attempted to raise through a variety of policies, from the use of more machinery to the establishment of joint production committees. The success or otherwise of these policies will have to be surveyed. The financial aspects of control and the general effects of the war on the finances of the coal industry will also require a short sketch.

On the other hand, constant pressure was put on the consumer, through the allocation of industrial coal and the restriction of household supplies, to economise coal. This squeezing of the consumer was the main factor in balancing the coal budgets and will be treated in our last chapters.

This will be the plan. The rest of this chapter must be devoted to a description of the new type of coal control set up in June 1942 under the roofs of the Ministry of Fuel and Power in London and in its regional offices.

## (ii)

### Organisation

The introduction of new machinery of State to effect reforms in coal production was far from being the only, or even the most, important administrative change brought about by the setting up of the new Ministry of Fuel and Power. The biggest alteration was the gathering together within a single department of all the chief threads of fuel policy. The problems of the coal industry, of the gas and electricity industries, and of oil, were now all dealt with under one roof, and this afforded at least the opportunity of a national fuel policy. National fuel policy, however, was not the immediate object of the White Paper. What was wanted at once was more coal and the

White Paper, which indeed mentioned neither the new Ministry of Fuel and Power nor the scope of its work, had elaborated at length the machinery which was intended to secure this. The following paragraphs will describe the new Ministry as it was organised for the handling of the problems of coal production, distribution and consumption. They will say nothing of its activities in other directions or of the common services of the new department, which served jointly the coal, gas and electricity and petroleum controls; nor will any attempt be made to discuss the important question, how far the Ministry succeeded in bringing its coal policy into line with its activities in other directions.

The White Paper provided in general terms for the taking over of the control of mining operations by the State and the organisation of the industry on the basis of national service. The problem of increasing output was well known to be largely one of securing changes in the operation of particular collieries. This important business was handed over to a regional organisation exercising, by virtue of delegation, the Minister's full powers of direction and control. But before considering the regional control it is necessary to say something first about the central organisation.

The arrangement at the centre gave the new Minister of Fuel and Power, Major the Rt. Hon. G. Lloyd George, full control in law over the operation of all coal mines and over the allocation of the coal raised.<sup>1</sup> The Minister came to the difficult task of controlling the coal industry from another Ministry. As the Parliamentary Secretary to the Minister of Food he had acquired a reputation for character and a popularity, both within Parliament and outside it, which were considerable assets in a department faced with a big administrative task in an unpopular field. He proved that he had the power to win confidence from both sides in an industry where the absence of that commodity was chronic. His diligence and avoidance of mere faction drew out an answering spirit elsewhere which went far to avert conflicts both in Parliament and official work and was valuable in dealing with industrial groups so constantly opposed as the colliery-owners and the organised mineworkers.

The control of the coal industry was bound to require a vast amount of administrative skill and technical knowledge of the sort which the Minister did not possess and as a Minister did not need to possess. To graft the control of a great and complicated industry upon an ordinary Government department, the Minister required a lieutenant of very special qualifications. The White Paper provided for this by the creation of the post of Controller-General, to assist the Minister in the exercise of his powers.

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<sup>1</sup> Cmd. 6364, para. 15.

The first holder of this post was Lord Hyndley. Lord Hyndley's intimate knowledge of the coal trade and his mature executive flair had given him an important place behind the scenes for many years. He stood high in the coal merchanting and producing world, as chairman of Stephenson Clarke Ltd., and a managing director of Powell Duffryn Ltd. Since 1918, he had been the Government's Commercial Adviser on Coal. He occupied controlling positions in the Mines Department after the outbreak of war and has already been mentioned in connection with some of the transactions of those years. He filled the new post until his resignation at the end of 1943, when he was succeeded by Dr. (later Sir) Hubert Houldsworth.

Sir Hubert Houldsworth came to the post of Controller-General after a highly successful career in the coal industry and on the staff of the coal control. He had been chairman of the district committee for the Midland (Amalgamated) District under the schemes initiated by the Coal Mines Act of 1930 and as such became a Coal Supplies Officer for the Midland area under the Mines Department on the outbreak of war. Between 1942 and 1944 he was Regional Controller for the Minister of Fuel and Power in South and West Yorkshire.

No discussion of the markedly different personalities and capacities of the two war-time Controllers-General is possible within the limits of this history. But it is a commonplace of public life that the higher a man stands, the more influence his personality possesses, even to the most trifling or negative trait of character. It may easily be believed that so long as Lord Hyndley was at the Ministry his influence was outstanding and indeed the policy of the new Ministry towards the coal industry in the first year and a half of its existence was mainly formed by two men, the Minister and his Controller-General. The influence of Sir Hubert Houldsworth in the years 1944 and 1945, although of a different kind, was no less decisive.

Some of the results of grafting a big industrial control upon a department were curious. The Controller-General, for example, was directly responsible to the Minister, under the White Paper. So was the Secretary of the new Department. When Lord Hyndley left the Ministry at the beginning of 1944 and was succeeded as Controller-General by Dr. H. S. Houldsworth, the relationship of the post to the Minister and to the Secretary of the Ministry was left undisturbed.

The administrative pros and cons of this arrangement fall outside the scope of the present discussion. It is a matter of some historical significance, however, that, while many of the duties of the Secretary naturally fell outside of the sphere of the coal control altogether, he was from time to time at some important moments an adviser of the Minister upon the coal industry and shared to this extent the framing of policy.

The first business of the Minister was to make appointments to the four Directorates into which the Coal Division of the new Ministry logically fell. They were:

1. a Production Director, responsible for efficiency and volume of production. The first holder of this post was Mr. T. E. B. Young, previously Technical Adviser to the Regional Fuel and Power Controller of the Board of Trade in the North Midland Region.
2. a Labour Director, responsible for welfare, safety, health and working conditions in the mines. The Labour Director was Mr. J. Armstrong of the Mineworkers' Federation.
3. a Services Director, responsible for the distribution and allocation of coal. This post was taken by an established civil servant from the Post Office.
4. a Finance Director, responsible for all financial arrangements, including coal prices. This directorate was accepted by Mr. D. W. Coates, C.B.E., who was transferred for the purpose for a year from the Central Electricity Board.

The importance of the Directorates lay in this, that they rapidly became the effective advisers of the Minister. This was not quite what had been proposed by the White Paper, which had laid much store by the advice of an industrial body called the National Coal Board, which is described later in this chapter. In practice, the Directorates took over from the start the advisory functions of the Board. This happened because, among other things, the Directorates were responsible for the execution of the policy they advised upon, while they enjoyed a degree of inside knowledge from which the Board was quite cut off.

In one important direction, a problem of staffing was encountered which must be held to have had its effect upon the general policy of the Department. Mr. T. E. B. Young resigned from the post of Production Director on 31st January 1943; after various attempts to find a successor, Mr. C. C. Reid (later Sir Charles Reid) was appointed on 1st October 1943. During part of this long interregnum, Mr. John Fulton, an Oxford don and temporary civil servant, then attached to the Labour Directorate, filled the gap. But its mere existence was significant. Throughout this early period, the Ministry was much concerned with problems of industrial relations, such as had led to the strikes of 1942. There was for this reason a tendency to approach problems of production through those of labour; a tendency, it is fair to say, which was shared by many observers of coal problems outside the Department and was part of the climate of public opinion at the time. But it was a tendency which was certainly promoted by the absence of a well established organisation on the production, as distinct from the labour, side of the Ministry, during its first eighteen months.

The Ministry might almost be said at that time to have possessed an industrial relations policy but no effectual policy of production, except in so far as the second was a part of the first. This would not be a wholly true statement of the position, but there is an element of truth in it which must be taken into account. For it will be seen that a marked change came over current conceptions of the coal problem at a later stage of the war. The production problem came then to be regarded as insoluble if treated simply as a labour problem; technical questions stepped to the front, and the labour problem began to be looked at in the light of the necessary revision of mining technique.

The Regional Organisation was the means by which policy at the centre was translated into action in the field and the pit. It enjoyed from the first a large measure of delegated power and was consequently of much importance. But the machinery was complicated by the fact that the Ministry of Fuel and Power was not occupied wholly with coal; the duties of the Regional Organisation were, therefore, of a general nature, in so far as they touched on the gas, electricity and petroleum trades. Furthermore, not all regions were coal-producing. There were also some coal-producing districts which were controlled by one controller for purposes of coal production and by another for all other purposes.

The Regional Organisation was divided into eight coal-producing regions and four non-coal-producing regions. The position in the coal-producing regions was that the machinery at headquarters re-appeared locally with suitable modifications. The position of the Controller-General was taken in the region by his subordinate, the Regional Controller, upon whom was conferred (among his other duties) 'full and undivided responsibility for the policy and general conduct of mining operations in his Region'.<sup>1</sup> This responsibility took the character of a general supervision. Day-to-day details were left in the hands of the colliery-owners' servants. Each management, however, was required to nominate one person to receive and carry out the directions of the Regional Controller. These had the force of law, always saving the pit manager's statutory obligations respecting the safety of the pit.

The prime concern of the Regional Controller in a coal-producing region was the coal industry, rather than gas, electricity or petroleum. He was assisted for this purpose by a Regional Production Director, concerned solely with coal production and assisted in his turn by Assistant Production Directors and Technical Advisers; a Regional Labour Director, concerned mainly with the labour problems of the coal industry; and a Services Director, who looked after all those

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<sup>1</sup> Cmd. 6364, para. 16 (c).

matters of consumption which in the non-producing regions formed the Regional Controller's sole point of contact with the coal industry. The Finance Directorate was the only one of the four directorates at headquarters which did not reproduce itself in this way in the regions; its functions required no decentralisation.

In the course of August 1942 the following men were appointed Regional Controllers in the eight coal-producing areas of the United Kingdom; in Scotland, Lord Traprain; Northumberland and Cumberland, Mr. F. C. Temple, C.I.E.; Durham, Mr. T. Hornsby; Lancashire, Cheshire and North Wales, Mr. G. Macdonald; South and West Yorkshire, Dr. H. S. Houldsworth, K.C.; Nottinghamshire, Derby and Leicester, Mr. F. Raymond Evershed, K.C.; Staffordshire, Warwickshire and Shropshire, Alderman J. A. Webb, M.B.E., J.P.; Wales, Forest of Dean and Somerset, Mr. W. Jones, C.B.E.

The Regional Controllers were men of varied experience; they included a county clerk, a 'miner's M.P.', a trade union leader, a Conservative peer, a King's counsel, a civil engineer. Only two had been intimately connected with the industry before. Some of the appointments were brilliantly successful, others not, which was no more than was to be expected. Despite all failings, the authority of the Controller-General, made effective by the delegated power of the Regional Controllers, provided a control of coalmining operations more firm and supple by far, in the opinion of competent judges, than the control of the industry during the war of 1914-18. The adoption of the regional form of control was certainly much the most striking and effectual step taken by the White Paper, in its effort to cope with an industry which is nothing if not local and regional.

Before leaving the Regional Organisation, it will be as well to point out that the Coal Supplies Officers and the Coal Export Officers who had been part of the original war organisation of the Mines Department and who dealt with the allocation of coal on a national basis, remained under the direct instructions of headquarters. They were not absorbed into the Regional Organisations, although they operated in the regions, where they gave the Regional Controller any information and assistance he required.

Such was the executive organisation. It is necessary to say something also of advisory bodies, and first of that which stood nearest to the Minister. When the Ministry of Fuel and Power was established, the control of coalmining operations by the State was regarded as an innovation which required to be qualified by the presence of a standing advisory body, representing the industry. Partly for this reason and partly out of a belief that some of the chief troubles of the coal industry could be solved, if the parties concerned could be got to meet regularly over a table, the White Paper provided an advisory

organ for the Minister and his Controller-General in the form of the National Coal Board.

This body might be said to have continued in some ways the work of the Coal Production Council, which had played so important a part in the days of the Mines Department. But while the Council had represented the colliery companies and the men, the Board was larger and more miscellaneous. Under the chairmanship of the Minister and vice-chairmanship of the Controller-General, it consisted of the vice-chairmen of the Regional Coal Boards, of which more will be said below. These represented the capital and labour of the industry. The pit managers and technicians and the coal distributive trades were also represented, while officials of the Ministry were in attendance.

Through the nominated members of capital and labour the Board perpetuated the traditional cleavage of interests in the industry, which might perhaps have been avoided on some other basis of representation. This weakness was not offset by the bringing in of consumers and distributors who merely increased the size of the Board without improving its unity. It became a Parliament of a somewhat useless kind; for while it represented, it did not legislate, in the sense of possessing any real power over policy. The Board met once a quarter. Its general purposes were to consider and advise upon the general planning of production, the best means of securing high efficiency in output, the provision of mining supplies and equipment, manpower and productivity, welfare and a mass of other matters relating to production. Six sub-committees were set up to deal respectively with coal production; mining supplies; manpower, welfare, health and safety; consumers' problems and the output bonus. The first two committees were amalgamated early in 1943; the Output Bonus Committee met only once, although it was consulted informally by the Ministry from time to time. With the exception of the Consumers' Committee, which managed to achieve two meetings a quarter, the committees met quarterly. The weakness of the parent body was reflected in the committees. They commented on matters initiated by the Ministry, but they originated little of their own.

The National Coal Board never played a role equal in importance to that played, largely as a result of the personal efforts of Sir Andrew Duncan, by the Coal Production Council. The Board's work was not in any way proportionate to what seems to have been expected of it by the authors of the White Paper. The effectual advisers of the Minister were, as has been said above, the Directorates of the Ministry, not the National Coal Board. The Regional Control dealt with many matters on the spot, which consequently never became national questions at all. By its terms of reference, the National Coal Board was precluded from discussing one of the most important of all

national questions, mining wages. The Board's sphere of usefulness was in reality strictly limited from the first; it remained an advisory body divorced from responsibility and influence.

The National Coal Board idea had its counterpart in the regions. There it was more successful, because the Regional Boards were able to make use of their local knowledge. The Regional Coal Boards, formed of representatives of the colliery companies, miners, managers and technical staff, were advisory to the Regional Controllers. A link was obtained with the National Board through the two vice-chairmen of each Regional Board, who represented the owners and miners respectively, and were *ex officio* members of the National Coal Board. It was a link that in practice was of little importance owing to the comparative inactivity of the national body in London.

The Pit Production Committees were not strictly a part of the machinery of mining control, but their position was restated and simplified by the White Paper and it is worth considering at this point their general relation to the system which was being brought in. The Committees dated, it will be remembered, from the early months of the war and the days of the Coal Production Council. Their function was to assist pit managers to secure maximum output. The Committees had been handicapped since the passage of the Essential Work Order in 1941 by the responsibility which fell to them to deal with cases of absenteeism. This duty was intensely disliked by the miner members and the Committees were for that reason not peculiarly well-fitted to deal with it. It also took up much time and energy which might have been better spent in other directions. The handicap of what was really a dual function was now removed (September 1942) by relieving the Committees of all responsibility for dealing with individual absentees. As part of the organisation of the industry on the basis of National Service, the discipline of mining labour became a matter primarily for officials of the Ministry of Fuel and Power and the Ministry of Labour and National Service.

The Committees were now free to devote their whole attention to production, if they were both prepared and permitted by the managements to do so. There were many difficulties in the way of the efficient discharge of this function, not least the irritation caused among the technical and administrative staff of the collieries by bodies which appeared to reflect on their competence and to trench on their responsibility. The history of the Committees up to 1942 had not been a happy one. However, they were too valuable to be let go and the White Paper arrangements very properly retained them. It became an important part of the work of the control to see that these bodies were used and kept in use.



## (iii)

## Immediate Tasks

One of the main purposes of the White Paper was to give the Government of the day full power over the production of coal. The tendency of output to fall was the problem; regional control, carefully directed from London, was thought to be the answer. By concentration, mechanisation and every other available device, it was hoped to check the decline in output, if not to reverse it. By these means, the Government aimed to bring about a substantial increase in output in the coal year 1942-43, compared with the preceding year.<sup>1</sup>

The necessary measures began to be introduced as rapidly as possible after the foundation of the Ministry of Fuel and Power. They formed a significant if disillusioning part of the work of the new control in its first year. Their development and their fate raise the most important question that can be asked about the control; did it in fact control anything or anybody on the production side? It is not proposed to try to answer that question in considering the establishment of the new Ministry, for two reasons. First, the Minister himself reviewed the working of the control on the production side in the summer of 1943 and what he reported then to the War Cabinet is sufficiently important to warrant a separate treatment. Secondly, it will be necessary to examine later, for the whole period of the war, the kind of problems which the production policies of the Ministry had to meet at the pits.

Putting aside then for the moment the beginnings of the organisation to control deep mining, it may be pointed out that other important duties had also been laid upon the control by Parliament and the War Cabinet and that much time was spent in the interval between the summer of 1942 and the summer of 1943 in creating and running in the administrative machinery required to discharge these duties. There were three directions especially in which work was pressing. One was the expansion of opencast as distinct from deep mining, so as to supplement the national production. The other two lay in the field of consumption; the development of the programming of industrial supplies and the restriction of the consumption of the domestic consumer. What was done in each of these directions when the Ministry was set up laid foundations for further efforts in the later war years. It was also an immediate contribution to the first task of the new Ministry, which was to make ends meet in the national coal budget in the year 1942-43.

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<sup>1</sup> Cmd. 6364, Para. 22.

Opencast mining, or strip mining, as it is called in the United States of America, is common in Germany for the getting of brown coal (lignite) and in the United States where it has been applied on a large scale in the present century both to deposits of anthracite and bituminous coal. In those countries, it is a recognised method of commercial mining, because large deposits of coal are still to be found at a short distance below the surface of the soil where they can be got at by the process of stripping off the earth above (the 'over-burden') and digging out the coal mechanically. The mode of operation is entirely different from that of deep mining. There is abundant opportunity for the use of mechanical scrapers, drag-line shovels and other large excavating machines, and the labour called for is of the civil engineering rather than the pitman type.<sup>1</sup>

In Great Britain, the getting of coal by open excavation had been known in the early days of coalmining. It disappeared later in British coalmining history with the exhaustion of the thicker and better-quality coal near the surface. Mining moved to the deep. Outcrop coal, which might be worked by opencast methods, was known to remain here and there, especially in Yorkshire and the North Midlands (Nottinghamshire and Derby) in considerable quantity. Surface mines continued to be exploited on a small scale in some parts of the country, but opencast mining came to be generally regarded as unprofitable commercially. This was owing to the thinness and the poor quality of much of the outcrop coal, although some good coal was known to be present; to the extent of the over-burden which would have to be worked; to the high density of population and the consequent high values of land for purposes of agriculture and building; and to the absence of the manufacture of the large excavating machinery required, the civil engineering industry being content with much smaller machines.

Under the conditions which came to prevail towards 1942, there was an obvious case for reconsidering the traditional—and before the war, reasonable—attitude towards opencast mining. All considerations of cost were changing. There was an urgent demand for coal. Skilled pitmen were not only scarce but bound to remain so for the rest of the war. Opencast production, on the other hand, would make use of civil engineering staffs; machinery, professional advice too, perhaps, could be got from the United States. The case for securing a contribution towards national coal supplies from surface mines was first pressed upon the Government by Major Braithwaite, M.P. for Buckrose, in the early summer of 1941. But the absence of proper surveys of the deposits to be worked and other causes of delay prevented anything being done that summer, although the summer

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<sup>1</sup> For modern American methods, see the Ministry of Works *Report of the United Kingdom Opencast Coal Mission to the United States of America December 1944* (H.M.S.O., 1945).

months are best for this kind of open excavation. Surface mining started in November 1941.<sup>1</sup>

For a number of reasons, the possibilities of the surface deposits were not grasped at once, although they were to play a vital part in balancing the national coal budget during later years of the war. The amount of outcrop coal which could be got at first appeared unimportant as a fraction of the output of the pits. The railways and the roads of the country had not been built to transfer coal from outcrop sites. In districts such as South Wales, these were remote from heavy transport. There were consequently difficult problems of haulage to be solved, even when the coal had been proved and worked. Then again, in thickly populated districts, the many questions of way-leave, requisitioning of property and so forth, made the first steps slow. Where there were collieries about, there were fears to be overcome of the effect of opencast work upon the drainage and other routine of the pits, as well as some prejudice, not confined to the mining managements. Much more serious was the extreme importance of maintaining agricultural production and the consequent need to recondition the land for farming as soon as the coal was extracted. Finally, when all production problems had been overcome, distribution of the coal produced had to face the consumer's lack of knowledge and dislike of opencast coal—a difficulty which was not made easier by the poor quality of some of the first opencast coal to be disposed of. For all these reasons the first expectations from opencast mining were modest; as the event showed, unduly so.

The early difficulties proved that the only practicable way to secure the immediate working of outcrop deposits was to take special powers to deal with the settled interests which would be disturbed and for the Government to set up a producing organisation. The Home Policy Committee of the Cabinet, at a meeting on 20th January 1942, approved a new Defence Regulation for the purpose at the request of the Board of Trade and the Mines Department. A general authority to use these powers was given to the Mines Department by the Lord President's Committee three days later. Who should administer the organisation turned out to be a matter of some administrative difficulty, which arose largely from the character of the work and the differing resources of the Departments concerned in the way of qualified staff. The organisation was in the hands first of the Mines Department and from June 1942 onwards of the Ministry of Fuel and Power. From January 1943, it was under the Ministry of Works, which was in control of the civil engineering industry and supplied many of the engineers on the sites, while the Ministry of

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<sup>1</sup> H. of C. Deb., 1941-42, Vol. 378, Cols. 1407-8.

Fuel and Power purchased and disposed of the output. This arrangement lasted until 1st April 1945 when the control of opencast coal production was re-absorbed into the Ministry of Fuel and Power.

One serious obstacle had to be faced at the outset. This was the shortage of machinery. As opencast mining was almost unknown in this country while it was extensively practised in the United States of America, the natural recourse was to America, through the Government of the United States, for whatever new and second-hand machines were available and for expert advice on how to use and maintain them. But in that country, as in this, the normal arrangements of the engineering firms which supplied these machines to contractors had been transformed by the pressure of other and more urgent war demands. When a case for priority in the export of these machines had been made out, the purchase and shipping of the machinery also proved a lengthy and difficult task. These problems need not be discussed here. They were in the hands, not of the department in charge of opencast mining, but of the Ministry of Supply, which was responsible for all British Government purchases of equipment and raw materials in the United States. The shipping and supply position for American machinery was the biggest single limiting factor on the rate of development of opencast mining in Great Britain during the war. In the early days it was necessary sometimes to be content with old machinery, in one instance retrieved after twenty-five years from the Isthmus of Panama. Repairs and maintenance work on old machines wasted much time. Later, despite a marked improvement in supplies, the size of the machinery generally employed on British sites was much smaller than that customary in the United States of America.<sup>1</sup> There were also some troubles to be overcome in selecting and training men to handle the machinery when it arrived.

The first six or seven months of 1942 (before the Ministry of Fuel and Power had come on the scene) saw the beginnings of opencast operations. The results began to be felt during the coal year 1942-43. The total output of outcrop coal worked and disposed of in this coal year, that is to say, from 1st May 1942 to 30th April 1943, was 1,750,000 tons. This was rather more than the 1,500,000 tons that had been expected, and foreshadowed the important part which opencast mining was to play as the coal position became tighter in the later years of the war.

In reviewing the new organisation for the control of consumption during 1942-43, it must be remembered that in the early months of the year the fear was that coal supplies would not live up to estimates. The consumption estimates, it was believed, had already been pared

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<sup>1</sup> *Report of the United Kingdom Opencast Coal Mission to the United States of America, December 1944*, especially Paras. 89 and 90.

to the bone in order to bring them into line with output, so that a difficult position seemed to lie ahead.

One method of reducing consumption was not resorted to; this was the rationing of the domestic consumer. The administrative preparations for rationing were carried on by the Ministry during the summer months of 1942, in accordance with the proposals of the White Paper, and it might have been tried in the following winter if considerable doubts had not arisen about certain administrative aspects of the scheme. A successful ration would need regular supplies and, in the case of a heavy commodity like coal, which customers could not call for and fetch away except on a very small scale, regular delivery. But supplies of coal were short; they might well from time to time become unequal to the amount required to meet the ration. The problem of delivery, considering the scarcity of coal merchants' transport and labour which already existed and which would increase as the war went on, was equally great. Later war years proved, especially perhaps the winter of 1944-45, how difficult the distribution of coal could be, even with the excellent organisation which the railways by that time were putting behind it. The provision of transport must, therefore, become as great a liability for the Minister under a system of rationing as the supply of the promised amounts of coal. The choice seemed to lie between a coupon rationing scheme subject to these risks, and some sort of *ad hoc* restriction of supplies of the kind which was already in force and which promised neither transport nor coal, while at the same time it gave the Government some control over the consumption of coal.

Restriction of supplies, unlike a ration, could be varied as frequently as was necessary. Thus, a rationing scheme would presumably entitle every coupon holder to draw his or her ration, irrespective of the stock they held. But supplies could be restricted according to the known state of domestic stocks from time to time, so as to prevent those with good stocks from getting coal at the expense of those with no stock at all. These latter were the smallest and poorest consumers. The Minister therefore decided in September 1942, with the approval of the Lord President's Committee, not to ration but to tighten up and improve the restriction of supplies. Neither in this coal year nor in any other did domestic rationing play any part in the balancing of the coal budget. There can be little doubt that this decision was wise, notwithstanding the local shortages, sometimes both widespread and severe, which developed especially in the winter months of the later war years. These shortages usually arose from exactly that variability of supplies and irregularity of distribution which were the chief bars to successful coal rationing.

Once rationing had been renounced, the domestic consumer had to be handled in two ways, by appeals to his public spirit and by

cutting off supplies where the consumer was already well stocked. Voluntary economy had been repeatedly mentioned by the critics of the fuel rationing proposals of 1942 as an expedient of unknown power. A systematic attempt was now made to use it.

The publicity campaign was put into the hands of the Fuel Economy Publicity Committee of the Ministry directed by Commander S. King-Hall, which held its first full meeting on 2nd September 1942. The methods employed were those usual when the general public is to be got at by skilled publicity men; exhibitions, films and slides in schools, press advertisements, posters, stickers and leaflets, film trailers, fuel flashes in the broadcasting programmes. The Minister himself had already delivered a broadcast speech on the topic on 28th June 1942, soon after the foundation of the Ministry. But perhaps the subject was chiefly brought home to the ears of the ordinary wireless listener by the efforts of Mr. Freddie Grisewood.

How good or how bad the technique of the campaign may have been, only an expert in publicity work could say. The results of publicity are hard to measure. How can one put into statistical terms the consequences of an address delivered at large upon the air or a film seen by anonymous multitudes in the cinemas? Moreover, the problem in this instance is complicated by the fact that the weather of the winter 1942-43 was in some ways unusual. The January and February of 1943 were the mildest for many years. This was not without its effect on the habits of the ordinary householder and it remains hard to distinguish between the economy suggested by the weather or by the Battle for Fuel campaign. The Minister, at a later date, ventured to commit himself to the opinion that the mild weather saved one million tons.<sup>1</sup> This was perhaps true, but there is no final means of telling how much the consumer may have saved through the voluntary campaign.

The reduction in the total demand of the domestic consumer this year, compared with the year before, was notable. Consumption was down by 4,500,000 tons. Various elements contributed to this result; the campaign for voluntary economy; the mild winter; the restriction of supplies through the coal merchants carried out by the Services Directorate of the Ministry. Whatever the relative proportions of the causes, the effect was a substantial contribution towards the balancing of the budget that year. The amount saved was more than the four million tons which the domestic consumer had been expected to give up under the estimates for the year and more than came from the industrial consumer.

The demand of industry for coal, like that of households, was cut down by two methods; by an appeal for economy, reinforced by the

<sup>1</sup> H. of C. Deb., 12th October 1943, Col. 775.

creation of an advisory service on fuel utilisation, and by the systematic programming of industrial supplies.

The supply of coal to the gas and electricity industries had been a special problem in the year 1941-42 and had caused a number of measures to be adopted by the Mines Department, already described.<sup>1</sup> These measures now began to have their full effect. There was a steady improvement in the economy of consumption of the public utilities throughout the year 1942-43. The gas and electricity industries were consuming substantially less at the end of the year than at the beginning. The saving on these industries amounted to 3,400,000 tons. An unknown part of this should be counted as part of the voluntary savings of the domestic consumer.

But outside of these two very heavy consumers lay an enormous mass of industries, consuming a very large quantity of fuel annually, the habits and practices of which had to be changed. They had grown up when coal was plentiful and cheap; they had now to adapt themselves to its scarcity. For the reduction of this great consumption, the Minister of Fuel and Power depended upon two methods, the improvement of economical methods of fuel consumption (known as the Fuel Efficiency Campaign) and the extension of the system of allocating fixed quantities of coal to particular industries (known as the programming of coal supplies to industry).

The administrative machinery set up under the new control in the year 1942-43 to discharge these two functions was partly inherited from the Mines Department, partly new. The promotion of fuel economy had been, since September 1941, the business of the Fuel Efficiency Committee, under the chairmanship of Dr. E. S. Grumell. This Committee now became part of the organisation of the Ministry of Fuel and Power; but it confined itself to policy, while the Fuel Efficiency branch of the new Ministry did the executive work. As soon as the Regional Control was established, the campaign for industrial fuel economy was run largely on regional lines. The programming of industrial supplies was a very different kind of work, and when taken in hand systematically, as it now was, called for elaborate and careful administration. The work was entrusted to the Services Directorate of the Ministry, which relied for the very extensive information it required upon the Statistical Service of the Ministry, collecting the figures through its regional offices and analysing them in London.

The Fuel Efficiency Committee worked by an appeal for voluntary saving and by its advisory service. It began classes for engineers and operators on methods of fuel economy. But there were other and more direct methods. One was the direct inspection of works by the

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<sup>1</sup> See above, Chapter VIII.

combustion engineers of the Ministry, and the giving of free advice on the generation and utilisation of heat, especially from low-grade fuel. The other was to approach those numerous and important bodies, the trade associations of employers, and enlist their aid in an examination of the processes of each trade and the pooling of technical knowledge. Many associations were helpful, and not only created the usual technical committees, but also appointed full-time men to advise the factories.

The work of the Fuel Efficiency Committee and of the Fuel Efficiency Branch in the great industrial regions of the kingdom was valuable. But a resolute programming of the coal supplies and requirements of industry was none the less indispensable. This had been intended from the start to be one of the duties of the Ministry. The Ministry began in July 1942 by selecting twenty industries to be programmed which had not so far been touched. At the same time, cuts in summer deliveries of five per cent. were imposed on industries of high priority, ten per cent. on those of medium priority and fifteen per cent. on those of low priority, pending the extension of the programmes. But the necessary investigations and negotiations with industry for the making of the programmes on the part of the officials took much time. The results for this year were less than had been hoped, just as those in the field of domestic consumption were greater than had been expected. It had been hoped that industry might save four million tons. Industrial consumers, including the railways and collieries but excluding the public utilities, saved in fact this year 2,200,000 tons. The first year of the Ministry saw no more than the foundation of the organisation for the programming of coal to industry, which worked with so much vigour and success in the later years of the war.

The results of the tighter control over consumption over the year 1942-43 were satisfactory. When the working of the new organisation was reviewed in May 1943, it appeared that the combined effect of a vigorous fuel economy campaign in the industrial and domestic fields, the restriction of household supplies and the programming of industrial coal, plus some savings from a mild winter, the Service departments and on foreign shipments, had been to save 11,400,000 tons of coal on estimated national requirements. As production was a little above estimates, while consumption was so much below, the result was that the country not only met its needs in the coal year 1942-43 but also added substantially to its stocks. Instead of consumer and Government stocks being down at the end of the year, as had been expected, they were up by over four million tons.



# CHAPTER XII

## THE WORK OF THE GREENE BOARD

(i)

### The Wage Issue

**T**HE far reaching inquiries into the state of the coal industry, carried out on behalf of the War Cabinet by the Lord President of the Council in the summer of 1942, had suggested that a new type of control over the mines was necessary in the interests of war production. They had also made it clear that this would not be enough. Something would have to be done about wages. The White Paper containing the Government's proposals, issued on 3rd June, was careful to state that no fundamental alteration was intended in the finances of the industry; these finances were to remain private. It also announced that the success of the new National Coal Board—of the new control, in short—would be prejudiced if it was connected 'in any way with wage questions'.<sup>1</sup> But this did not mean that the wages issue was to go untouched. The White Paper expressed on the contrary the Government's opinion that a system should be developed by which questions of wages and conditions on the coal-fields would be dealt with on a national basis by a properly constituted national body, and it stated that discussions would be begun with the mineworkers and employers to create such an authority.

This announcement preceded by two days the appointment on the 5th June, by the President of the Board of Trade and the Minister of Labour and National Service acting together, of a strong board of inquiry. This was to go first into the wage issue, which had caused so much recent trouble, and then into the whole question of the machinery for the negotiation of mining wages and conditions of work—an appointment which was speedily followed by an important wages award.

The history of the Greene Board, as it came to be called, after its chairman, Lord Greene, the Master of the Rolls, forms a part of the history of the coal industry of first-rate importance. Industrial rela-

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<sup>1</sup> Cmd. 6364, Para. 20.

tions lay at the heart of success or failure in the coal production problem. An American Coal Mission put it in the forefront of their observations in their report of 6th September 1944; 'we are compelled to point out that the centre of the problem of increased production is the bad feeling and antagonism which pervades the industry and which manifests itself in low morale, non-co-operation and indifference'. This report was made at a late stage in the war, when frequent and determined attempts had already been made to improve matters. Of these attempts, the Greene inquiry was the most remarkable.

The members of the board of inquiry, which was not a departmental committee but an independent body, were Lord Greene, chairman; Sir John Forster, K.C.; the Vice-Chancellor of the University of Liverpool, Dr. A. D. McNair; Colonel Ernest Briggs, of Lever Brothers Ltd.; and Mr. George Chester, of the National Union of Boot and Shoe Operatives. Its secretaries were drawn from the Ministry of Labour and National Service and the Ministry of Fuel and Power.

The question of new negotiating machinery was urgent. But even more pressing in the summer of 1942 was the settlement of the immediate wage issue. This was not a question of any breach of agreement between owners and men, and no charge of this sort was brought. It was a question of the adequacy of the wage and there were a number of reasons why it came to a head at this particular time.

A strong contributing cause was undoubtedly the policy of recruiting the manpower of the mines by bringing back former miners from other industries. They returned, often against their will, to an industry with a lower level of wages. This difficulty was frankly recognised by the Minister of Labour and National Service in answering a question in the House of Commons on 4th June 1942: 'in the last six months I have transferred, at a great loss of wages to themselves, over 36,000 men from munition factories to the mines'.<sup>1</sup> But even supposing there had not been this flow into the industry of men who had known better wages and conditions elsewhere, the time was ripe for trouble, in the first place because of the trend of industrial costs and their effects on the peculiar system of determining mine wages, and in the second because of the movement of wages in other industries under the pressure of the war demand for labour.

There had been a rise of earnings in the coal industry since the war began. National averages are apt to be misleading in an industry so exposed to regional variation, but the accompanying table of

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<sup>1</sup> H. of C. Deb., Vol. 380 (1941-42), Col. 785.

estimated average earnings per week and per shift will show the general trend.

YEAR	ADULTS		JUVENILES		TOTAL EMPLOYED	
	Earnings per person	Earnings per shift	Earnings per person	Earnings per shift	Earnings per person	Earnings per shift
	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.
1938	3 0 10	12 4	1 6 3	5 3	2 15 11	11 3
1939	3 5 0	12 7	1 8 1	5 5	2 19 8	11 7
1940	3 14 7	14 1	1 13 8	6 4	3 9 1	13 0
1941	4 7 6	16 3	1 17 3	6 11	4 0 0	14 11
March quarter 1942	4 11 1	17 0	1 18 10	7 3	4 3 6	15 7

The increase which had taken place since the war was chiefly brought about by the operation of flat-rate bonuses negotiated from time to time, from the autumn of 1939 onwards, to meet the increased cost of living. Earnings also rose with the increasing length of the working week.

The particular source of discontent in 1942 was that the rise of earnings suffered a check. It is important to remember what the system of miners' wages at that time was. In its main elements it dated from 1921 and the wages settlement which was then reached, with the Government of the day taking a hand. That settlement had introduced a system of profit sharing into the industry which it was hoped would lead to industrial peace, although it became instead a new source of discontent. The miner's wage came to be divided into two parts: a basis wage, which varied from district to district, but which was fixed in terms of a piece-work rate for face and other contract workers, and a day wage for other underground and surface workers; and a percentage addition to the basis wage. The percentage addition was settled, district by district, after periodical ascertainment of the disposable proceeds of the industry, by which was understood total proceeds less all costs other than wages. The proceeds were divided between profits and wages in a fixed proportion, which again varied from district to district. The proportion which went to wages formed the percentage addition to the basis wage. Owing to the way in which the ascertainment and sharing of proceeds worked, it never promoted the peace of the industry in the way that had been hoped; it was regarded by the mineworkers as an inequitable system, if only because of the advantage given to some regions over others by natural conditions. These grievances were already old. The source of trouble in 1942 was that, as a result of war conditions, although neither output nor prices were rising, industrial costs other than wages (chiefly the cost of stores and timber) were going up and the disposable proceeds therefore showed a tendency to fall.

This check, carrying with it the threat of a fall in earnings, came when the mineworker was already exasperated by the comparison he could so easily make between mining wages and wages elsewhere, above all in the munitions trades. Many workers in the new war factories came from colliers' houses. The comparison between what a man could earn in the pit, after years of experience, with what others could earn in the Royal Ordnance factories and elsewhere with hardly any training or experience at all, was of the sort that struck home to the dullest. And it worked in with all the sense of injustice, of having been forced to drink the bitter cup of inferiority, which mining families, who cherish long memories in their self-contained communities, inherited from the big conflicts of the inter-war period.

There was nothing surprising in the angry state of feeling in the coal-fields in the summer of 1942, although, no doubt, it sometimes took meaningless and objectionable forms. But from the point of view of the national interest it was a plain threat to the war effort. To correct this feeling—to tackle it in its immediate aspects while at the same time trying to undo some of the consequences of steps taken years before—to do all this under the handicap that it was done to meet an immediate war situation, so that the parties concerned could with easy cynicism assume that there was nothing permanent or disinterested about it—this was the task of those who intervened in the problem of wages on the coal-fields that summer.

The demand of the miner for an immediate improvement of wages, which should be something more than a mere adjustment to the cost of living, took the shape of a claim by the Mineworkers' Federation, raised in the Joint Standing Consultative Committee of the industry, for a uniform national minimum wage of 85s. for a week's work to come into effect at the age of eighteen; 4s. per shift increase for all over eighteen years and 2s. per shift increase for boys. The Mining Association argued, on the other hand, that any increase in wages should take the shape in part of a bonus on attendance and in part of a bonus on output.

The Board's first report, addressed jointly to the Minister of Labour and National Service and the Minister of Fuel and Power, dealing with this claim was presented on 18th June.<sup>1</sup> The inquiry into wage machinery took much more time, forming the subject of a report on 15th March 1943.<sup>2</sup> The Board was also called upon to make other investigations which will be noticed in their place.

The two problems before the Greene Committee were, by how much wages should be increased, for that they ought to be raised was not in dispute; and whether the principle of a national minimum

<sup>1</sup> *Report of the Board of Investigation into the Immediate Wages Issue in the Coal-mining Industry.*

<sup>2</sup> *Third Report of the Board of Investigation into Wages and Machinery for determining Wages and Conditions of Employment in the Coal-mining Industry.*

wage for mineworkers should be adopted, this latter being a proposal of the Mineworkers' Federation which was opposed by the Mining Association.

On the first question, the Committee found that the claim for an unconditional increase in wages was made out but that the proposals of the Mineworkers' Federation were excessive. It recommended a flat-rate addition of 2s. 6d. a shift for all adult workers over the age of twenty-one and all underground workers between eighteen and twenty-one; and graduated additions to the wages of all underground workers under the age of eighteen and of all surface workers under twenty-one. These increases were to be stable increases, not to be diminished by any adverse movement of the percentage addition to wages under the district ascertainties.<sup>1</sup>

Upon the second question, the Board concluded that the principle of a national minimum wage for the industry ought to be accepted. It proceeded to recommend a minimum of 83s. a week for all adult underground workers and of 78s. for all adult surface workers.<sup>2</sup>

The Greene inquiry was addressed first and foremost to the problem of the conditions of the adult mineworker, which had been recognised as a first-rate issue of industrial policy when the Cabinet Committee under the Lord President examined the reorganisation of coal-mining a month or two before. The award, despite its cost, estimated by the Board at £23 millions,<sup>3</sup> was immediately accepted by the industry as an honest and impartial contribution towards the solution of this problem. The miner had not obtained all that his leaders had asked for, but his sense of justice was satisfied and the industrial troubles of the early summer months died away. This was an instant and considerable achievement. Over a longer period, the significance of the award is that it proved to be the first major instalment in a general revision of mining wages, which had the effect of altering altogether, as will later be seen, that inferiority of mining wages to other wages which had been the main source of trouble in 1942.

The increase in miners' earnings brought about by the Greene award was considerable and helped distinctly to improve the miner's position, compared with the low standard of pre-war years. It is hard to set the matter out in figures because the basic rates of pay for the many grades of workers employed in the coal-mining industry vary so greatly for different grades of work and in different districts. The following figures,<sup>4</sup> given by the Minister of Fuel and Power in the House of Commons at a later date, show the average weekly cash

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<sup>1</sup> *Report of the Board of Investigation into the Immediate Wages Issue in the Coal-mining Industry* paras. 7, 8 and 13.

<sup>2</sup> *Ibid.*, paras. 9 and 10.

<sup>3</sup> *Ibid.*, para. 19.

<sup>4</sup> H. of C. Deb., 17th October 1944, Col. 2221.

earnings and the value of allowances in kind during the years 1938 and 1943. They also show, for the sake of comparison, the position later in the war, after the first awards of the National Tribunal.

	Average weekly cash earnings	Value of allowance in kind
	£ s. d.	s. d.
During the year 1938 . . . . .	2 15 9	2 2
During the year 1943 . . . . .	5 0 0	3 3
During the first quarter 1944 . . . . .	5 5 9	3 10
During the second quarter 1944 (estimated) . . . . .	6 0 0	4 0

The wage increases which, with the increased number of shifts worked, led to this position, were as follows:

Cost of living increases:

1st November 1939	8d. per shift
1st January 1940	5d. per shift
1st April 1940	4d. per shift
1st October 1940	5d. per shift
1st January 1941	6d. per shift
1st July 1941	4d. per shift
'Attendance bonus'	
1st June 1941	1s. od. per shift
'Greene Award'	
1st June 1942	2s. 6d. per shift
'Porter Awards'	
November 1943 to } approximately	
January 1944 } 1s. 3d. per shift	

The important place of the Greene award in this upward trend is obvious.

The Award must be considered for what it was not, as well as what it was. It was not an attempt to raise production by raising mining wages. The increase recommended was unconditional. The Board rejected the view of the mine-owners that better output and attendance should be its condition.<sup>1</sup> The employers were of the opinion that an unconditional increase was more likely to lead to a fall of productivity than the reverse. The evidence given by the miners' leaders was naturally different. They laid great emphasis on the difference of wages between coal-mining and other industries as a source of grievance. It did not logically follow that, if the miner's sense of his inferior social position was met by a rise of wages, his output would rise too; but the miners' leaders thought that it would and they declared that they were prepared to argue the case for improved wages as part of the battle of output.

<sup>1</sup> *Report, etc.*, para. 7.

## (ii)

## The Output Bonus

The Board accepted the assurance that production would be materially affected.<sup>1</sup> To encourage and reward this desirable event, they recommended that an output bonus should be payable to all workers on a sliding scale, for any increase in output beyond a certain standard. The Government accepted the principle and requested the Board to work out the details.

The task proved infinitely troublesome. The main difficulty was to decide the basis of the scheme, whether the increase in the output of the pit or that of the district. The nearer the scheme came to the doings and the imagination of individuals, the more likely it was to act as an incentive, and this consideration suggested that a pit scheme was best. But when the Board started to go into details with the two sides of the industry, it found both agreed in preferring a district basis. The employers undoubtedly feared, among other things, that a pit bonus would lead to men moving from those pits which were not paying bonus to those which were. This was only one side of the fundamental difficulty that a pit scheme must be based upon a comparison of the present with the past output of each pit. This tends to fluctuate from time to time, often unexpectedly, owing to underground conditions which are outside of the worker's control. A district basis, by merging many of these pit variations into the average of the district, would remove possible occasions of dispute arising out of the comparison of one pit with another. But it would do so at the cost of making the relation between individual effort and bonus less obvious to the eye, so weakening the incentive.

The Board plumped with reluctance for a district scheme, not so much because it felt that the difficulties of a pit bonus were insuperable, but from the feeling that, if both parties opposed it, they would be. The scheme adopted provided for a computation of bonus by a month by month comparison of the output of each district with a 'standard output' which was carefully calculated from past performance, taking all circumstances into account. Payments were arranged on a sliding scale, corresponding to every complete one per cent. by which the output exceeded the standard output. Provision was made for adjustment of the standard output and for meeting abnormal conditions.

The output bonus was not regarded by its makers as a part of the

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<sup>1</sup> *Fourth and Final Report of the Board of Investigation into Wages and Machinery for determining Wages and Conditions of Employment in the Coal-mining Industry*, para. 1.

general wages structure of the industry, but as a purely war-time measure, to reward the miner for the additional effort which he was being called upon to make at this period of the war.<sup>1</sup> The scheme was experimental. It will be worth while to turn aside for a moment to see what came of it and of the subsequent pit bonus scheme, before turning to the work of the Board upon permanent conciliation machinery.

The Board reviewed the working of the bonus scheme in the early autumn of 1943. Twelve monthly periods had passed between 6th September 1942 and 7th August 1943. There can be no doubt that the time allowed for a test was fair and even generous. Throughout much of that period, the movement of productivity in the mines was downward. There were, of course, variations in activity at different times of the year. A fair number of districts earned bonus on additional production in the later months of 1942. During that period, the output bonus might be said to have served a useful purpose. But from January of the following year, the payments were limited to two or three districts out of the twenty-five into which the country was divided for purposes of the scheme. The Board pronounced the bonus plan for the most part a failure. It did not inquire into the causes of the decline of production, these being out of its sphere, but it noted that local strikes and absenteeism had done much to defeat the purpose of the bonus.<sup>2</sup>

The failure of the district scheme raised the question whether it was worth while to continue an output bonus of any kind. But it is difficult to introduce a scheme of this kind and then withdraw it. Both the miners' leaders and the owners pointed out that to drop the output bonus might create the impression that increased production was no longer important, quite apart from the resentment to be expected in the districts which had been earning bonus. The Board accepted this reasoning, which carried with it the corollary that any future scheme must give terms at least not less favourable than those of the scheme which had just been pronounced a failure.

The miners' leaders now came out for a bonus based on the pit and they put forward a scheme. The employers remained opposed to a pit scheme, for a reason they had given before; that conditions varied between pit and pit from causes outside the control of the workers, often of the managements; that these would work to cause injustice and the resulting discontent lead to more loss of output than the bonus created. The Board considered these objections not insuperable and thought the added incentive worth even the increased expense of a pit scheme. But the question whether a pit scheme should be

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<sup>1</sup> *Ibid.*, para. 2.

<sup>2</sup> *Fourth and Final Report of the Board of Investigation into Wages and Machinery for determining Wages and Conditions of Employment in the Coal-mining Industry*, para. 7.



adopted, involving a financial commitment which could only be offset by much greater production, was one that was outside of its competence to decide. The Board therefore prepared alternative plans, one on a pit basis and the other on a combined pit and district basis.

These plans came before the Lord President's Committee on the 29th September 1943 with a recommendation from the Minister of Fuel and Power that, if either scheme was accepted, it should be the pit one. He was of the opinion that far greater anomalies existed under the district scheme than would be found under a pit scheme. For in many districts, pits which had constantly exceeded their target had earned no bonus because the district output was low, while in other districts pits with a low production had received the bonus which was in effect earned by the output of other collieries in the field. The Lord President's Committee approved the pit scheme and it was proposed to introduce it in November, subject to the overcoming of the somewhat difficult point of the reviewing authority. The proposal of the Greene Board to make the Regional Controllers of the Ministry the arbiters in such cases was open to some objections, but the Regional Controllers were willing to take on the responsibility and the Mineworkers' Federation were prepared to accept their arbitration.

The problems of distributive justice inherent in a pit output bonus, given an industry subject to violent and uncontrollable fluctuations of output, were, however, more serious than the administrative question. The Mining Association pointed out with force, although late in the day, that the monthly basis on which output was to be paid would lead to many inequalities and much apparent injustice. They preferred some form of bonus on individual work and proposed in detail an attendance bonus. The Mineworkers' Federation agreed to discuss this alternative. In the form which it now took it was free of the disagreeable condition of the attendance bonus of 1941, which had left it to the managements to decide what grounds a man might reasonably advance for failing to attend work and yet qualify for bonus. So after all it was decided to adopt the attendance bonus instead of a pit output bonus.

By this time, negotiations had been going on for many months. The question became unexpectedly involved with the important changes in miners' wages which took place in the winter of 1943 and the spring of 1944 as a result of the award of the National Tribunal (the Porter Award) and the National Wages Agreement. These had the effect of bringing about the most substantial rise of miners' earnings which had taken place since the Greene award in 1942. There seemed consequently no place for the additional financial incentive of a bonus, whether of an attendance or an output type. By the consent

of all parties the district output bonus was abolished and nothing was put in its place.

This was the natural ending of an unsatisfactory episode. The history of the output bonus is a minor part of the story of miners' wages during the war, but its record is of some interest because it suggests that there was an important misconception of cause and effect. The assumption that the miner's chief grievance in 1942 being the lowness of his wages compared with others, a rise in his rate of wages would lead to an increase in his output was not logical and it proved not to be justified by the event. But the disappointment, which would not have occurred if the miner's situation and character had been better understood, was only part of a wider mis-reading of the place of the financial incentive upon the coal-fields in war-time, which continued for long to influence Government policy.

### (iii)

## National Conciliation Machinery

While the award of June 1942 was coming into operation and the experiment of the bonus was being tried, the Greene Board had been at work upon the second of the two problems committed to it by its terms of reference, the settlement of the broad outlines of a national conciliation scheme for the industry. The success or failure of this attempt was bound to be much more than a part of the history of the industry in the year 1942-43; it had a bearing on the whole future of the industry. But it also bore directly on the immediate success or failure of the control, since a successful control of war production in the mines was inconceivable without a rational settlement of questions of wages and conditions of work.

What was at stake can only be understood by considering what methods the industry already possessed for settling the innumerable points of dispute which constantly arise between the management and the workers in a large industry, but which were rendered more numerous and potentially dangerous by the special state of hostility commonly existing between both sides in this industry; a state of organised opposition which, it should be added, was often not inconsistent with personal relations of a friendly character.

The state of affairs at that time was the outcome of an already long history which has been often recorded.<sup>1</sup> Like almost everything else about the industry, the handling of wages and conditions of labour in coal-mining had been conditioned in the early days by the isolation,

<sup>1</sup> For a thorough treatment of earlier years see J. W. F. Rowe, *Wages in the Coal Industry* (1923). The Samuel Commission conveniently summarised the evidence given to them in their *Final Report* (Cmd. 2600), Chapter XII.

physical, social and economic, of the different coal-fields. They were dealt with locally or by districts, because everyone in the industry at that time thought of its problems in a local or a district way. It was only slowly that a different point of view developed which could be called national.

The history of wage settlements before the 1914-18 war was mainly a record of the evolution of the District Conciliation Boards, through which the two parties, acting independently in the different coal-fields of the country and treating the selling price of coal as the main determining factor, settled wages as a purely district affair. All these district wages, as has been said before, fell into two parts, the basis wage, applicable in the district to whatever grade of work a man did, whether at piece-work or on day wage, and the current percentage addition to basis wages in the district. Of these two elements, the basis wage was the more permanent part and reflected the permanent local conditions while the percentage addition fluctuated, representing as it did the ups and downs of the collieries' trade. Changes in the district percentage consequently tended to form the staple of district controversy. This system was only slightly modified by the Minimum Wage Act of 1912, secured after a memorable national strike, which put a bottom, so to speak, into the district agreement by providing for a minimum wage to be fixed in each district. This was to be done by a joint district board of the two sides, sitting under an independent chairman, who was usually left to settle the matter at his discretion.

The minimum wage settled by the Boards took the form of a minimum percentage addition to the district wage. If a piece-worker could not, for any reason, earn the district wage appropriate to his type of work, his percentage addition was made up to the minimum. The new minimum rates began to take effect in 1914 in most parts of the country. Districts such as Durham and Northumberland, which were still exceptions, fell into line during the war. When consequently during the First World War it became increasingly difficult to operate the district conciliation board arrangements and Government control led to the introduction of flat rate national advances of wages to meet the cost of living, these were treated as additions to the minimum rates.<sup>1</sup> A more important result of Government control was that the method of arriving at the miner's wage was altered, for in the years of control just after the war, when settling the strike of October 1920, the Government agreed to a fresh advance of wages only upon the condition that the industry should work out a new system for regulating wages which should have regard, among other considerations, to profits. The fundamental principle of the division

<sup>1</sup> On the Coal Mines (Minimum Wage) Act 1912, see W. D. Stewart, *Mines, Machines and Men* (1935), Chapter VI and Appendix C.

of the net proceeds of the industry between wages and profits in agreed proportions was accepted by both parties. It was continued the next year, following decontrol of the mines in March and a disastrous strike which lasted from March until July, in the national wages agreement of 1921, under which big reductions of wages were carried out. This agreement was subsequently renewed in 1924. These two national agreements fixed labour's share of the proceeds, the one at about eighty-five per cent., the other at about eighty-seven per cent. The actual ascertainment of proceeds was carried out on a district basis.

The national agreements of those years superseded the dependence of wages upon prices by a dependence upon the proceeds of the industry, which was fairer and preferable in every way. Although wages had been drastically cut, the agreements embodied not only the principle of the national negotiation of wages but also, as the Samuel Commission pointed out, the principle of a minimum wage which the miners regarded as equally, if not more, important.<sup>1</sup> The minimum was pushed up slightly in 1924 under the impetus of the delusive prosperity created in the industry when the French marched into the Ruhr.

The 1924 agreement was due to run until 30th June 1925. At the end of that month the Mining Association gave notice of termination, as they were entitled to do. They now demanded either a further reduction of wages or an increase of hours. The new terms which they laid before the men involved not only the abandonment of national wage negotiation but also the abolition of the ruling minimum rates. Wages were maintained by Government subsidy until April 1926 when the stoppage of work began. At the end of the great stoppage, work was resumed on the basis of wage agreements of a purely district character and drastic wage reductions were enforced. The minimum rates of 1921 and 1924 disappeared.

The settlement of wages now reverted to the practice of the days before 1914, each district being completely independent in the rates which were agreed. The minimum principle remained in the shape of the 1912 Act. But it will be remembered that the minimum rates fixed by the Boards under the Act were relative to the wages settled in the districts and these were now very low, whether compared with the wages of the last war period or with the current cost of living. Within each district, however, the principle introduced in 1921 of dividing the ascertained proceeds of the industry between wages and profits according to an agreed formula was preserved.

These were the conditions of wages through the depressed and painful years of the late twenties and early thirties. They became

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<sup>1</sup> Cmd. 2600, p. 133.

indelibly associated in the mind of the miner with low earnings and the lack of any firm minimum to prevent further falls in his standard of living; he felt himself and his family to live upon the edge of the abyss. Yet he remained, like the owner, very much a district man, often to the exclusion of any other view. From these years descended—and this must be our plea for having spent so much time upon the past history of wages—the main issues of principle in the world of coal-mining wages at the time when the Greene Board took up its task: whether wages were to continue to be settled locally or should be negotiated on a national system and whether the district minimum wage should be replaced by a national minimum.

One abortive effort was made during these years to restore the national handling of wage questions. This was the setting up of the Coal Mines National Industrial Board under the Coal Mines Act of 1930. The Board was intended to consist of representatives of the national associations in the industry and of certain outside bodies, such as the Federation of British Industries and the Co-operative Union, which might be held to have an interest in wages and prices in the coal industry, under an independent chairman. The Mining Association refused to have anything to do with it from the outset on the ground that wages were a district matter with which it was not authorised to deal. Certain independent colliery-owners were persuaded to take part, but the attitude of the main body of the employers, which was maintained throughout the short life of the Board, fatally prejudiced its chance of success. For although a statutory body, the Board had no powers to call matters before it, to extract evidence or to enforce its decisions. So constituted, it depended for all the success of its work upon persuading the two parties in the industry to give it their support. This support it never possessed upon the one side and was not entirely sure of upon the other. The Board seems to have been intended to act as a reference tribunal, rather than a conciliation committee. But less than a dozen disputes came before it between 1930 and 1934. In the latter year, the chairman resigned and the Board became defunct, although Section 15 of the Coal Mines Act 1930, which set it up, was still on the statute book when Lord Greene's Committee was asked in 1942 to go into the question of national machinery for the settlement of mining disputes.

A few years before the war a fresh and more hopeful change was made in the direction of considering wages once more from a national point of view. The change was small, but it may not unfairly be taken as a recognition by the leaders of the colliery-owners that a national handling of this and other problems had become inevitable and that the purely district view was growing out of date. As part of the settlement of a claim by the Mineworkers' Federation for an increase of wages, a Joint Standing Consultative Committee of the

industry was set up in January 1936. The Committee consisted of ten a side. Nothing was set down in writing, but it was agreed that it should consider 'all questions of common interest and of general application to the industry, not excluding general principles applicable to the determination of wages by district agreements'. This Committee was far from superseding the District Conciliation Boards. On the contrary, it had no power to deal with actual wages in any district or with any purely district question. But it met regularly and was employed to deal, after September 1939, with all the questions of a national character which arose out of the war.

Soon after the war broke out, an important agreement was reached in the Joint Standing Committee between the employers and the workers, concerning the future of district wage agreements during the war. This was the agreement of 20th March 1940 which contained these provisions:<sup>1</sup>

- '1. The district wage arrangements shall continue to operate during the war, subject to mutually agreed alterations, but increases of wages necessary to take account of the special conditions arising out of the war, and particularly the increased cost of living, shall be dealt with on a national basis by means of uniform flat rate additions.
- '2. This agreement shall continue in operation until terminated by six months' notice on either side, which notice may be given at any time after, but not before, the cessation of hostilities whether the war and the state of emergency has been officially terminated or not'.

The effect of this agreement was to fix the scale of wages in each district at the figure which it had then reached, subject to any national additions to meet war conditions, chiefly the cost of living, and to any adjustments which it might from time to time be necessary to agree in the districts, which were likely to be of a minor character.

The Joint Standing Consultative Committee functioned with reasonable efficiency during the early years of the war, when the wage problem was merely one of increasing wages from time to time to meet the rising cost of living. At that time, industrial quarrels were damped down not only by the law but even more by the sense of national danger.<sup>2</sup> As the risk of invasion withdrew, a slow but important change came over the mood of the nation. The solidarity which had been the supreme political achievement of 1940 and 1941 was gradually relaxed in subsequent years; the breath of life stole again into all sorts of conflicts and oppositions; the main issues of

<sup>1</sup> The Agreement is recited in the *Fourth Award of the National Reference Tribunal, under the Coal-mining Industry National Conciliation Scheme*, 21st January 1944.

<sup>2</sup> Note the influence of the *Conditions of Employment and National Arbitration Order, 1940* which made strikes and lock-outs illegal and set up a National Arbitration Tribunal.

working-class politics returned. This development had its biggest consequences in the later months of 1943, when a kind of crisis was reached in many parts of the country which was responsible for the passage of an Order, directed against the incitement to strike, early in 1944. But in its beginnings it appears to go back to 1942.

It would be going far out of the track to discuss this important movement of popular thoughts and feelings, which belongs to the history of the nation, not to that of any one industry; but the many illegal stoppages in the coal industry in the early summer of 1942 and the whole course of the consequent events suggest that the coal industry was one of the first to feel the approaching change. The reasons were the urgent domestic problems of the industry; the old and profound difficulties of the miners' standard of life and his social isolation, which tend to make him less a member of the national life than others and promote sectional feeling. Strong as the miner's patriotism was, his sense of grievance by the summer of 1942, under the stimulus of existing wage conditions, was hardly inferior. He acted with that marked independence which belongs to his character and to the isolated type of community in which he lives and which had often led him to act before, not only without asking whether public opinion was on his side but in actual indifference or hostility to it—a trait which was to be even more apparent in the disputes over the Porter Award later.

The broad result of the discontents of the summer of 1942 was that the situation on the coal-fields passed temporarily out of the control both of the employers and of the miners' leaders. The Joint Standing Consultative Committee was in no position to deal with it, despite the fact that it was representative of both sides. This was a powerful argument for a general overhaul of the methods of settling disputes in the industry. Hence, the Lord President's recommendation to the War Cabinet on 28th May that new permanent machinery for the treatment by national conciliation of wages and other questions in the coal industry should be devised and the decision to hand over the problem to the Board of Investigation under Lord Greene.

Much evidence was taken by the Board, not only from the parties in the industry and from the Ministry of Fuel and Power but also from the Ministry of Labour and National Service, on methods of determining the terms and conditions of employment in other industries and from Sir Harold Morris, President of the Industrial Court. The general view of the wage problem taken by the Board as a result of this evidence was explained by Lord Greene in a broadcast address, delivered on 2nd April 1943, which was intended to prepare the way for the introduction of the new National Conciliation Scheme on 1st May following. There were, he said, three stages at which wages and conditions of labour must be settled—nationally,

in the district and at the pit. Questions requiring settlement might be pit questions, district questions or national questions. A satisfactory conciliation scheme must ensure that each class of question shall be dealt with at the appropriate stage and that there shall be arrangements to transfer pit questions to the district and district questions to the national machinery whenever this is necessary.

Hence the proposals of the National Conciliation Scheme. A National Board was to be set up in two parts—a Negotiating Committee consisting of an equal number of representatives of the two national bodies and a National Tribunal to whom questions might be referred for final decision if the Negotiating Committee failed to reach agreement within a reasonable time. The National Tribunal should consist of three members, who had no connection with the industry, appointed for five years. Provision was also to be made for proper district conciliation machinery, on a model drawn up by the Board; for the existing machinery was often unsatisfactory, while in some exceptional districts there was none at all. The machinery for pit questions was hardly a question for the Board, which was content with a promise by the employers and workers to take in hand without delay the overhaul of existing arrangements. As part and parcel of the new machinery, the Board laid down the conditions under which questions should be referred from one stage to another—conditions which were essential to its proper working.<sup>1</sup>

These proposals were approved by both the national and the district associations of employers and employed in the industry. Before the scheme could be launched there was, however, one question to be disposed of, which might have proved awkward. This was whether the Tribunal would have the power to alter district wage arrangements in view of the National War Wages Additions Agreement of 20th March 1940, which was current for the period of the war. By consent of both sides, this problem was submitted to Lord Greene's Board, which gave its decision on 11th May 1943. The Board pointed out that under the Conciliation Scheme the principle had been accepted that settlements made or awards given upon national questions should be subject to review upon proof of a substantial change of circumstances since the date of the settlement or award. The Board was of the opinion that in the interests of fairness and industrial peace the Agreement of 1940 should be regarded as open to review at the instance of either side, if they were able to establish a substantial change of circumstances. The Board also felt that such a change of circumstances had taken place and that the National Conciliation Board should be free, during the currency of the Agreement and notwithstanding it, to entertain any claim

<sup>1</sup> For the full details of the scheme, *Third Report of the Board of Investigation into Wages and Machinery for determining Wages and Conditions of Employment in the Coal-mining Industry.*



that a matter of wages should be dealt with on a national basis.<sup>1</sup>

This award cleared the way for the operation of the Conciliation Scheme, but it took some little time to introduce the new arrangements. The reform was radical and there were many questions of detail to be settled. Lord Porter (chairman), Principal J. F. Rees (later Sir Frederick Rees), of the University College of South Wales, and Professor T. M. Knox were appointed to be the members of the National Reference Tribunal, with the concurrence of both parties. They met for the first time to consider a question raised by the Negotiating Committee, which related to minimum wages for juveniles, on 17th August 1943. From that date, the National Conciliation Scheme assumed the task of settling all questions relating to wages and conditions of work in this large and contentious industry. It will be necessary to consider later some of the more important consequences of the Tribunal's labours.

The new conciliation scheme had one result which was accepted by the miners' leaders. It threw out of date the existing structure of the Mineworkers' Federation, which was a loose federation built up out of the old district associations. A much closer type of union, exercising a much tighter control over local industrial action, was required to speak for the miners in national negotiations.

The idea of a single union was adopted by the Mineworkers' Federation in 1942 and followed naturally from their acceptance of the Greene recommendations. The working out of the constitution of such a union naturally took time and stretched into the later years of war. A special delegate conference at Nottingham in August 1944 approved the new constitution and a national ballot in the November following brought the National Union of Mineworkers into being. The new union had control over all questions of industrial policy, including strike action, which now needed a two-thirds majority on a national vote. The district associations carried on with their friendly society activities; apart from this they were reduced constitutionally to the position of area councils handling purely local matters.<sup>2</sup> Mr. Will (later Sir Will) Lawther, who had been President of the old Federation, was elected to the same place in the new union.

Turning to the more immediate consequences of the work of the Greene Board, high praise must be given to its extraordinary labours and those of its chairman in the years 1942 and 1943. There had been settlements before of burning wage issues in the coal industry. The

<sup>1</sup> The Award of the Greene Board on this matter was published under the title *Award of Board of Investigation into Wages and Machinery for determining wages and conditions of employment in the coal-mining industry relating to questions as to the extent to which, and the manner in which, the provisions of the National War Wage Additions Agreement, made between the Mineworkers' Federation of Great Britain and the Mining Association of Great Britain on 20th March 1940 should be brought within the scope and purpose of the Conciliation Scheme recommended by the Board in its Third Report dated the 15th March 1943.*

<sup>2</sup> *The Economist*, p. 636, dated 11th November 1944.

Greene Award and the inquiries connected with it stand equal with any of them in respect of promptness, awareness of the many difficult problems involved and the readiness of the parties to accept the decision given as a just and reasonable one. The more prolonged efforts of the Board upon the National Conciliation Scheme were even more deserving of praise. No such attempt had been made before to put the negotiation of mining wages and conditions of work upon a sound and permanent footing. The determination to understand the matter in hand, the despatch, the clarity of drafting, and the other businesslike qualities which went into it were altogether admirable.

An important part of the improved relations upon the coal-fields in 1942 and 1943 and therefore in the successful co-operation of the coal industry in the national war effort in those years must be put down to the work of the Greene Board. This was a help to the nation which cannot be measured statistically, but it is certain that without a prompt and firm handling of the coal wage problem a most serious situation would have developed.

Taking a longer view and a different angle, less success is to be recorded. No doubt it was hardly the Greene Board's fault if the National Conciliation Scheme failed to work very well in this most unconciliatory industry. A wages award by the Board's own creation, the National Reference Tribunal, became the occasion of widespread trouble upon the coal-fields in 1944. It is doubtful if industrial relations improved at all in the coal industry during the latter years of the war; they seem, if anything, rather to have deteriorated, notwithstanding the National Conciliation Scheme and every other effort to improve them.

It was also highly significant that, as has already been noticed, the labours of the Board had no issue in improved output in the mines. To do the Board justice in this respect, it seems to have preserved a guarded attitude on the whole question of the relation of wages to output, under the conditions prevailing at the time. The Greene Award was made unconditionally, as an advance of wages which the Board thought it right and proper to make without tying it either to attendance or to output as the owners had proposed. The Board accepted, however, the view of the miners' official leaders that an increase of output was likely to follow the award; it recommended therefore and framed its output bonus. In this the Board was mistaken, for no permanent improvement in production, such as would have justified the bonus scheme, was forthcoming. But the mistake was at least shared with those who were supposed to know the miner better and who evidently failed to read the situation aright. In its general handling of the theme of the relationship between wages and production, the Greene Board showed a cautious wisdom which deserved to have been more generally imitated.

# CHAPTER XIII

## CRITICS OF THE CONTROL

(i)

### Disappointment

**T**HE Greene Award of the summer of 1942 may well have had more to do with the maintenance of production at the mines during the coal year 1942-43 than any control exerted over the operations of the collieries by the Minister of Fuel and Power. The Ministry had encountered, as has been seen, its biggest problem in the first twelve months of its life in staffing itself upon the production side.

The Minister was, therefore, fortunate to have been able to make the relatively favourable report upon the results of the first year's work of the new control, which he presented to Parliament in June 1943. The report was accepted after an amicable debate on the 23rd of the month. It showed that the nation finished the year with fair stocks in hand, production having been slightly up and consumption down on the estimates of the coal budget. All this was gratifying, but it was far from being the end of the coal problem.

Everyone was well aware that the position had been saved over the past year by economies on the consumer's part, rather than by increased production at the mines. Output continued to fall, not spectacularly but definitely. Now it was precisely to halt or reverse this downward trend that the new coal control had been introduced. It is consequently not surprising that, despite the favourable report of June, within a very few months the new coal control ran into serious political trouble. The parliamentary storm of October 1943 no doubt belongs rather to the political than to the economic history of the war, but its background is to be found in the state of the industry at the time and its relations with the new control. The public criticism which arose was the more significant because part, although not all, of its substance had been anticipated by no other person than the Minister himself, reporting to the War Cabinet. It was perhaps unfortunate for him that his request behind the scenes for new powers to remedy the failings that he saw should have coincided with the revived demand in Parliament for the State requisition of the mines. Be this as it may, both the Minister's report and the

Parliamentary debate throw considerable light on the coal industry at this phase of the war. They will be briefly recorded in this chapter not only for this reason but also for another. The October debate called forth an authoritative declaration of policy on the coal industry from the War Cabinet and the Prime Minister. Certain assurances given to the mineworkers on that occasion dictated much of the policy of the Ministry of Fuel and Power in the following winter, so linking the events of 1943 with the new and very important stage in the history of coal-mining wages which opened with the national wage agreement of April 1944. The happenings of 1944 will be described later; in the meantime, the discussions around the industry and the control in 1943 may be regarded as in some sort a preface to them. So at any rate they appeared to observers and participators and must, we think, continue to do so even in the calmness of a retrospect.

The Minister of Fuel and Power, Major Lloyd George, reviewed the working of the coal control in the past year for the War Cabinet towards the middle of June 1943, just before the House of Commons debated the vote of the Ministry. This was a progress report, but in describing, in the manner usual in documents of the kind, work successfully done, the Minister made certain criticisms of the organisation of control. These comments throw a good deal of light upon the difficulties which had been experienced in handling coal production during the first year of the Ministry of Fuel and Power.

The Minister was able to report that, despite the staffing problems which beset a new department set up in the middle of the war, the type of control proposed by the White Paper of June 1942 had been organised, that it had now worked long enough to make critical appreciation possible, and that in some respects it had worked passably well. Two considerable achievements stood to its credit in the coal year that had just closed. The manpower of the pits had been maintained above expectations and the number of men and boys employed was only 500 fewer than it had been a year before. The efficient use of the men had been improved by a policy of increasing the proportion of workers engaged on productive work at the coal-face. Production had not been kept from falling, but it had been preserved from falling so much as it might otherwise have done. Together with the economies of the consumer, the measures taken at the pits had balanced the nation's budget in coal for the past year.

But no more than balance had been achieved. The production prospects were already changing and it was by success in expanding the output of the mines rather than by forcing economies upon the consumer that the new control would be properly judged. The increase in manpower gained during the year had already been lost and the position during the coming year was bound to be difficult. The situation must now be met which the White Paper had foreseen,

when production must be maintained, probably despite a further fall in manpower.

There were three weapons, the Minister observed, which could be brought into play in the production war. The first of these was the proper management of the existing labour, so that the best services of the miners should be secured and as little as possible lost through industrial disputes, or through avoidable absenteeism.

The war had created a new disciplinary code in the pits. This followed naturally from the Essential Work Order, which had been substituted for the sanctions of dismissal and unemployment which the managements had relied upon in pre-war days for their authority. After the issue of the White Paper, this new code had been tightened and, it was hoped, improved. The Essential Work Order had been amended so as to make offences against discipline a direct offence, for which a man could be prosecuted without the prior issue of directions. This brought the pits into line with other industries. At the same time, the Regional Investigation Officers attached to the Regional Control of the Ministry took over much of the disciplinary work formerly discharged by the Pit Production Committees, notably the job of interviewing offenders, persuading and warning them to mend their ways or, if necessary, recommending the National Service Officer to prosecute. The Essential Work Order had been further amended to deal with lightning strikes, which often broke out on trivial grounds. This amendment made it a direct offence 'to impede the work of the undertaking'. Absenteeism, the other great question of the hour on the labour side, was a problem which changed with time and circumstances; it could not always be attacked in the same way. New methods of dealing with it were at that time being tried in the North Midlands and Yorkshire.

There were other ways of approaching the miner, even in wartime, apart from the admittedly cumbrous discipline enforced by a manager who could not dismiss and a Regional Investigation Officer who did not manage, with the threat of a court prosecution in the background. The Minister was able to report that a serious attempt was being made, especially by publicity work, to strengthen and enlarge that fundamental loyalty of the man to his job upon which, more than on the law, everything depended. This was not propaganda, in the ordinary and unfavourable sense of the word, which would have been useless, but a conscientious statement of facts and figures, put out through placards and travelling exhibitions by the Pit Relations Branch of the Ministry, in the hope of reducing that indifference to public issues which is always to be found in any large body of men and which certainly existed among some miners.

The second method of raising output, the Minister reported, was the concentration of production where the biggest immediate output

could be got within the pit or in the coal-fields. The Minister attached much importance to this, but he was prepared to admit that the policy was unpopular and most difficult to enforce, both upon the collieries, who saw their long-term commercial interests set aside to meet a national necessity, and among the mineworkers. Some measures had been adopted to solve the miner's objections on the score of finance, by way of allowance for extra travel expenses and financial security for a short time to the man made temporarily redundant. There could be no doubt that while in simple theory the concentration of production was the right step to take, the taking of it was one of the most difficult practical problems before the control.

The third method was mechanisation, from which much had been hoped in 1942 and was still hoped by the Minister. Mechanisation was beginning to appear, however, a long-term policy. It would depend for its success upon a control which should be equally competent in handling both the managements and the workers, because the co-operation of both was a necessary condition of the maximum speed of mechanisation.

Apart from the heavy work which the Ministry of Fuel and Power had undertaken in the programming and restriction of consumption, it was faced, as the Minister pointed out, with an extremely onerous task in the field of production for the coming year 1943-44. The estimates of the national coal budget for the period from 1st April 1943 to 31st March 1944 had already been drawn. The expectation was that production might fall short of estimated needs by from three to four million tons. Home requirements and those overseas, including those which would be set up by contemplated military operations, could be met, but any unexpected increase in operational requirements would create serious problems.

The Minister proceeded to survey the administrative means which were to hand to meet this situation, to decide whether they needed improvement or strengthening. Some of the immediate weaknesses were serious but could be tackled without raising matters of high policy. The personal quality of the Regional Controllers was obviously of first-class importance and was under review. Equally important was the employment of technical staff. The number of first-rate qualified mining engineers in the country was far inferior to the amount of work to be done. This circumstance had so far prevented any raising of the general level of mining practice. In the North Midlands, however, where no Regional Production Director could then be found, the improvisation had been adopted of grouping collieries together under the supervision of a number of mining engineers. The close attention by thoroughly qualified men to technical conditions in each pit which was secured in this way had proved useful and it was now proposed that, if the experiment were suffi-

ciently successful, it should be applied to the rest of the country.

The real weakness of the control, the Minister went on to say, was that it had too little influence upon the day-to-day management of the pits. This had been left in 1942 in the hands of the mine managers, but since under the White Paper scheme the Government had not taken financial control, the position of the managements remained ambiguous. The difficulty which had then been foreseen by the Lord President and which he had hoped to avoid by the device of 'the nominated person' had materialised, despite all precautions. The managers were trying to serve two masters, the companies and the State, and even the best of them tended to lose single-mindedness. At the same time, the manager's power of discipline, which was essential to the running of the pit, had been undermined by the operation of the Essential Work Order and by the acute shortage of labour. There was disobedience and defective and careless work in the pits which needed to be punished and prevented. As things stood, this was not always easy. And the position was not improved by the knowledge, which everybody in the industry carried at the back of their minds, that the control was for the duration of the war only. When peace came, the future of the industry would be in the political melting-pot.

The virtues of the control, the Minister concluded, were high but negative. Without it, matters would certainly have been much worse. The Government control of mining operations was a control despite all failures, and the regional system of the Ministry gave it eyes and fingers far more effective than any organisation possessed by the old Mines Department. The introduction of the control, plus the Greene Award, had had a steadying effect upon an industry which in 1942 seemed about to break into industrial war. That at least had been avoided and with it the possibility of a breakdown in coal supplies. But was this enough? Clearly not. What was wanted was a positive policy to ensure coal supplies for the rest of the war. As a means to this end, the control was seriously defective.

The Minister's first report was in June. By the beginning of October 1943 further experience had accumulated and the nature of the control's shortcomings was sufficiently known, in the Minister's opinion, to make it possible for him to suggest a remedy. On the invitation of the Lord President's Committee, he reported again to that Committee and submitted proposals which were discussed by the Committee on 6th October.

The Minister reminded the Lord President's Committee that the White Paper system of control was an admitted compromise. It was an arrangement by which the Government took a limited measure of control over coal-mining operations, while financial control remained with the colliery companies. There was thus set up a dual control in which the mine managers as servants of the companies,

subject to the directions of the control, filled a double role. There could be little doubt, the Minister declared, that such a position was to the detriment of their single-mindedness and their authority in the pits. In the House of Commons debate on the White Paper in the summer of 1942, the Government had promised to reconsider the relationship of managers to owners if this should be necessary for full operational control.<sup>1</sup> The Minister suggested to the War Cabinet that the time to do so had arrived.

Complete operational control, he believed, could only be achieved in one way, by the State becoming owner of the mines while the war continued and, in so doing, the employer of the managements. The control would then be in a position to make sure that its directions for the increase of output would be obeyed without qualification or reserve or loss of time. At the same time, a fertile source of lost production might be avoided, through a restoration of discipline in the pits. The Essential Work Order would remain and with it the machinery for enforcement which worked through the Regional Control and through the Ministry of Labour. But the assumption of full State control would presumably not be without its effect on the temper of the mineworkers, even though the extent of this could not be foreseen.

The Minister admitted that the financial control he was proposing was 'in itself a remedy for nothing'. The fundamental thing was the unsatisfactory character of the dual control, judged by its effects upon production, and it was this which he was anxious to remove. In expressing his disappointment with the existing control, the Minister was strengthened by the support of all his Regional Controllers. With fifteen months of experience of its working behind them they were unanimous that the control had failed to win the confidence of either side of the industry and needed to be reformed, although there was some difference of opinion among them upon the nature of the control's failings and the remedies.

The war-time ownership of the mines by the State so proposed by the Minister of Fuel and Power was a measure beyond the competence of the Lord President's Committee. The main issue was political and as such for the War Cabinet to decide. To the War Cabinet, therefore, the Minister was referred. He explained his difficulties and proposals in a statement which they deliberated on 8th October.

The Minister pointed out in his statement to the War Cabinet the difference between theory and existing achievement in the coal industry. Theoretically, he possessed full operational control; it was even in his power to remove managers and assume control of the pit.

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<sup>1</sup> The undertaking was given on behalf of the Government by the Lord Privy Seal of those days, Sir Stafford Cripps; see H. of C. Deb., 11th June 1942, Col. 1342.



But in the 1,600 pits working under his direction the degree of control which he required did not in fact exist. Day-to-day management was in the hands of the mine managers, who were responsible to the owners. Many of the companies did not possess the qualified managers and engineers needed to bring about the best possible use of the resources of the pits. From a practical point of view, the pits needed to be grouped for purposes of production. The best use could in this way be made of the limited amount of managerial and technical talent which was to be had. But to do this meant breaking the ties between managers and technicians on the one hand and the owners on the other; they must become in fact as well as in name employees of the control. This step could not be taken alone. Pledges would be required for the good conduct of the men and would with the change of ownership make possible the development of new methods of labour management in the industry, which the circumstances required and which were long overdue.

While the Minister was making his own proposals to the War Cabinet, he was receiving some important recommendations from the Mineworkers' Federation. They revived the demand for national ownership of the mines, which had already played a part, although not a very big part, in the discussions upon the organisation of the coal industry during the summer of 1942. The Federation's memorandum was dated 7th October 1943 and it was by way of reply to certain proposals which the Minister had already made to the Federation for improving production.

The Minister had suggested that a twelve-day fortnight be worked in pits then only working eleven days, wherever technical or physical conditions made the change practicable; that the face should be cleared every day, instead of being left, as it sometimes was, to the next day's shift, with consequent delay in production; and that one Sunday should be worked in four. The Federation stated that they regarded these proposal as inadequate; they then proceeded to set out their own views. They did not believe that there was any good hope of increasing the number of miners at work, although they wished that more men should be returned from the Forces and Civil Defence work. The manpower measures then being examined by the Government, that is, option for the mines as an alternative to military service and direction as a last resort, left them sceptical. The number of men who would opt for mine working would be negligible, while the directed men would not train themselves seriously for an industry which they intended to leave at the first opportunity.

The problem, in the miners' opinion, was one of making the best of what one already had. This raised a number of points. The first was the unsatisfactoriness of the dual control of the mines, not least in its effect on the position of managers and technicians. The pit committees also were working badly. The progress of mechanisation

and the quality of mining equipment needed attention. Workers were anxious about their after-war prospects and a number of measures were necessary to deal with this, on safety in mines, dust suppression, the minimum wage and the length of the working week. The comparison between mining wages and other wages was still unsatisfactory. The Federation proposed, and it was an important proposal, a national minimum of £6 per week for underground adult workmen and £5 10s. per week for surface adult workmen. They expressed their dislike of a recent award of the National Reference Tribunal, which had fixed national minimum wages for juvenile workers at a level which the Federation—and many other people also—thought unduly low. Workmen's compensation they thought urgent, with a direct bearing on recruitment; in a highly dangerous trade, any man taking up coal-mining must consider what his standard of living was likely to be if he were incapacitated. Special treatment of the industry was necessary. The miners also held that food supplies needed to be improved. Canteens were not enough. Men could not use them freely, owing to the distances at which they worked underground, to the limited transport facilities and the hurry for getting away at the end of the day and so forth. What the men wanted and what they needed for heavy physical work was more food at home. The miners also felt they were discriminated against compared with other war workers in the matter of transport to their homes, which was too expensive; they believed special provision was made for many munitions workers. They wanted an improvement in the matter of holidays with pay. Finally, they wished to see the output bonus scheme amended so as to bring it on to a pit basis.

The negotiating committee of the Federation explained these proposals to the Minister at a meeting on 7th October. From the Minister's point of view the position was made politically difficult by the concluding remarks of the mineworkers' memorandum. They submitted that the industry was suffering from an accumulation of ills which could not be wholly solved so long as the industry remained in private hands.

The Minister's two reports to the War Cabinet, containing his proposals to amend the control drastically and the mineworkers' memorandum reviving the demand for nationalisation, form the background of the important and rather stormy Parliamentary debate of 12th-13th October on the coal-mining situation. But to understand why that debate took place, it should be remembered not only that it was known that the mineworkers were critical of the control but also that a new policy had just been instituted in regard to the mines, which had a considerable effect upon public opinion. This was the beginning of the direction of men into the mines in an effort to increase the number of mineworkers. The Minister of

Labour and National Service had prepared the public for this by an announcement in the House of Commons on 29th July.<sup>1</sup> He had then pointed out that if future needs for coal were to be met, the number of mineworkers must be increased in the immediate future. He believed that little, if anything, could be achieved by further withdrawals of ex-miners from the Services or from war industries, and while he still hoped for some recruits to the mines by the scheme allowing men called up for the Forces to opt for the mines—the age limit on such options being now abolished—he gave a warning that if sufficient volunteers were not forthcoming it would be necessary to direct young men aged from eighteen to twenty-five into the pits. This declaration caused a wide stir, not least on the coal-fields. The measure was postponed for a while to see whether the volunteers would now be forthcoming. But by October the Government was known to have made up its mind to direction. This made a debate both necessary and desirable, and it took place upon a motion for the adjournment of the House on 12th October 1943.

(ii)

## The Parliamentary Debate of October 1943

The Minister of Fuel and Power proposed to the War Cabinet that he should announce in the debate that the Government were giving immediate attention to the question of an improvement of the machinery of control. This was an important suggestion, arising out of his own criticisms of the control submitted to the War Cabinet. A small committee of the War Cabinet was formed to consider this part of his speech; it consisted of Sir John Anderson, who had played so big a part in establishing the new control in 1942 and who was now Chancellor of the Exchequer, the Minister of Labour, Mr. Ernest Bevin, the Minister of War Transport, Lord Leathers, the Minister of Fuel and Power, and the Paymaster-General, the Viscount Cranborne. The speech delivered by the Minister of Fuel and Power on 12th October was, therefore, so far as it related to the future of the control, an agreed Cabinet statement.

The Minister touched very lightly in that speech on the balancing of the coal budget for the past year.<sup>2</sup> He turned almost at once to the point that troubled the House, which was the prospect for the year to come. As the invasion of the Continent went on—he was speaking little more than a month after the surrender of Italy—the addition of new overseas demands for fuel to those of the inland market would be

<sup>1</sup> H. of C. Deb., 29th July 1943, Col. 1798.

<sup>2</sup> The Minister's speech: H. of C. Deb., 13th October 1943, Cols. 761-776.

such as would be wholly beyond the capacity of this country to supply. Steps had already been taken to set up committees of the Combined Production and Resources Board in London and in Washington to work in concert for the mobilisation of the coal resources of the United Nations.

Meanwhile, every measure must be taken to increase production in Great Britain. The Minister announced that the decision to direct men into the mines had been taken, although voluntary recruitment by option would be retained.<sup>1</sup> A training scheme would be necessary for men coming fresh to mining occupations; it was not expected that first-class mining workers would be created overnight. The main use of the new recruits would be to ensure that men already in the mines would be graded up to work at the face as fast as possible.

The Minister did not attempt to disguise the state of industrial relations in the pits. There was unrest and a deterioration in discipline. There were many stoppages of a trivial kind, and the existing machinery for the settlement of disputes was not being used. One of the most disquieting symptoms of the prevalent state of relations between the workers and the managements was the lack of confidence which the men showed in their own leaders and the frequent disregard of the advice of the trade union officials by their members. But the first nine months of 1943 showed less loss of tonnage over disputes than had taken place in the same period of 1942 and he hoped that this comparative improvement would continue.

Serious attempts had been made to meet some of the most obvious needs of the miner. The Minister was able to pay a compliment to the progress of the rehabilitation scheme, long overdue in the industry, for injured miners. The Mines Medical Service was at last in being and active. Another grievance of the miner—a smaller grievance and a purely war-time one, but by no means unimportant—was the disposition, as it seemed to him, of those in authority to overlook the fact that heavy physical work requires special feeding. The miner felt that he should be at least as well off as those workers in manufacturing industry whose meals were carefully provided for them at the works, instead of having to provide his own food during the day out of war-time rations. The answer to this complaint was the pit canteen. Many men refused to use it or went unwillingly, but the Minister pointed out that it was now possible for most mine-workers to obtain a hot meal at the canteen in the course of the day, if they cared to do so.

The Minister still had to sum up the results of the control if he were to satisfy the as yet unspoken questions in the minds of members. Aggregate output of coal so far in 1943 was down, compared with the same period in 1942, and output per man employed in the industry

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<sup>1</sup> H. of C. Deb., 12th October 1943, Col. 765.

was slumping. This was well known and this was the trend of affairs which the Minister had been empowered by the Cabinet and Parliament to check and even reverse. What had he to say about it?

The Minister did not deny either the decline of output or its seriousness. He suggested that the regional organisation of the Department had obtained some large advantages which could not have been had without it, in the way of bringing the Government into close touch with the leaders of the industry. Since June 1943, however, a further fall of output had begun which was continuing and could not be disregarded. There were difficulties in a system of dual control. In accordance with their undertakings given in the debate on the White Paper, the Government were considering what improvements might be necessary in the arrangements for control of coal-mining operations. As for the post-war position, about which so much anxiety had been expressed, the Government had no intentions of removing the control until Parliament had determined the future structure of the industry.<sup>1</sup>

This discreet statement of intentions, which was in fact all that the Minister had been authorised by the War Cabinet to say, by no means satisfied the House. It brought Mr. Shinwell, of the Labour Party, to his feet with the assertion that the Minister had made out a case which was no case at all. He demanded a full statement from the War Cabinet. Sir Geoffrey Shakespeare, for the Liberals, thought that the War Cabinet ought to be represented, because the question of production in the mines was bound up with the whole problem of the use of the nation's manpower during the war.

This untoward development of the debate was reported to the War Cabinet. It was agreed that the Prime Minister should intervene; that he should reaffirm what the Minister had already said, that some improvement in the control would be sought, short of any measure which might raise political issues; and that he should make it clear that no other line was possible for a Coalition Government, pledged to carry out whatever measures might be necessary for the successful prosecution of the war and subordinating all other considerations to that end.

The Prime Minister addressed the House the next day without loss of time. From the point of view of political tactics, any delay would have been intolerable, for members of the Labour Party on the previous day had vigorously revived the demand for nationalisation, while one or two able speeches from Conservative members, attacking the conduct of the control, had further heated the debate. Judged by its effects, the Prime Minister's intervention must be regarded as one of the most successful efforts in the art of throwing oil upon troubled waters which Parliament saw that year. Apologising for intervening

<sup>1</sup> H. of C. Deb., 12th October 1943, Col. 773.

at all, as one inexpert in mining matters, he laid down at the outset with the utmost vigour the guiding principle of the Coalition: 'Everything for the war, whether controversial or not, and nothing controversial that is not bona fide needed for the war'. Standing by this maxim, he submitted that no case had been made out for nationalising the mines, as a necessary step towards the winning of the war. 'I certainly could not take the responsibility of making far-reaching controversial changes which I am not convinced are directly needed for the war effort without a Parliament refreshed by contact with the electorate'.<sup>1</sup>

After-war prospects, it was said, worried the miners. They did right to look ahead, but the House had paid too little attention to the assurance given by the Minister in the previous day's debate. The control was to continue after the war until Parliament decided the future of the industry. This meant that the control would go on until the future of the mines was settled either by a solution agreed to by the political parties or, more probably, by a General Election. In all probability, the miners could look forward to the control lasting for at least a year after the war came to an end. If it would give them a further sense of security and if they would welcome this, he would gladly authorise the Minister of Fuel and Power to open with them discussions on the post-war period so that 'the uncertainty and harassing fears for the future shall be as far as possible allayed'.<sup>2</sup>

The Prime Minister's extraordinarily well-judged mixture of firmness with tact, very well received by the House, brought to an end what had looked for the moment like the beginnings of a political crisis for the Coalition Government upon a peculiarly awkward issue. Anyone going into the House later in that debate was aware that the emotional temperature was still up by some degrees above normal. There was the feeling that one of the larger issues of the peace-time to come lay only just round the corner. Members were still profoundly divided in their views of the industry and of the Government control over it. But the revived demand for nationalisation of the coal industry, for some drastic overhaul of the Ministry of Fuel and Power and its methods, was dead.

### (iii)

## The Course of Policy

Behind the scenes, the Minister and his advisers had to lay their course for the coming year, with due regard to what had just happened. The War Cabinet had declined not only the incipient

<sup>1</sup> H. of C. Deb., 13th October 1943, Col. 924.

<sup>2</sup> H. of C. Deb., 13th October 1943, Col. 932.

demand in the House of Commons for nationalisation of the mines as a war measure, but also the Minister's own proposals for securing complete operational control by making the mine managers and engineers his direct employees. Some improvement of the control was still indispensable, although the conditions of a Coalition Government had prevented the remedy which the Minister had had in mind and which he still thought the best.

The Minister had considered the alternative and decided upon his course. At a meeting with his Controller-General and the Regional Controllers, on 3rd November 1943, he explained the position. The easiest and surest way of securing the full operational control which Parliament had intended to confer in 1942 was to take complete control of the personnel and finances of the industry. This course was exposed to the objection that, if financial control was temporary, old allegiances would not be broken, managers and other high colliery officials would know that the industry would revert to private ownership after the war and they would remain as divided in mind as before. If the change was not temporary, it ran up against all the controversial issues that the Prime Minister, as head of the Coalition, had laid it down must not be raised during the war; a view which Parliament had endorsed in the recent debate.

The Minister was pushed back upon the course of making improvements of detail upon the existing control. The main proposal he would now make to the Government would be, he said, that undertakings in the regions should be grouped together under officials who would be known as Group Production Directors. These would be responsible to the Regional Controllers. Their duty would be to see that the Minister's policy was carried out by every pit in the group. The Group Production Directors would not be paid by the companies who normally employed them. They would be remunerated from the Coal Charges Account and would thus be free from immediate financial ties with any one undertaking. The Regional Production Directors would be paid in the same way. In this way, the Minister hoped, the best use might be made of the best men in the industry. They would be taken into the State's employ without the State taking over the pits.

This movement towards the grouping of the pits proved to be one of the major policies of the control in the later years of the war. Its practical results, as will be seen, were disappointing; but it is important because it marked a further stage in that concentration of attention upon the technical problems of coal production which grew as time went on. This technical preoccupation gave rise in September 1944 to the appointment of the Reid Committee to enquire into the state of coal-mining technique. Their report, published in March 1945, concluded the most profound technical inquiry to which

this or perhaps any other British industry had yet been subjected.

There is another large development of the war years which is more intimately connected with the events of 1943 than the technical movement, although it can hardly be said to have been more important in the long run. The Prime Minister had promised that, if the miners wished it, he would ask the Minister of Fuel and Power to open discussions with them on the post-war period; that is to say, upon a guarantee or some other arrangement, to free the men from the fear that their interests would suffer as they had suffered after the First World War by an ill-considered abandonment of control. The Minister informed his Regional Controllers, after the debate, that he intended to begin these talks. This was the commencement of negotiations which resulted in the national wage agreement of April 1944.



# CHAPTER XIV

## THE PORTER AWARD AND THE NATIONAL WAGES AGREEMENT

(i)

### Labour Unrest

THE labour negotiations in which the Minister of Fuel and Power found himself engaged during the winter of 1943-44 followed upon the Prime Minister's undertaking given in the debate of October 1943 that if the miners thought it would ease their minds to discuss the post-war arrangements of the industry with the Minister of Fuel and Power, he would authorise such talks. This offer was welcomed by the leaders of the mineworkers; but they would hardly have accepted the Government proposal to confer, if it had not been for the continued unrest among the mineworkers. The discussions which took place in the autumn of 1943 and the following spring must, therefore, be looked upon as in part a product of the confused movement for better conditions which had worked like a yeast among the miners the year before and which led to the strikes of 1942. The Greene Award and the creation of the new Ministry had temporarily stilled these strikes. Now the mass of discontent was once more on the move, as the October debate had amply shown. To critical contemporaries it appeared that the mining unrest arose from a general labour malaise, which in part was incidental to the immense strain which the war placed upon the whole manpower of the nation.<sup>1</sup> In part it was certainly due to the progress of feelings and beliefs which were bound up with the nature of the war itself. The Government success in the October debate had had political and Parliamentary significance in the short term. The political issue of the nationalisation of the coal mines had been quashed. But the unrest in the industry continued. It was largely centred around a number of immediate discontents which had little to do, at any rate immediately, with the question of ownership and were unaffected by any Parliamentary vote.

The debate in the House of Commons cleared the ground for discussion of the proposals of the Mineworkers' Federation other than

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<sup>1</sup> The remarks of *The Economist* in this strain are illuminating; see especially the article headed 'The Last Lap' in their issue of 25th September 1943.

nationalisation. The Minister met the negotiating committee of the Federation on 28th October. It became clear that the two urgent matters in their minds were the proposals for new minimum wages and the after-war arrangements. The miners suggested that the Government should give them an assurance that the price of coal would be raised to meet any advance of wages which might be granted by the National Reference Tribunal. This the Minister refused. He said that to make such a promise would be a departure from the proper machinery for the negotiation of wages laid down as a result of the labours of the Greene Board and accepted by the miners themselves in 1942. He felt that such a promise would be, in effect, a conspiracy between the Government and the industry against the consuming public. His views were set out in a letter on 2nd November. At the same time, he mentioned the Prime Minister's words in the debate and asked for suggestions for discussion. The miners were not satisfied. They asked that their negotiating committee should be allowed to put the case for a Government undertaking on wages to the War Cabinet. This request also was refused. These movements took place among a good deal of open discontent, much activity among the trade union officials and a perceptible hardening of the miner's feelings, as if he felt that, despite the refusal of national ownership by the Government, something ought to be done to better his lot.<sup>1</sup>

Despite the Minister's refusal of an undertaking, the claim for new minimum wages which the Mineworkers' Federation had mentioned in their memorandum of October formed the subject of a regular claim before the National Reference Tribunal that winter. It became in due course the occasion of the biggest advance of coal-mining wages since the Greene Award of 1942.

Meanwhile, the Minister had opened the negotiations with the mineworkers upon after-war arrangements which the Prime Minister had authorised in the October debate. The Secretary of the Ministry wrote on the Minister's behalf to the two sides of the industry on 4th December, proposing a series of meetings on the post-war question, and setting out in detail the Minister's view of the topics to be discussed at them.

The topics suggested were three. The first was the working of the war-time control. There could be no doubt that it was doing badly; but it must be persisted in, now that any drastic overhaul had been ruled out by Parliament. Its chief defects were the lack of supervision of the day-to-day working of the pits and its inadequate use of the comparatively few highly qualified technical men in the industry. The cure suggested by the Minister for both troubles was the group-

<sup>1</sup> On the discontent in County Durham, see *Economist*, 20th November 1943, pp. 684-5; also their references to the coal-mining situation, 4th December 1943.

ing of collieries regionally under Group Production Directors. This would make the services of the best mining engineers available over a wider field than that of the companies which employed them and bring up technical standards throughout the industry.

The second problem was workers' security, including the post-war situation. This covered a great mass of subjects, which included the future wage-structure of the industry. Some, such as pensions and workmen's compensation, were already the subject of discussion within the Government in connection with post-war reconstruction generally; consequently they could only be considered in a provisional kind of way. Others, it was hoped, might be the subject of negotiation between the Minister and the industry.

The third topic suggested for discussion was the discipline of the mines and the settlement of disputes—a matter which had been a constant and burning irritant between managements and men throughout the war, certainly since the application of the Essential Work Order to the industry. The Minister was anxious to discuss ways and means of preventing delay in the settlement of disputes, the proper enforcement of discipline and the treatment of absenteeism.

One or two meetings took place on 11th and 12th December 1943 to discuss these matters in a preliminary way, followed by more detailed talks on 11th January 1944. What the Mineworkers' Federation representative proposed was that the Federation and the Mining Association should both submit their proposals for the post-war period, to be discussed at a meeting with the Minister in the chair. These proposals were not received by the Minister. At the end of January the whole course of the negotiations was deflected by the events surrounding the new wages award, given by the National Reference Tribunal. For the next month or two, the award and all the troubles it gave rise to held the field and occupied the Minister's attention.

## (ii)

### A New Wages Award

Everyone knew in the winter of 1943-44 that a new coal-mining wages award was coming. The mineworkers had already expressed their desire for new minimum wages, both juvenile and adult, in the letter they had sent to the Minister which has been referred to above. They had failed to extract a promise from him that coal prices would be raised to meet any award that might be made—an undertaking without which they feared their chances of an increase would be small—but they had gone on to raise the matter through the concilia-

tion machinery established in 1942 and it had come in due course before the National Reference Tribunal.<sup>1</sup>

The claim was for a minimum wage of £6 for adult workers underground and £5 10s. for surface workers; for appropriate revisions of the rates for youths and for an adjustment of piece-work rates throughout the industry, so as to preserve the conventional relations between the wages of one worker and another.

The Tribunal, giving their decision, expressed the opinion that conditions had sufficiently changed since the Greene Award of 1942 for adults and their own recent award of new juvenile rates in September 1943<sup>2</sup> to justify them in hearing the claim and making new decisions upon it. Among such changed conditions, the Tribunal specified the increased need for output. The Tribunal, however, while they felt that some additional incentive to output was required, doubted whether the claim before them was the best way of securing this. New minimum wages might make the industry more popular, but they could not reward effort. Some way of stimulating interest and intelligence among the mineworkers was even more urgently wanted than new minimum rates.

The Tribunal did not contest, on the other hand, that new minimum rates might be justified by changing circumstances and especially the cost of living. It was on this ground that they awarded a minimum rate of £5 a week to adult underground workers and of £4 10s. for surface men; they awarded at the same time substantial increases in the minimum rates for juveniles up to the age of twenty. They refused the claim for increased piece-rates. The Tribunal thought a revision of piece-rates would be inconsistent with the granting of what was merely a minimum wage. They also feared that to concede it might lead to a request for an increase in all actual rates, whether by the piece or the day.

In conclusion, the Tribunal carefully stated that they looked upon their award as a temporary expedient. They hoped that it might give time for a general overhaul of the wage structure of the industry, which they held to be long overdue. Such was the award which became almost instantly known as the Porter Award, by the name of the chairman of the Tribunal, Lord Porter. The full chain of reasoning which led the Tribunal to give their decision can hardly be said to have been disclosed to the last link in the terms of the award itself, but it is clear that they felt the demand for increased wages had been preferred, if not at an inopportune time, at least in an ill-considered form. Perhaps it would have been better if, thinking this, they had

<sup>1</sup> Details of the claim and of the award are in the printed copy of the award itself; *National Conciliation Board for the Coal Mining Industry, National Reference Tribunal, Fourth Award*, 22nd January 1944.

<sup>2</sup> *National Conciliation Board for the Coal Mining Industry, National Reference Tribunal, First Award*, 4th September 1943.

refused to entertain the claim until it had been re-drawn. On the other hand, they were well aware that the substantial failure of the miners' claim, whether in whole or in part, might have the most serious effects upon the coal-fields, in the temper which prevailed there. To this extent, their award may be guessed to have been granted upon wide political grounds. However this may be, the effect of their carefully limited decision was the very reverse of what the result of a wage award ought to be; instead of settling, it thoroughly upset the industry and led straight to the trouble which the Tribunal had hoped to avoid.

The truth was that, after the fixing of minimum rates by the Greene Board in 1942, it was not possible to increase those rates substantially, as was now being done, without making not only urgent but also indispensable an overhaul of all actual wage rates. If the miner laid store by one thing in the payment of wages, outside of the old sore point of the relation between his wages and those of other workers, it was the conventional relations between the wages of man and man in the pit. The Greene minimum rates had not been high enough to upset greatly the lower wage-rates actually being paid. The Porter Award raised the minimum rates to a point where this happened in the worst paid fields. Men whose rates were previously different now found themselves receiving the same rates, sometimes for entirely different work. Existing wage rates in the better paid districts, such as Nottinghamshire, Derbyshire, Yorkshire, were largely unaffected, but the confusion created in the more poorly paid fields, such as South Wales, was great.

It is strange that this effect of the award should not have been foreseen by the Tribunal or apparently by the Ministry, which put in evidence before it. So far as the Tribunal was concerned, the point is not here of any great importance. But the lack of prescience in the Ministry is important and reveals a feature of its organisation which was to be of practical importance in the months which followed. The Ministry was not well equipped to deal with wage questions, because the Government had assumed in 1942 that control of the operations of coal-mining should have nothing to do with the settlement of wages and conditions of work and had organised the control accordingly. There were men in the Labour Directorate of the Ministry with much experience of wage negotiation and an intimate knowledge of conditions in the coal-fields from which they came. But the Ministry as a body was not organised, because it was not expected, to advise the Minister on national wage negotiations involving every coal-producing region of the country. The differences in wage rates and in methods of payment between region and region are very important in the coal industry. The effects of the Porter Award were different according to region and the attitude of the regions differed widely

both among themselves and from time to time. The Minister found himself badly placed to know what was happening or to anticipate events.

The Tribunal's award of new minimum rates was given on 22nd January. It was forthwith accepted by a delegate conference of the Mineworkers' Federation on the understanding that a meeting would take place with the mine-owners to discuss anomalies—that is, the distorting effects of the award upon actual wage rates such as the effect referred to above, of men doing different work for the same wages. The Joint National Negotiating Committee of the industry undertook this discussion. It seemed necessary in the interest of fairness between man and man and the efficiency of the industry to restore some at least of the old differentiation of wages. This, in turn, seemed to make inevitable a general raising of wage rates and the Committee's decision was that the rise should be negotiated in the districts because it would be impossible to find a national formula covering all cases. Having settled this, the Committee asked whether the Government would be prepared to finance the wage advances as agreed upon by sanctioning an increase in the price of coal. For the mine-owners had made it clear that they were not prepared to initiate negotiations in the districts without a guarantee from the Government of financial compensation of this sort.

The Government were prepared to increase the price of coal to the consumer to meet the wages cost to the industry of the Porter Award. Prices had been raised to finance the Greene Award eighteen months before and there was no good reason for acting differently over the new award. It was part of the policy of the Government that the cost of wage increases in the coal industry should be borne in this open way by consumers and not subsidised. But the request of the Committee obviously went beyond this. The Minister was being asked to raise prices so as to finance not the award itself but an adjustment of wages of unknown extent consequent upon the award, intended to preserve the conventional relations between the wages of one worker and another above the new minimum rates. First the Controller-General, on 3rd February, then the Minister, on the 4th, refused to the Mining Association and the Mineworkers' Federation any assurance in advance on the finance of such changes. It was understood that, if the industry cared to begin district negotiations without such an assurance in advance on the finance of such changes, it was free to do so, although it was asked to communicate the results later to the Minister.

The Minister's refusal was verbal, not written, and in the case of the mineworkers it was communicated, not given by the Minister personally to their representatives. It may be that some misunderstanding occurred, although the refusal was categorical. Be this as it

may, district bargaining was begun on the assumption that the new rates were to be met out of the Coal Charges Account, and on the 8th the Controller-General of the Ministry heard by 'phone from South Wales that an agreement on rates had been reached on this basis. This was only a beginning, as no district could see another alter all the financial conditions of employment without being moved or feeling forced to do the same. The business of bargaining spread. The new piece-rates negotiated in South Wales were understood to raise the rates by fifteen per cent. This was too much for the better-paid regions, such as Nottinghamshire, Derbyshire and Yorkshire. So far, they had been disposed to accept the award as it stood. Now they declared that they were not willing to see a change in piece-rates elsewhere without enjoying some increase in their own district. The second week of February saw the industry carrying through on a district basis and in a tearing hurry the overhaul of the wage structure which the Tribunal had declared to be necessary. But it was such a revision as the Tribunal seems to have feared might be the result of agreeing to alter piece-work rates and certainly not such an overhaul as the Government, absorbed in the war effort and with the output problem,\* could be expected to countenance. It was a general raising of wage rates throughout the industry, intended to preserve the old relations between grades of workers and rates of pay, without any effort whatever to connect the increased rates with regard for increased effort. Furthermore, the whole cost of such increases was intended to be passed on to the consumer.

The best that can be said for the mineworkers and managements appears to be that from their point of view the revision of piece-rates may have appeared so clear a consequence of the new minimum rates established by the Porter Award that they did not doubt that both would be met out of the Coal Charges Account and a rise in prices. The Minister's refusal to commit himself on the financial point may have appeared to them ambiguous or inconclusive, in face of what was to them the plain logic of the situation. But if this was their doubt, then district negotiations should have been held up until the principle had been thoroughly thrashed out.

There are traces of confusion in the policy of the Ministry at this time. There was a failure to keep pace with events. The development of important differences of opinion between the regions about the propriety of what was being done seems to have come to the attention of the Minister in an accidental way. But, however fragmentary the view that headquarters had, there was no doubt that the situation had got out of hand and that the first thing to be done was to regain control. This could only be done by a public declaration, followed up by firm action on wages policy, even if this meant the abandonment of the principle of 1942 that coal-mining wages should not come

within the scope of the new Ministry. The evolution of the Coal Charges Account and the way it had been used in the past made the impeccable maintenance of that principle difficult in any case and the urgent need to maintain coal production might now be argued to make it impossible.

The first thing to be done was to save the award intact and confine the use of the Coal Charges Account to the increase immediately arising from the award. For this purpose a public announcement was necessary. To obtain Cabinet sanction for this course, which might raise a storm on the coal-fields, the Minister met the Lord President's Committee on Friday, 11th February. The Committee agreed that the Minister should issue an announcement to the Press the same evening. This was to the effect that provision would be made from the Coal Charges Account to meet the cost of several recent awards by the National Reference Tribunal, namely the Porter Award itself, a holiday-with-pay award and an overtime and week-end-pay award, estimated to cost about £11,500,000 in all. The Government would not make similar arrangements to meet the cost of any adjustments other than those necessary to pay for the more obvious anomalies arising out of the awards. This last concession\* was a recognition of part at any rate of the argument which the industry had been using, that the revision of rates followed logically upon the Porter Award and should be subject to the same financial arrangement, that is, should be put on to the Coal Charges Account and met through rising prices.

Another matter was considered incidentally by the Lord President's Committee. The mine-owners and workers had for some time past been framing proposals for a new wages bonus scheme, based on attendance. To clear the air, the Committee suggested that the Minister would be well advised to refuse to discuss any new bonus scheme at all until he could satisfy himself that it would in fact be likely to lead to increased output.

These decisions taken, the Lord President's Committee requested the Minister to meet the War Cabinet later in the morning. The course agreed was approved by the War Cabinet, although fully aware that it involved a risk of trouble in South Wales and perhaps in other districts. The proposals of the two sides of the industry for a new form of personal attendance bonus were, as it happened, received at the Ministry later in the same day.

The press announcement was urgently necessary, but negative in effect. It made it clear that the Government did not propose to underwrite agreements such as had been reached in South Wales. But extensive changes in wage rates were going to be necessary to meet the anomalies arising from the Porter Award, unless wide and continuous trouble was to be faced in the coal-fields during the



remainder of the winter and the early spring, just at the time when the plans for the military operations of the summer of 1944 were maturing. The Ministry would have to enter the wages field boldly and take the lead in discussions on that radical overhaul of the general structure of wages which the Tribunal had said was overdue.

Meanwhile, the question of the attendance bonus, which had nothing to do with the Porter Award or its problems, had entered upon the scene like an unwanted actor and had to be disposed of. The history of the personal attendance bonus went as far back as the Greene Committee's report condemning the district output bonus in September 1943. The Board had recommended the abolition of that scheme and its replacement either by a pit scheme or by a combined district and pit scheme. The Minister of Fuel and Power had then been authorised to consult the two sides of the industry and inform them that, if they were prepared to co-operate in a pit scheme, the Government would accept the principle and provide the machinery. When strong practical arguments were brought forward against the pit scheme by the owners, attention had been turned to a bonus based on attendance additional to the district output scheme. It was a scheme of this kind which was now placed on the Minister's desk, after much delay and at a most inopportune moment.

It will be recollected that an attendance bonus had been introduced in 1941 when coal output was showing its first big fall. In those days, the bonus was payable only if a workman attended every shift in the working week. If a man was diligent in attendance throughout most of the week, but for some reason had to miss a shift or shifts, he got no part of the bonus. The scheme failed because the miners came to regard it as a penalty for non-attendance rather than as a reward for attendance. After a few months the bonus was converted by the then President of the Board of Trade, Sir Andrew Duncan, into a flat-rate addition to wages of 1s. per shift.

The new bonus scheme was framed in a way to avoid the faults of 1941. The plan was to pay workers extra for the fifth and sixth shifts worked during the week, the expenses to be met from the Coal Charges Account. On 21st February 1944 the Minister recommended it to the Lord President's Committee, subject to the important modification that the bonus be payable only to underground workers. He hoped that it might have some effect on output at the face, where attendance was most important and the rate of absenteeism was highest. At that time, about 191,000 face workers were already working six shifts a week, but 47,000 were working only five shifts and 11,000 only four shifts. It was hoped to secure an extra shift from those workers who were doing only four or five shifts a week. The bonus was to be purely a war measure, without effect on the post-war wage structure of the industry.

But any proposal for additions to the mineworkers' wages in the interests of higher production encountered the question whether it would lead to any such increase. The conditions and the expectations of 1941 were long past. Mineworkers' wages had been raised substantially by the Greene Award and the workers' leaders had confidently predicted a rise of output; but productivity per man was lower than before the Greene Award. Now mineworkers' wages had been advanced once more by the Porter Award. What was the tangible evidence that an attendance bonus would lead to better attendance and not end as one more flat-rate addition to wages, with no more effect on output than in 1941? There was the effect on other workers to be considered. So far from the mineworkers being now the discontented party, other groups of working people were beginning to be jealous of anything that resembled preferential treatment for mineworkers. Perhaps a case could be made out for special treatment. Coal-mining is a dangerous, arduous and unpleasant occupation and the day had gone by when many persons were prepared to accept it because they knew of no alternative employment. Perhaps the time had come to recognise this and treat coal-mining as a special industry, as other people, like the police, were treated, because of their special duties, in a special way. But was the attendance bonus the best way to do this? Was not something altogether different and bolder required?

For all these reasons the proposed bonus was not well received in Government circles. But it entered into those general discussions about the future of the industry which had been going on in and around the Ministry ever since the mineworkers' memorandum on output in October 1943, and helped to drive them in the direction of a general revision of the structure of coal-mining wages such as had been made abundantly necessary by the Porter Award. It will be remembered that in the middle of January it had been agreed that both sides of the industry should draw up their proposals for its post-war organisation, with the intention of holding a joint discussion under the chairmanship of the Minister of Fuel and Power. The matter had been lost sight of in the distractions following the Porter Award. The proposals had never been framed, or if framed, had never been submitted to the Minister. This seemed to leave the field open for the Minister to make his own proposals. At the same time, the Porter Award and its sequel in the coal-fields suggested that the best contribution towards the post-war stability of the coal industry would be a sound and lasting agreement on wages. In these views, the Minister of Fuel and Power was supported by the rest of the Government. He enjoyed especially the support of the Minister of Labour and National Service, who had for long been concerned with coal-mining wages, as one of the original creators, with the President

of the Board of Trade, of the Greene Board in 1942, and of the Forster Committee in the same year, and who had been recently in touch with the Minister of Fuel and Power upon problems of the coal industry as part of the general question of post-war industrial resettlement.

(iii)

## National Wage Negotiations

Following the Tribunal's expression of opinion that the wage system of the industry stood in need of overhaul, the Minister of Fuel and Power had been given authority by the War Cabinet to offer assistance to the industry in carrying out such an overhaul. The Minister drew up an outline of his proposals on 3rd March, which was approved by the War Cabinet. When the industry, therefore, after a preliminary meeting, invited the Minister to preside over their discussion of the problem on 8th March, he was in a position to lay definite suggestions before them, which in the absence of suggestions from them held the field. Further meetings took place on 23rd and 24th March. The next and final meeting was on 20th April, when the new national wages agreement was signed at three in the afternoon.

This speed was commendable, but it did not arise from the parties to the agreement being of one mind. They were, on the contrary, deeply divided, not only on matters of detail, but also upon main issues. The owners especially were sceptical from start to finish of the worth-whileness of the negotiations. They expressed themselves strongly on the last day of the conference, when they had agreed to sign that afternoon. They asserted that they did not believe the new agreement would bring peace or increased output or stability or any of the other things it was intended to bring to the industry.

That the agreement was reached at all was due to the Government, which introduced the proposals in the first place and argued the case for speed throughout. They were faced by an urgent problem of war production. The worst fears of industrial unrest following the publication of the Porter Award and the Minister's refusal to finance all consequent changes in wages had not been realised. The number of men who left work that spring because of disputes arising was, however, considerable, especially in some parts of the country. Most of the stoppages were short, but they were accompanied by a serious fall in output per head and the loss of coal came just when it could not be afforded, owing to the general decrease in the productivity of the mines and the demand for coal for military operations. Any continuance of the situation for a day longer would have been intolerable.

The effect of the disputes upon public opinion had been bad. Sharp things were said about the miners in the Army and on the streets. Whereas public opinion had taken a sympathetic view of their case in 1942, it was less readily sympathetic in 1944 and more easily critical. This change proceeded partly from the extreme tension of mind produced by impending military and political events on which the whole issue of the war turned and the unwillingness to allow the least distraction from these things; partly from the contrast between the poorly-paid miner of the early war and the comparatively well-paid man of its later years; and partly from the mutual ignorance of the mining community and the rest of the nation and the cross-purposes and the vague irritation which has always gone with this division in the national life.

The new national wages agreement was intended to restore the financial incentive to work and to introduce a greater rationality into the wage system. Recent events had left no option but to overhaul wages generally on lines which might be expected to lead to bigger output and to settle them for as long as possible, in the hope that the sense of security so engendered might quicken the confidence and activity of the coal-mining population. There is no reason to believe that the official leaders of the industry either could or would have carried out at that juncture a reform of this sort independently. Despite the resolve to keep the coal control out of wages negotiations, the Government's control over coal prices and the practice of spreading the war-time costs of the industry over all fields through the Coal Charges Account made it inevitable that the Minister of Fuel and Power should be a leading party to any radical overhaul of mining wages that was carried out.

The first condition of a new national agreement was that it should afford the least possible pretext for local disputes, which were too many already. The bonus schemes, working upon targets of local output, had created trouble of this kind, as well as failing to have any substantial effect on output. It was, therefore, decided not only to reject the new personal attendance scheme but to drop the old district bonus scheme as well. As a second step in the same general direction, it was resolved to have the new national agreement signed in all the districts, by the district organisations, as well as by the national negotiating committee, whose power over the districts had sometimes in the past proved weak.

Turning to the actual rates paid, what was wanted was a simplification of the way in which the total wage was built up and a restoration of the clear line of connection, much blurred by the historical growth of coal-mining wages, between earnings and output. The main trouble lay in the flat-rate advances payable to all workers in and around the pit, which had been made during the war with the

sanction of the Government itself. In times of peace, an addition to wages would normally have been made by way of an increase in the percentage addition to the basic rate and the percentage addition was a district rate. In war-time, wages were raised in all districts by flat-rate increases. By 1944, the war-time flat-rate additions constituted an important part of the miner's earnings in all districts. There was a cost-of-living advance of 2s. 8d. a shift, an attendance bonus which had become a flat-rate addition to wages of 1s. a shift, and a further advance under the Greene Award of 2s. 6d. a shift. Together with a single pre-war flat-rate advance of 1s. a shift which dated from 1936, these various advances made up a sum of 7s. 2d. a shift.

The effect of these flat-rate additions upon production was double. They reduced that proportion of the piece-worker's wage which was dependent on his personal efforts and they lessened the ratio which his wage conventionally bore to the earnings of the day-wage men, although his work was the real key to the output of the mine. Neither effect encouraged the piece-worker to produce. The aim of the Minister was to restore the incentive to production by abolishing the flat-rates and so destroying their domination over the other elements in mining wages, especially over the piece-work element. This was done by merging all existing flat-rates except the war-time cost-of-living bonus into the piece-work rates. The transformation of flat-rates into piece-work was carried out by making an appropriate percentage increase in the tonnage or yardage piece-rates in every district.

By this change, the piece-worker became dependent for his earnings upon his efforts, with the single exception of the cost-of-living bonus of 2s. 8d. The incentive thus set up replaced the personal attendance proposal and the district bonus scheme. Workers who were paid at a fixed rate per shift continued to receive the 4s. 6d. flat-rate addition per shift. As their earnings did not alter, while the piece-worker might obtain an increase on his old flat-rate receipts by increased effort, this transformation of flat-rate into piece-work went some part of the way towards restoring the wage differential between the piece-worker and the day-wage man which had been largely destroyed in some districts by the Porter Award.

In the economic history of the coal industry, the agreement must fill a conspicuous place, but too much was claimed for it at the time as a radical overhaul of coal-mining wages. The National Tribunal was right in thinking that a revision of the principles of wage payment in the industry was overdue and the agreement certainly went some way towards this. But as *The Economist* newspaper pointed out at the time, it fell short of a thorough treatment, because while some extra incentive was offered to the skilled man on piece-work, no attempt was made to re-define the skilled craftsman or to alter the conven-

tional classification of labour in the mines.<sup>1</sup> The time for a complete overhaul of wages was not yet ripe; it was bound up with mining technique and must either accompany or follow the reform of production methods.

One important although incidental result of these changes was the suspension for the duration of the agreement of the district ascertainment which had played so large a part in the wages history of the coal industry since their introduction in 1921. The agreement thus removed another source of grouching and complaint, for the miner had never trusted the ascertainment system. The theory behind the introduction of the ascertainments in 1921 had been most laudable. They had been intended as a contribution to industrial peace through profit-sharing. The arrangement was that the proceeds from the sale of coal within a given period should be divided (after the deduction of the costs of timber, stores, rates, insurance, compensation and directors' fees) between the owners of the district and its miners in an agreed proportion. The ratio agreed in most districts was eighty-seven per cent. to wages and thirteen per cent. to profits. Upon the district proceeds, one part of the miner's wage, namely the minimum percentage addition to the basic wage, was made a first charge. The size of the percentage addition varied from district to district, according to local agreement, but as a first charge it had to be met, if necessary, by a contribution from that part of the district proceeds which was marked for profits. The ascertainment system was not popular, however, with the miners because if a contribution had to be made from profits to wages, it was cumulated and recovered before the miner was permitted to earn anything above the percentage addition. This had the effect that in the poorer exporting districts wages could hardly, if ever, rise above the minimum percentage addition.

A more serious fault of the ascertainment system from the miners' point of view was the exclusion from the district proceeds of the profits of coke and by-product manufacture. Much of this work was carried out by mixed concerns owning both mines, coke ovens and by-product works. The miners had always disliked this exclusion, arguing that more money was made out of the utilisation of coal than out of coal-winning and was distributed in profits which never came into the reckoning of the ascertainment. The new agreement made the ascertainment unnecessary, by simply incorporating the district minimum percentage additions into the basis rate, under a new calculation of the latter. The old complication of the percentage addition to the basis rate thus disappeared and with it the twenty-year-old and much-mistrusted system of the ascertainment.

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<sup>1</sup> *The Economist*, 18th March 1944, p. 376.

Such was one half of the wage agreement, the half relating to wage simplicity and industrial efficiency. The other half was intended to meet the mineworkers' need of security. This it was hoped to do by making it part of the agreement that the revised rates and the minima set by the Porter Award should continue until December 1947. At that date, the agreement could be amended or terminated by either side of the industry on six months' notice. The agreement thus became a four-year agreement, which was likely to extend well beyond the war and protect the miner from wage reductions immediately after the war.

A long-term agreement of this kind required two important undertakings from the Government. It made necessary the perpetuation of the system by which the finances of the industry were pooled in the Coal Charges Account and continued Government control of the price of coal, so as to afford a reasonable credit balance out of which the new wages could be paid so long as the agreement lasted. Part at least of the war-time control of the coal industry by the Government would therefore have to be continued into the first years of peace. The Minister of Fuel and Power asked the War Cabinet on 7th March 1944 for authority to give these undertakings in order to win the agreement. Consent was given. On 20th April, he was able to inform the War Cabinet that the agreement had that day been signed.

The national agreement of 1944 marked more publicly than anything which had so far occurred the complete reversal of the mineworkers' fortunes which the war had brought. It is not easy or always informative to make calculations of average weekly cash earnings in an industry which varies widely from district to district and which contains many grades of workers on different basic rates of pay. There can be no doubt, however, that the rise had been very marked. The average weekly earnings of wage-earners at all ages in the industry in 1938, excluding allowances in kind, had been £2 15s. 9d. The rise by 1940, to £3 8s. 8d., was comparatively small. The year 1941 saw only a small increase. In 1942, however, they were up to £4 13s. 2d., in 1943 to £5, and in 1944 to £5 9s. 4d. The wages settlement of 20th April 1944 contributed towards this position a wage increase of approximately 1s. 4d. per shift. Allowances in kind over the same period were not increased, generally speaking, although their value rose, not least the value of the miners' coal allowance. The war, therefore, saw average weekly cash earnings rather more than doubled. Since the cost of living, measured by official figures, by no means rose in proportion, this represented a substantial advance in the mineworkers' economic position. It was to be welcomed, for at the beginning of the war mining wages had been in most districts deplorably low.

The miner, who with his family had descended in the social scale measured by money income during the inter-war generation, had in a few brief years climbed a long way back up the hill. His own feelings about this extraordinary change were no doubt sober enough, at any rate among the older men, for few people had better cause for knowing that what a war brings a peace can carry away. The other inhabitants of the social pyramid watched his movements acutely and not without jealousy. The new minimum wage for underground workers was the highest in the country, while the minimum wage for surface workers was only exceeded by the minimum rates for certain grades of steel workers in Cumberland, milk distributors in London, and one or two other groups of workers. It did not escape notice in Parliament and elsewhere that, judged by the test of the actual weekly earnings of the adult worker, the mineworker, whose earnings put him eighty-first on a list of some 96-100 industries in 1938, now stood fourteenth, being inferior only to a number of highly-paid munitions trades where earnings were increased by extensive overtime.<sup>1</sup> The wage increases of 1942 and 1944 were chiefly responsible, although the improvement in the miner's position had begun before the Greene Award. That award raised him from fifty-ninth to twenty-third on the list. One ground for a new wage claim being preferred at the end of 1943 was that, owing to increased earnings in other trades, the miner had lost ground, slipping perhaps to fortieth on the list before the Porter Award.

Comparisons of the kind were to some extent unreal, because the miner made his earnings without much overtime, whereas he was being compared with men who worked overtime constantly. But however unscientific, they were often made both by miners and by other people and played a great part in the world of wages and industrial relations. There could be no doubt that after the Porter Award and the agreement they showed the miner, on any basis of calculation, in a favoured position compared with many other classes of worker.

Meanwhile, coal prices were rising. The pit-head price was raised by 3s. per ton (2s. 3d. in South Wales) from 1st February 1944. This increase had been agreed, however, before the Porter Award was made and was not intended to cover any part of its cost. The cost of the award, of the national wages agreement and of certain advances which had been made by the Treasury to the Coal Charges Account were met by a further rise of 4s. per ton from 1st August. The prices of all coal for industrial and domestic consumers were affected, although the proportions of the rise varied according to the class of coal purchased. Public opinion was, of course, most interested in the price of household coal, although the effect of the price rise on industrial

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<sup>1</sup> These figures of average earnings were given to the House of Commons by the Minister of Fuel and Power, H. of C. Deb., 17th October 1944, Col. 2221.



costs roused much comment. Speaking to the House of Commons in May 1945, a year after the agreement was signed, the Minister disclosed that the average retail price to London consumers of a typical household coal, Derby Brights, was now 77s. 9d., compared with 51s. 6d. in 1938.<sup>1</sup>

This was the sort of fact which struck home and produced talk. Public opinion accepted the wages agreement, however, as it had accepted previous wage increases in the coal industry as one of the necessary costs of the war. It was undoubtedly better that public opinion should accept it with a knowledge of the costs incurred, reflected in coal prices, rather than that they would be hidden away in a subsidy or subvention; but conditions being what they were, the costs would no doubt have been accepted even if they had been greater.

There remains to consider the importance of the agreement in the history of coal production. It is necessary to remember the motives behind the Minister's activity in pressing for an agreement at all, if one is to judge accurately the success of his intentions. The big aims behind the agreement were, first, to check the illegal strikes and the discontent in the industry which followed the Porter Award and the Minister's refusal to guarantee that consequent changes in wage rates reached by district negotiations would be paid for out of the Coal Charges Account by an advance in the controlled price of coal; second, to bring a fresh incentive to production into play, which was badly needed, by increasing the proportion of the miners' earnings which were dependent on piece-work; and third, to strengthen the other motive to immediate production which lay in the miner's sense of security about his future, by freeing him from the curse of believing that the end of the Second World War must inevitably be pursued by the same unhappy train of events, of wage reductions, easy dismissal and unemployment which had followed the war of 1914. All of these aims were connected in one way or another with output.

In his first aim, that of checking the disorder in the industry which had prevailed in the early spring of 1944, the Minister was successful. The Porter Award, the Minister's consent to bringing the more obvious anomalies following it upon the Coal Charges Account, and the long-term character of the agreement signed in April, resulted in a temporary pacification of the discontent which had been running since the previous October. The makers of the agreement could later point to the indisputable fact that the troubles of those early spring months turned out to be the last big agitation on the coal-fields during the war. This is not to say that the strikes and complaint were succeeded by a happy mood; far from it, because questions which had

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<sup>1</sup> H. of C. Deb., 1st May 1945, Vol. 410, Col. 1229.

been maturing for more than one generation on the coal-fields could not be settled overnight by a war-time wages agreement. But the immediate aim of pacification was secured. The wages agreement was not the only instrument; the day-to-day work of the Labour Directorate of the Ministry and of the Regional Control played their part; but the agreement was central to the whole.

The second aim of the agreement, the increase of production among the piece-workers, especially the piece-men at the face, was not secured. Output per worker, both at the face and overall, continued to decline during the remaining fifteen months of war. It is indeed worth noticing that at no time during the war did wage increases in the coal industry bring about an increase in the productivity of the labour in the mines. Neither the Greene Board, it is true, nor the National Tribunal in making the award of January 1944 attached much importance to the probable effects of a rise of wages on the miner's efforts; they founded their awards rather upon other grounds. If the general public had different expectations and was disappointed, this was because it knew little of the coal-fields or the great mass of conditions which together with wages determined the output of the industry. These included the age and physical condition of the workers, the deterioration of material equipment amid the war-time scarcity of replacements and repairs, the tendency of the miner to take his earnings in the form of leisure rather than goods, and so forth. The wages agreement required to be seen against all the forces which depressed productivity in the mines during the latter war years.

Looking back over the middle war years from 1942 to 1944, and considering the important changes in the wages of the mineworker which took place then, it appears that a good deal of misconception existed both in the public and the official mind about the power of the financial incentive to make itself felt against these adverse war conditions and against some other circumstances of the industry which were perhaps even more significant. As we have seen, the attainment of full employment in Great Britain during the war had completely altered the status of the mineworker in the national economy. The rise in his earnings, reaching its war-time peak in 1944, was the reflection of the new scarcity of his labour. But it was the restoration of his status in society and the feeling of being in a better position to face the unknown future which the mineworker cared most about. The cash value of his earnings was of less importance to him. He was no great saver; his standard of living, always modest, had grown even more so during years of uncertain employment and low wages; and by this period of the war there were few goods in the shops to be bought.

Whether the wage incentive would have much force with the

miners was a question, therefore, which could be answered only if one kept in mind the sociology of the coal-fields. If more attention had been given to this, much disappointment might have been avoided. What the public expected from the miner was that, full employment having been reached, he would show some recognition of the fact in his outlook and method of work. It was puzzled and angry when he did nothing of the sort and remained very much a man of the great depression and the mass unemployment of the inter-war years.

Expectations of increased output to follow changes in wage rates were entertained at this period of the war less by the Minister and his advisers than by outsiders who knew little of the industry. The vigorous hope of 1942 that the diminishing productivity of the mines might be reversed had faded; the chief anxiety of the Minister and his advisers by this time was coming to be to keep the industry upon an even keel, and maintain production sufficiently to meet essential war requirements, including those of the civil population. To this more modest ambition the wages agreement of 1944 was an effectual contribution. Without it, the performance of the coal industry might well have fallen below the minimum requirements of the nation's war effort.



PART V

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The Production Problem



CHAPTER XV  
QUESTIONS OF TECHNIQUE  
AND MANAGEMENT

(i)

The Production of Deep-Mined Coal

**D**URING the central years of the war, the chief object of Government policy was to encourage or stimulate the coal industry to shoulder the demand for coal in a full-blown war economy. Hence the many shifts and devices which have been considered. But all this activity was disappointing in the result, if it was expected that the industry could take up its burden without the greatest difficulty. The production problem remained acute throughout the later war years. This problem now falls to be examined, and for this purpose it will be necessary to take our history away from London. For coal, as a war-time Parliamentary Secretary to the Minister of Fuel and Power once found it necessary to remind the House of Commons, 'is not mined in Whitehall'. The history of the production problem is mainly a history of the coal-fields and of those who lived on them.

Both total output and production per man declined in the British coal mines during the later years of the war. This fall occurred at an awkward time both for the Government and the country. We must first consider the elementary facts of the decline.

The aggregate production of deep-mined coal in 1942—and as we have already reviewed the first fall of national output, which occurred before that date, we need go back no further—was 203,633,400 tons. In 1943, it dropped to 194,493,000 tons; in 1944, to 184,098,400 tons; in 1945, which included the first months of peace, to 174,657,900 tons.

Output per wage-earner at the face before the war, in 1938, has been estimated at 695·0 tons in the year, using the definition of a face-worker which became usual in the official statistics after 1942. In 1943 (no comparable figure exists before this date) it was 680·0 tons; in 1944, 646·9 tons; in 1945, 618·3 tons.<sup>1</sup>

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<sup>1</sup> All the figures above from *Ministry of Fuel and Power Statistical Digest, 1945*. (Cmd. 6920) Table 3.

How is the fall in the production of deep-mined coal to be explained? Clearly, the answer cannot be a short or simple one. There are, broadly speaking, three great influences which between them determine the output of the mines; they are natural conditions, the capital equipment of the collieries and the size, deployment and efficiency of its labour force. Output per man per shift, which is a better test of the productivity of the industry than its total output, depends upon all three of these factors. What we have to see is whether there was any important change in respect of any of them during these years which will account for the decline in productivity, and if so, why such change or changes occurred.

There might at first sight seem to be no need to consider the physical factor. The conditions of deep mining in Great Britain during the war were such as had been settled by generations and even centuries of coal extraction, which had exhausted many of the easier and thicker seams near the surface. There is an important difference for this reason between productivity in Britain and in countries where the natural conditions are still favourable, as they are, generally speaking, in the United States. But there was an effort in Britain after 1942 to redress the balance a little by concentrating production on the easier and more productive pits and seams. We shall therefore begin our consideration of the output problem in the mines by examining the success or failure of the concentration scheme.

The White Paper of 1942, which gave marching orders, so to speak, to the new Ministry of Fuel and Power, had referred to four methods of increasing output, independently of an increase in the number of miners. They were concentration of production, mechanisation, the grouping of collieries for purposes of technical advice and the reduction of avoidable absenteeism.<sup>1</sup> Concentration formed a main activity of the control, throughout the first year of the new Ministry from June 1942 until the summer of 1943. High hopes of the results of concentration which were held at this period of the war were, however, destined to be disappointed.

Concentration was a name which had already been applied to a process which many British industries had undergone in 1941 and early in 1942, as a result of the war production drive and the mobilisation of national manpower.<sup>2</sup> In such industries as cotton or furniture-making, concentration meant a reduction in the output of civilian goods. This was carried out so as to release labour for industries more important in the war economy, by severely limiting the number of factories or works allowed to engage in a trade. The output of an

<sup>1</sup> Cmd. 6364, para. 9.

<sup>2</sup> The concentration carried out by the Board of Trade in industries other than coal-mining may be studied in the *Official History of the United Kingdom at War, 1939-45*, in Mr. Hargreaves' volume on Civil Industry and Commerce.



entire industry might to this end be concentrated in a few factories. Concentration in the coal industry meant something different; it meant maximum production at the most productive seams and pits, with the object of achieving an increase in the total output of the industry. No release of labour was desired or expected, except from pits and seams of low productivity to those of high output. The similarity of the process of concentration concealed an essential difference of aim.

One of the first tasks of the new Ministry was to make theoretical and statistical surveys in all the mining regions of the possible scope of concentration. This was done in the second half of 1942. By the beginning of February 1943, it was reckoned that the additional output from schemes of concentration proposed or in operation would amount to between  $8\frac{1}{2}$  and 12 million tons a year. A target of nine million tons was thought satisfactory.

The enforcement of the scheme was in the hands of the Controller-General and his Regional Controllers; the progress made and the difficulties encountered were regularly discussed at their meetings in London. Much energy was put into the drive, but it became clear from an early date that the concentration schemes had begun to miscarry. In April 1943, the Controller-General stated his opinion that the progress made so far had been 'very disappointing'. A renewed effort followed. After Easter, the Controller-General met the Regional Controllers separately to discuss concentration in their respective regions. A progress report in June showed that additional output at the rate of one million tons a year had been achieved, after long and difficult negotiations with both owners and men, from a little more than ninety schemes; fifty of these involved the closure or partial closure of pits, the remainder were schemes of internal reorganisation. Little further progress was expected. The pit concentration proposals had already reached the limits of possibility. In the autumn of 1943, they ceased to appear on the agenda of the monthly meeting of the Regional Controllers.

The results of the policy thus fell far short both of the Ministry's estimates of February 1943 and of the hopes which the White Paper and the Lord President of the Council had placed upon it in 1942. What were the reasons for the unsatisfactory result of a policy which appeared at first sight so practical and obvious? Many small difficulties arose of a kind which the control, with the administrative machinery of the civil service behind it, was not ill fitted to deal with. Both workers and colliery companies were bound to be sufferers in income by a policy of concentration. On the men's side, extra travelling expenses would be incurred when men were directed to other and more distant collieries; some men, usually elderly, might be judged redundant altogether when a pit was closed. Colliery com-

panies whose pits were closed expected compensation. These and smaller matters were considered and administrative arrangements made to meet them, out of the Coal Charges Account or by other devices. But it was not on problems of this order that the concentration policy broke down.

The main cause of the failure of the policy was the disapproval of the policy by the industry itself. The industry's attitude was never formally expressed, but it can be traced to certain easily discernible currents of thought and feeling. The organised workers through the Mineworkers' Federation came out as supporters in principle of the policy of concentration, and even urged the Ministry to take more initiative. The Minister found it worth while to praise the attitude of Pit Production Committees on which the workers were represented. This was something, but it does not disguise the fact that, even when a policy is officially supported by their trade union or by joint production committees, workers may share no enthusiasm for that policy. Many mineworkers felt perturbed, not unnaturally, over the possible consequences to them as individuals of extensive schemes of concentration. They liked them as little as they had liked similar schemes for moving men about from one part of the country to another when the export trade broke down in 1940. Their objections were both psychological and financial, and in marshalling their arguments it was not unknown for them to employ mining engineers to argue the case on their behalf against closing; a legitimate step, but one which still further increased the task of the Regional Controllers.

The managements were concerned with the possible loss of colliery assets and also pointed out that the anticipated gain from concentration was small compared with the total output of coal. (This was true, although it was not a conclusive argument against the policy.) An equal if not greater gain, they argued, might be hoped from measures of a more traditional kind, less likely to offend the miner's sense of the fitness of things, such as an increase in the manpower of the industry or in the intensity of the effort made by the existing labour force.

The managements' arguments, it may be said, paid little attention to existing facts, especially to the extreme difficulty of increasing the labour force of the mines and to the war-time conditions of industrial discipline under the Essential Work Order. They were strongly maintained, however, by some of the best men in the industry as well as by its lazier or less well-disposed members. These were men who possessed a great knowledge of the technical conditions of mining and they could produce sound objections to particular schemes.

The Ministry's operational control and its grip upon the loyalties and the intellectual convictions of the industry were not strong enough to convert a half-hearted co-operation into something better.

Taking the arguments of the men and the managements together, there can be no doubt whatever that concentration was highly unpopular and most difficult to carry out. The control had to admit defeat.

The raising of the level of mechanisation had been associated with concentration in the plans of 1942 as a means of increasing output, granted that the size of the labour force and the length and intensity of the work it could perform had reached their limit. Mechanisation was tried out in the same fields and often in the same pits where concentration was experimented with or considered. The same bodies of men, the managements and the workers, determined the fate of both and sometimes were as indifferent to the one policy as to the other. But mechanisation had many problems to meet which concentration did not share. It is of some importance to be clear as to what they were.

The two main problems to be solved were the supply of machinery and the training of workers in its use. The supply of colliery machinery was one of the casualties of the great Allied reverses in the field in 1940. After the fall of France, a decline in demand from the pits, together with the turning over of manufacturing capacity to munitions of war, had the effect of reducing the supply of this type of machinery so greatly that, as late as June 1943, it had to be recorded that the efforts of eighteen months to get the manufacture on its feet again had not so far got beyond a restoration of what in the early days of the war was regarded as normal output.

The first efforts of the Mines Department to encourage a higher output for men at the pits by mechanisation were badly hampered owing to this fall in supplies. At the end of 1941, the Department began to build up an organisation for the supply of machinery and began to allocate it to collieries under licence. A joint committee of mining engineers, machinery manufacturers and officials, later known as the Mechanisation Advisory Committee, assisted in this work. Manufacturers were encouraged to enlarge their capacity for production and to bring forward new designs and devices. Capital assistance was occasionally granted to collieries where the prospects for mechanisation were good but where the financial embarrassments of the owners prevented its adoption.<sup>1</sup>

America was an obvious source of supply of mining equipment, since coal mines in the United States were known to make extensive use of machinery, and a powerful industry had been established there to supply it. Early in 1942 a mining engineer was brought over from the United States to advise, and a technical organisation was built

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<sup>1</sup> *Financial Position of the Coal-mining Industry: Coal Charges Account* (Cmd. 6617) Appendix B, para. 1. This description of the Coal Charges Account was published as a White Paper by the Stationery Office in March 1945.

up around him. As considerable quantities of equipment became available under lease-lend, the Mines Department undertook the planning work, and the choice of machinery and the financing of its installation at collieries where American methods appeared suitable.

These efforts were expanded after the formation of the Ministry of Fuel and Power. A Mechanisation Branch was set up in the Production Directorate, Mechanisation Officers were appointed to the offices of the Regional Control, and a Capital Assistance Committee was formed in 1943 to lay down the lines of financial assistance to collieries and manufacturers of equipment and to supervise the distribution of lend-lease material on a rental basis, as it was not for sale. A programme of capital equipment involving Government expenditure of about £3 millions had been laid down in August 1942. This was expanded in October 1944 to include additional supplies both from the United States and from British sources, providing sufficient plant for schemes which might be expected to be put into operation by the end of 1945. The August 1942 programme was extended in this way into one for which the Government undertook to find £5½ millions.<sup>1</sup>

One result of these activities was to restore the manufacture of colliery machinery in Great Britain. Whereas the capacity for mining machinery in 1941 had sunk to about forty-five per cent. of pre-war and both design and development had been arrested, by 1945 it had reached thirty per cent. above the pre-war level, despite the lack of draughtsmen and skilled labour.<sup>2</sup>

The effects of American equipment proved disappointing. This was owing to the wide difference between American and British conditions and systems. Broadly speaking, American coal-mining tends to use room and pillar methods, British mining is longwall. The room and pillar system of coal-mining, once widely used in Great Britain, has been defined as a system under which a series of narrow headings are driven into the coal seam parallel to one another and are connected by cross-headings so as to form pillars of coal. These pillars are later extracted partially or completely as geological conditions or the need to support the roof will permit. Longwall advancing, which in this country has generally replaced the room and pillar system, is a method by which the panel of coal to be worked is extracted by advancing the face forward on a broad front, leaving behind the roadways serving it, which are supported by walls of stone in the area of extraction. The roads are then maintained and provide the mine with haulage and ventilation.<sup>3</sup>

<sup>1</sup> *Financial Position of the Coal-mining Industry: Coal Charges Account* (Cmd. 6617), Appendix B, para. 1.

<sup>2</sup> *Coal Mines Mechanisation Report* by G. M. Gullick, Mechanisation Adviser, Ministry of Fuel and Power, issued by the Ministry, September 1945, p. 9.

<sup>3</sup> These definitions follow the *Report of the Technical Advisory Committee on Coal-mining*, (Cmd. 6610) paras. 212 and 213.

The problem of the use of American equipment in British mines arose from the fact that the highly mechanised methods of American mining are combined in the United States with the room and pillar method. The attempt to increase output per man in British mines by the use of American methods and machinery meant, therefore, seeking out the thicker seams from which the maximum output from the equipment could be obtained; but in this country, after generations of coal-mining, much of the thicker coal now lies at great depths where the conditions make it impossible to secure the wide rooms which are necessary for the effective operation of American machinery. Experiments in mechanised room and pillar mining were made, partly because the American Government required assurances that lease-lend equipment would be used to the fullest possible extent, partly because of the overriding need for coal. But the standard of performance, judged by output per manshift, was not high enough to justify the large capital expenditure which such experiments involve. 'Disappointingly slow' was the verdict of the Ministry's Mechanisation Adviser, Mr. Geoffrey Gullick, whose great services to the Government and the industry in this connection and in many other technical matters from 1942 onwards must be recognised. The average productivity per manshift at the face from the fifty mechanised room and pillar schemes at work for the four-weekly period ending 14th July 1945 was 4.40 tons. A year before, for a similar period, it had been 3.47 tons—an unmistakable increase in output.<sup>1</sup> But the total monthly output from all these schemes was approximately 148,000 tons, a trifling proportion of the whole output of coal. Most of the schemes were still in the development stage and not yet fully productive.

More important than the adoption of American mining methods was the progress made in mechanising the standard British methods of longwall mining. The figures which follow<sup>2</sup> show that the mechanisation of mining at the face continued during the war, thanks to the energy of the more enlightened managements and the official mechanisation programmes.

*Proportion of output cut and conveyed by machinery*

<i>Year</i>	1939	1940	1941	1942	1943	1944	1945
Percentage of total output cut	61	64	66	66	69	72	72
Percentage of total output conveyed	58	61	64	65	66	69	71

<sup>1</sup> *Coal Mines Mechanisation Report*, 1945, p. 6.

<sup>2</sup> Compiled from *Ministry of Fuel and Power Statistical Digest*, 1945 (Cmd. 6920, Tables 27 and 29).

In this series, the figures for 1945 are not strictly comparable with the rest—approximately one per cent. would have to be deducted from the 1939–1944 figures to bring them on to the 1945 basis—but the main trend is clear. The damaging effect of Dunkirk and after is obvious in the 1942 figures, compared with 1941, for it was then that the supply of machinery was at its worst. It is also apparent that there was a slow improvement throughout the war, with no spectacular results; any extra spurt that might have been put on had to be sacrificed to the job of making up leeway in the manufacture of colliery machinery in the first eighteen months of 1942 and 1943.

The difficulties to be encountered in mechanising the mines were not only those of organising a sufficient volume of supplies of machinery. Extended mechanisation required not only more machinery but also new types of machines. A good example is the use of the power loader. Power loading—the mechanical loading of coal already cut by machine on to the conveyor for carriage away from the face—is indispensable to the concept of fully mechanised coal-getting. It was developed later than mechanical coal cutting or conveying and was untried in this country when the war began. The substitution of mechanical loading for hand shovelling was known in the United States but had been developed there in association with room and pillar mining. The later war period saw much experimental work done and experience gained in Great Britain in the use of longwall loaders. Results generally, however, were disappointing. An important development was the successful manufacture of a combined coal cutting and loading machine, the ‘Meco-Moore’ cutter loader, which simultaneously ‘gets’ and loads the coal in one operation. A number of these loaders were working in the pits towards the end of the war, and designs were being made to extend the principles of the machine to a wider range of underground conditions, especially to thin seams. The increase in output per manshift at the face produced by this type of machine was decided; in one Nottinghamshire colliery, from 6·79 tons to 9·05 tons, with a prospect of 10 tons, in a Derbyshire colliery, from 5 tons to 8·09 tons. Further, it was generally agreed that the use of this machine improved coal-face conditions, both as to safety and comfort.<sup>1</sup>

The training of workers to manage the machines required time and arrangement. A training centre for mines mechanisation was opened in Sheffield in December 1943 under the administration of the Ministry of Labour and National Service, the town being chosen because it stands next door to the Yorkshire, Lancashire and Midland coal-fields and about halfway between those of South Wales and Scotland. The training here was both for electricians and mechanics

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<sup>1</sup> *Coal Mines Mechanisation Report*, 1945, pp.5–6.

and for those with no mechanical or electrical knowledge, in a variety of courses. Between December 1943 and September 1945, about 1,500 men passed through the centre including those who received special training in American mechanised room and pillar mining. This training centre was well supported by the best run collieries, although nominations for some of its courses proved disappointing.<sup>1</sup> But considerable scepticism about new methods, as well as dislike of Government schemes, had to be overcome.

The growth of mechanisation, it was found, demanded special training, not only for the men who were to operate or maintain the machines, but also for all grades of mining officials and technicians. The problems especially of mechanised room and pillar mining required this and led to the setting up of a senior officials' course at Sheffield University.<sup>2</sup>

The general verdict on mechanisation during the war must be that its effects on output were small—the rise in the proportion of coal cut by machinery during the whole war, as we have seen, being no more than ten per cent., while power loading remained experimental—and that its possible contribution to output had been seriously over-estimated in the White Paper of 1942, for a number of reasons. When a mine changes from hand-cutting to machine mining, that is to mechanical cutting and conveying at the face, the effect on output per man is seldom very striking. Concentration did offer the theoretical possibility of a substantial increase in output. New and, for this country, revolutionary types of production, such as American room and pillar mechanical mining or the regular adoption of power loading, offered the same possibility, although the difficulty of realising it was great. Increased manpower would have increased output for very different reasons. But the potency of face mechanisation to raise productivity was low from the start.

This fact does not seem to have been grasped in 1942, for reasons which were to become much clearer when in 1944 the Reid Committee published its report on the technical methods of coal-mining in Great Britain. In that report the best mining engineers questioned the general conception of mechanisation which had grown up in this country during the years between the wars. They regarded it as fruitless, because it neglected the important relations between face mechanisation and the organisation and the layout of the mine as a whole, and not least because of its failure to grapple with problems of underground transport. The pre-war conception of mechanisation persisted in the industry down to the time of the publication of the Reid report itself, and there can be no doubt that the Government in 1942 was under the same misapprehension.

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<sup>1</sup> *Coal Mines Mechanisation Report*, 1945, p. 8.

<sup>2</sup> *Ibid.*, pp. 8–9.

If the pace of mechanisation at the face—the institution of coal-cutters, loaders and conveyors—had been much faster than it was during the war, and if a considerable increase in output per manshift had been achieved, not at a few pits but at many, great changes would have been required in transport underground to get the coal away from the face and keep the machines working. An American Government mission, visiting British coal mines to investigate the use of American machinery in June and July 1944 made this point. They observed: ‘The almost universal use in Britain of endless rope transport with small mine cars is something over which we cannot pass without comment even though we realise that few, if any, changes can be made during war-time. The amount of production at the working face in many cases is limited to the capacity of the transport. Initially this may not be a serious matter, but as the number of power-loading machines in any given section of a mine increases, it may become serious’. They added: ‘Post-war improvements should contemplate more efficient means of transport. . . . The amount of manpower which can be transferred to other work from transport will be very considerable if and when improvements are made’.

The Americans touched here on what was, by American standards, a great waste of manpower in the United Nations war effort. In their country, it was estimated, one haulage worker was employed in the mines for every fifty tons of coal produced; in Great Britain, one worker for every five tons of coal. As they surmised, there was little that could be done about it, although the contrast was noted and emphasised in every report received from British mining engineers visiting the United States during the war. The Reid Committee, in 1945, thought that the introduction of power-loading machinery had in fact shown that the underground transport systems of some mines could not handle efficiently the larger output at the face obtained with these machines; they also believed there was evidence that haulage arrangements between the conveyors and the shaft bottom had grown worse as a result of war conditions.<sup>1</sup>

Sufficient has been said to show that the Ministry of Fuel and Power undertook a heavy and, in some sense, mistaken task when it set out to execute the recommendations of the White Paper on mechanisation. The authors of that paper had expected that concentration and mechanisation, but above all concentration, might reverse the downward trend in output per man at the pits which was then causing alarm.<sup>2</sup> The record of mechanisation was better in this respect than that of concentration. Output per manshift was forced up in some pits, not only in those where Americanised room and pillar methods

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<sup>1</sup> *Coal Mining Report of the Technical Advisory Committee* (Cmd. 6610, para. 53).

<sup>2</sup> Cmd. 6364, para. 9.



were introduced, but also where normal British longwall working was being pursued. The results were occasionally remarkable. A rise in the output per manshift worked from 33·3 cwt. to 52·6 cwt. in the pits of a colliery where in 1944 the number of manshifts worked stood well above the 1939 level, showed what good management and willing workers could do where the conditions were favourable, even without expensive experiment.<sup>1</sup>

But the increase took place in the few pits, not in the many. Mechanisation failed to outpace the forces which in the industry as a whole were bringing down the output per manshift in these years. Average output per manshift at the face fell slightly between 1943 and 1944, from 2·75 tons to 2·70, and there it remained throughout 1944 and 1945. Output below ground, including all workers, whether at the face or not, was 1·44 tons in 1942, 1·38 tons in 1943, 1·34 tons in 1944, and 1·33 tons in 1945. It was with knowledge of this general trend that the Minister of Fuel and Power, presenting to the War Cabinet in June 1944 his estimates for the coal year 1944-45, confessed that he did not think the slow progress of mechanisation would offset the decline in productivity among workers at the pits which he expected in the sixth year of war.

The fascination of mechanical problems should not be allowed to divert attention from the importance of the general problem of mining supplies during the war. Coal-cutting and other machines were far from being the whole of the coal-mining industry's demand for industrial supplies. Timber for supports was a major need of the pits and had been for many years an important item in the import trade of Great Britain. Steel, non-ferrous metals, rubber for belting and other materials were also indispensable for the day-to-day running of the mines. The supply of all these materials became scarce and was subject to strict Government control. Timber, being so largely an import, was especially hard to come by. Hardwood had to be substituted for soft in the pits, steel for timber, and it became necessary to appoint Supports Economy Officers, whose name describes their functions. It became a chief task of the Ministry of Fuel and Power to negotiate on behalf of the industry with the material controls and to promote standardisation, economy and the pooling of supplies among the collieries wherever this was possible.

There appears no reason to believe that the coal industry came off worse than other great industrial consumers for the supplies it needed during the war. The problem was not one, however, which could be completely solved by the allocation of supplies in quantities. There was a quality scarcity as well as a scarcity of quantities. The life of conveyor belting, for example, was shorter, because its quality was

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<sup>1</sup> *Coal Mines Mechanisation Report*, 1945, p. 5.

down and there were complaints of undue breakages for this reason. Taking the question of quality into account as well as the quantity, and the serious delay in deliveries which took place from time to time, there can be little doubt that the position of mining supplies was one of the many influences playing upon coal output in the middle and later war years, which tended to bring output down. But it was more susceptible to control than some other things and just for that reason it would be a mistake to suppose that we have here a major cause of the decline in production.

The concentration and mechanisation policies by no means exhaust the attempts which were made to raise output by reorganisation and by improvements to capital equipment and management. One might instance the so-called colliery grouping scheme, which was the centre of much attention officially and in the industry during the later war years. This was essentially a plan to bring up the average standard of colliery management.

In all industries, standards of management tend to vary and sometimes to vary immensely. This was certainly true of the coal industry of Great Britain, even during the relatively prosperous days of the nineteenth century. When war broke out in 1939, the industry included among its managements some men of high ability and proved attainments. Conditions in other collieries were far less satisfactory, and under war conditions, when every ton of coal was needed, the presence in the industry of some first-rate men did not compensate for the shortcomings and failures of other men who were bad or indifferent managers. How far bad traditions in particular pits or districts and how far the poor trade and bad repute of the coal industry in the inter-war years accounted for these variations in the standard of colliery management, it is unnecessary to decide here with precision. While to some men the difficulties of the 'twenties and 'thirties had acted as a challenge and a stimulus, this was not true of all colliery boards of directors or managements. Those years of doubt had accentuated the scarcity of managerial and technical talent which always existed here and there in more or less degree.

It is not surprising, therefore, that in 1942, when the war organisation of the coal industry was being reconsidered, the authors of the White Paper suggested that collieries might be grouped for purposes of technical advice, so as to make the best of the limited number of first-class mining engineers.<sup>1</sup> The scheme of control over the industry which was adopted as a result of the White Paper did not, however, solve the problem arising from the scarcity of good technical and managerial ability; if anything, it rather aggravated it. The elaborate scheme of control, turning the normal machinery of the industry

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<sup>1</sup> Cmd. 6364, para. 9 (iii).

more and more into unusual channels as the needs of war dictated, threw a great strain on colliery managements. They were not all well fitted to take it. At the same time, the day-to-day management of the mines was left by the scheme in the hands of the existing managers, appointed by the colliery proprietors. This system created a double loyalty in the mine manager which, as has been seen, did not work very satisfactorily. Another important failing of the system was that the control had no power to make the best use of the talent in the industry. The best talent went where it was best paid and looked after, which was not always where the control perceived it was most needed; the badly managed mines remained badly managed.

Full freedom for the control to move technical and managerial talent into the positions where it was most urgently needed at that time from a national point of view could only have been secured if that talent had been appointed and paid by the State. A Government mining service had, however, never existed, neither was it contemplated at any time during the war. Meanwhile, some positions in the industry remained well filled, while others were filled indifferently or badly. The colliery grouping scheme was intended to get over this difficulty.

The matter was not taken up in earnest until late in 1943, when the serious difficulties, referred to in an earlier chapter, in making appointments on the production side of the Ministry at headquarters had been to some extent overcome. By that time, the failure of concentration and the slow progress of mechanisation had become clear. The Commons debate of October that year had ruled out the requisition of the industry, and the Minister of Fuel and Power had reviewed even before that debate the working of the coal control and decided that it left some things much to be desired. There followed the approach by the Minister in December 1943 to both sides of the industry, calling for more production, and it was as part of that move that the colliery grouping scheme came to the fore. In writing to the Mining Association, the Minister informed them that, as a result of his review, he had certain proposals to make. Some of the most important of these related to labour conditions and the post-war prospects of the industry. But the Minister also observed that there was not adequate supervision of all the pits and that highly qualified technical personnel was not being used to the best advantage of the industry as a whole. He went on to set out his ideas of an improved operational control. All pits within each region were to be grouped for supervision and technical advice. Each Regional Controller was to have on his staff a Group Production Director to instruct the undertakings within his group how their output could be improved. The ultimate sanction behind the Group Director's advice lay in the Minister's powers under the Defence Regulations. Men appointed as

Group Directors would be required to resign their directorships in coal-mining undertakings and the executive posts they held there and would be paid an equivalent salary from the Coal Charges Account.

The proposals if effective would have marked an important change, it will readily be seen, in the existing organisation of the coal control. Even as a scheme of general control, the arrangements adopted in 1942 to supervise the workings of the pits had not worked well. The Regional Controllers had collected what staff they could and they themselves often played a considerable personal role in their regions, taking any work that came their way and generally making themselves useful. The appointment of the Production Directors who were to have acted as assistants to the Regional Controllers had been, however, hindered from the start by the difference in salary scales between the industry and the civil service and the inability or unreadiness of the industry to furnish properly qualified men for the task. With only a skeleton staff of Production Directors, the Regional Control had never been in a position to do much about the oversight of the management of the mines. It was an important part of the new proposals that not only the new Group Production Directors but also the Regional Production Directors, to whom the group officers would work, were to be paid out of the Coal Charges Account, that is, out of the general levy on the industry. It was hoped that the barrier which Treasury regulations had presented so far to the building up in the regions of a good production staff could in this way be surmounted.

Many schemes hatched in London during the war for the better running of the coal industry were not without merit, but they possessed a fatal flaw in that the industry did not believe in them. This was such a plan. It had been submitted by the Minister to a Cabinet committee in November 1943 and had received their blessing. The two sides of the industry were then asked to consider it, and they accepted it with some hesitation. The Regional Controllers of the Ministry were taken into consultation and the lines of the colliery groups were drawn to cover a normal production of 2-4 million tons per annum for each group. Where an existing colliery grouping fitted in with the scheme, it was retained, the general manager of the group becoming Group Production Director, on a salary from the Coal Charges Account which made him the servant of the Minister. It was the policy of the Ministry, however, gradually to draw into their hands the power to bring about compulsory groupings, as an essential condition of the success of the scheme. This was the cause of the opposition which the scheme encountered.

The Minister had hoped that the scheme might be in full working order by 1st February 1944. But neither the organised mineworkers nor the colliery-owners had been enthusiastic. Trouble arose early.

The difficulty was acute in Scotland, where the owners so heartily disapproved of the plan as to refuse to release men for appointment as Group Production Directors. In other districts also, problems of appointment arose which were important because the value of the scheme depended on the quality of the men chosen to administer it: if they were second-rate, the scheme would fail. By 26th April 1944, it could be said, however, that the colliery grouping scheme was in operation in all the regions except Wales and Scotland. In Scotland, Group Production Directors had been appointed for five out of the ten groups only; opposition from the Welsh colliery-owners had held up the scheme in Wales.

As late as February 1944, all that could be said about the colliery grouping proposals was that the Minister of Fuel and Power, with the support of the War Cabinet, was about to take a firm line with the Scottish owners and that in many districts the scheme would soon be in operation. The difficulty of finding qualified men proved grave, and even when a competent man was appointed, he found himself in a position where his most important task was to win the confidence of others in the industry. The winning of confidence, however, is a slow matter and the Group Production Directors had been at work for little more than a year when the war came to an end. No remarkable change in colliery management can be recorded as a consequence of the colliery grouping scheme, while the Regional Production Control continued to labour under the serious handicaps of inadequate personnel.

We have now surveyed the fate of the main recommendations of the White Paper of 1942, as regards coal production, so far as these concerned the technique and the organisation of the mines. The concentration scheme, mechanisation and the grouping of collieries for technical advice had all been duly put into force by the Minister of Fuel and Power and his advisers. They had failed to secure any substantial increase in the production of coal, whether in the year 1942-43, with which the authors of the White Paper had been particularly concerned, or any other war year. Not only this, but despite all that had been done, the productivity of the industry, measured by the output per worker per shift, declined sharply during these very years.

The relevant figures have already been quoted. They show clearly that, whether the falling productivity of the industry is tested by output per wage-earner overall or, what is perhaps the best test of all, by output per wage-earner at the face, it was arrested by none of the measures adopted by the control. In its effects upon coal output, the production policy of the White Paper and of the Ministry of Fuel and Power during the war was a failure. The verdict is slightly qualified by the consideration that, but for the measures which were

carried out, the fall might have been even sharper than it was. The very genuine difficulties which the production policy of the Ministry had to meet, raise a grave doubt whether the hopes of 1942 were not misplaced from the start, given the serious condition of the industry and the few years in which any war-time production policy could be brought to bear. For the problem of productivity in the mines was, despite appearances, a long-term problem of economic, technical and social reconstruction, made necessary by the great developments which had overtaken the industry in the two decades before the war. It is, of course, just possible that a policy more radical than that which was adopted in 1942, a more or less revolutionary handling such as might have arisen out of the requisition of the mines by the State, might have shown better results. But the more closely one examines the problems of the coal-fields the less likely it appears that any policy could have yielded good fruit within a short time. That the policy adopted in 1942 was a bundle of short-term expedients is an indication of what has been remarked before in the course of this history, that when war broke out neither the British public nor the Government of the day had taken the measure of the coal industry. The war did not afford them the opportunity to remedy that neglect; on the contrary, it exacted a heavy penalty.

(ii)

## The Reid Report

Is there more that can be said upon the causes of the falling productivity of the industry and the production policy of the control during these later war years? The problem of mine management is far from being summed up in technical methods and organisation. By the conventions of mine management, which was less highly specialised than management in some other industries, the whole sphere of labour relations falls within the province of the mine manager. Upon one side, the observations and the recommendations of the White Paper of 1942 formed a criticism of the competence of the management of the industry in technical and allied matters; upon another, it was a criticism of the handling of labour relations by the mine managements in the past. Much of the labour aspect of mine management and of the policy developed by the Government towards it has already been described in this history. The balance of the treatment of this very important subject will be contained in the chapters which follow, devoted wholly to labour questions.

It would be impossible to omit from this chapter one more enterprise of the control which, although it had no effect on the war-time

production of coal, was a direct result of the many difficulties of production which have been described. This was the inquiry carried out by a technical advisory committee for the Minister of Fuel and Power, the results of which were presented to Parliament in March 1945 and became known as the Reid report.

The inquiry was the result, as such things usually are, of the fortunate conjunction of many things. The national wages agreement of April 1944, with its duration of four years and the consequent rise in the price of fuel, caused much concern in official circles both over the prospective finances of the coal industry and the effect of high coal prices upon other industries in the reconstruction period. There was an obvious case for considering whether the costs of coal production could be reduced after an exhaustive examination of the technique and costs of the industry. Hence a suggestion by the Minister that an inquiry of the kind should be carried out. He made it at an opportune moment, for owing to the constant grappling with the output problem, the Ministry of Fuel and Power now possessed an administrative and technical staff competent to carry out the inquiry and a clear comprehension among the higher officials of its potential importance. There was a considerable ferment of ideas upon this very point of the technical efficiency of the industry, which was in part due to the work of Mr. Gullick, the Mechanisation Adviser to the Ministry. Those men in the industry who had remained indifferent to the possibilities of technical change before the war now found themselves on the defensive. On the other hand, the minority who had been urging change for some years and who possessed a considerable first-hand experience of the many problems involved, enjoyed a tactical advantage which some were in a position to develop owing to their work at the headquarters of the control, where any temptation to take a merely personal or local view of these matters was removed by a hard apprenticeship to the job of considering the affairs of the coal industry on national lines.

The suggestion of the Minister was, therefore, a seed which fell on prepared soil. The Director-General of the Ministry, Sir Hubert Houldsworth, although his own experience had been gained upon the marketing side of the industry, saw the importance of the technical question. There was a precedent of a sort, in the Report of State for Scotland to Parliament in May 1944, which contained a detailed examination of the economic and social problems of the Scottish coal-fields. Mr. Charles Reid, formerly the general manager of the Fife Coal Company Ltd., had acted upon that Committee. He accepted, before the Scottish committee reported, the position of Pro-

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<sup>1</sup> *Scottish Coal-fields: the Report of the Scottish Coal-fields Committee*; Cmd. 6575.

duction Director under the Minister of Fuel and Power, and enjoyed in that capacity the complete confidence both of the Minister and the Director-General. He was asked to direct the inquiry. The other members were Mr. H. J. Crofts, one of the Group Production Directors of the Ministry, formerly joint managing director of the Chatterley-Whitfield Collieries Ltd.; Mr. D. A. Hann, of Powell Duffryn Ltd.; Mr. John Hunter, of the Doncaster Amalgamated Collieries; Mr. A. Kirkup, joint managing director of Lambton, Hatton and Joicey Collieries; Mr. J. A. Nimmo, a Regional Production Director of the Ministry and former general manager of the collieries of the United Steel Companies Ltd.; and Mr. H. Watson Smith, managing director of the Hardwick Colliery Company Ltd. Secretaries were provided by the Ministry of Fuel and Power and under the Committee's direction drafted its report. The Technical Advisory Committee was appointed in September 1944; it reported in March 1945 and the report was forthwith published.<sup>1</sup>

The terms of reference of the Technical Advisory Committee, which became known to the public as the Reid committee, after its chairman, were as follows: 'To examine the present technique of coal production from coal-face to wagon and to advise what technical changes are necessary in order to bring the industry to a state of full technical efficiency'. It will be plain, both from these terms and from the composition of the Committee itself, that the task of the Committee was in one sense very limited. They were not asked to make an inquiry into the costs of mining coal in Great Britain, but to inquire into the state of one important factor entering into costs, mining technique, from the standpoint of the mining engineer. The organisation of the industry and its labour questions fell outside the purview of the Committee, except in so far as they were connected with technical method. This point of view the Committee strictly adhered to. Wherein, then, lay the significance of its report, which was accepted, with most remarkable unanimity among the many sections of public opinion, as a document of much importance?

The answer may be found along several lines, without going into details which are hardly germane to this history. In the first place, it was the most comprehensive technical inquiry which had ever been publicly undertaken into a major British industry. Reports on the coal industry there had been before, but no such penetrating handling in a public document of its technical problems. The Committee made extremely important recommendations in this field, which did not stop short of a complete overhaul of existing methods. In the second place, the technique of the industry was found to be inseparable from its organisation. The technical recommendations of the Committee

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<sup>1</sup> *Coal Mining: Report of the Technical Advisory Committee*; Cmd. 6610.



implied, and were candidly confessed by them to imply, changes in the structure of the industry so important as to be described as its reconstruction. Finally, the technical problem, which could not be separated from finance and management on the one side, could not on the other be cut off from its relations with the labour question. The Committee were of opinion that a change in industrial relations was an essential condition for the success of their recommendations. They went boldly into the matter and discussed the rights and duties of managers and mineworkers, without pretending to make a report on labour conditions, which would have been an unwarranted extension of their task.

The Reid Report contained, in all these respects, material sufficient to make it a first-class State paper, which proved to be of the utmost practical significance for the future of the industry. Government handling of the industry after the war was vitally affected by it. Its bearing upon the war-time history of the coal mines is, however, more limited. The inquiry was from a long run point of view the most important piece of work which the control set its hand to during the war. But the recommendations of the Committee constituted a plan which could only be executed over long years of peace; they did not affect war production nor did the Committee make them with the current situation in mind. Had a similar committee reported before the war, especially when money was cheap and when extensive technical change might have been undertaken with good hope of return, its war-time importance might have been considerable and this history might have run very differently. Since this was not so, the Committee and its report can only be pointed to here as an important result of the war-time pre-occupation with problems of technique and management. At the same time, it indicates one of the most important causes of the low and unsatisfactory productivity of the coal industry during the war in the failing rate of its capital accumulation in the decade before 1939.

(iii)

## Opencast Production

The Reid Report was the outcome of a long development of opinion on the technique of deep mining in Great Britain. While that opinion was maturing, the war saw a considerable application of quite a different technique, that is, opencast mining.

A further development of opencast mining had been recommended by the Lord President and his colleagues of the War Cabinet Com-

mittee in the summer of 1942 as a means of supplementing production from the deep mines. This was followed by the setting up of a small organisation by the Mines Department in April 1942 and its expansion into a Directorate, first by the Ministry of Fuel and Power, then by the Ministry of Works. Opencast production played an important role in balancing the national coal budget during the later war years.

As a proportion of total British coal production, opencast coal output was never very large. In the calendar year 1944 it reached 8,647,900 tons; in 1945, it fell slightly to 8,115,300 tons. The output of mined coal was twenty times as great. On the other hand, eight million tons of coal, even though the quality of some of it was poor, was a substantial contribution towards filling the gap of some 20 million tons by which the production of mined coal had dropped between 1940 and 1942. At a time when the production of mined coal tended constantly to fall, the marginal significance of opencast production was high.

The late start of opencast mining, the reasons for this and some of the conditions which attended and hampered its development throughout the war, have already been mentioned. The technique employed is, of course, wholly different from that of deep mining.<sup>1</sup> It is unnecessary here to say a great deal about it. Some of the problems encountered during the war are, however, of general interest and deserve mention.

The early practice was to employ contractors both to prospect for and to work the sites. With the development in 1942 of a regular organisation to manage the work for the Government, with Major-General K. C. Appleyard as its director, procedure was made much more comprehensive and more systematic. The first task was to prospect for suitable sites, with the help of the staff of the Geological Survey. When the geologists and the mining engineers of the opencast organisation had planned their campaign, boring contractors were called in—there was a shortage both of contractors and of drills—to drill and prove the coal. Prospecting went on over about 7,000 square miles of country. After twenty-five months of work, workable coal had been proved and drilling completed at 539 sites; workable coal had been proved but drilling remained to be completed at 391 other sites; drilling had been begun and abandoned at 957 sites. The total tonnage of coal proved by the end of 1944 was 40 million tons.

Once workable deposits had been proved and it had been decided to exploit the site, the next step was to win the coal. This involved

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<sup>1</sup> Technical aspects of opencast production in Great Britain during the war have been thoroughly discussed in a paper by General K. C. Appleyard and Mr. G. Curry, 'Opencast Coal Production in War-time', *Journal of the Institution of Civil Engineers*, No. 7, May 1946, Vol. 26, pp. 331-376, to which the account given here is much indebted.

many operations; the making of access roads, drainage, removal of top soil, excavation of over-burden and rock, the reinstatement and replacement of top soil for agricultural purposes. The ratio of over-burden to the coal and its effect on the profitable distance to follow the seam was a ruling consideration; this was related to other matters, such as the dip of the seam, deep-mine workings, old surface workings and the smallness of the working sites. An acute shortage of plant had to be surmounted. These operations were carried out by civil engineering firms on a contract basis, the form of contract at first providing for payment by measurement of all items of work carried out, irrespective of the total tonnage of coal won from the site. This was subsequently altered to a form of contract based almost entirely on payment by measurement for the single item of coal excavated and loaded.

Some visiting American engineers were surprised and rather shocked by the time and material devoted to the restoration of the land after excavation. They did not always appreciate that, for a country in the position of Great Britain, food and fuel production were both top priorities. Opencast mining went on under agreement with the Ministry of Agriculture, by which the coal was only worked if it was of a certain thickness, unless its quality was high. Opencast operations did not spoil ground for crop-growing or pasture, so long as top soil was carefully restored. With the advice of the County War Agriculture Executive Committees, the first crops were sown before handing the land back to the landowner or tenant. It goes without saying, however, that the conflict of national interests in the use of the land, raised by opencast mining in a national economy already stretched to the utmost, was important and something to have been avoided if that could possibly have been done.

Opencast coal production also made demands upon transport and capital construction. All coal was despatched from opencast sites by road. The tonnage carried exceeded sometimes one million tons a month. The bulk of this went direct to the consumer, the rest to the national reserves in the Government dumps. The Opencast Coal Directorate, which had begun by concentrating on production, ended as the operator on a large scale of rail and canal heads and sidings, marshalling yards and stocking grounds. The working of these extensive transport arrangements required much collaboration of the Directorate with the coal-selling agencies in the districts and with the Road Transport Organisation of the Ministry of War Transport.

The Ministry of Fuel and Power undertook the disposal of the coal to consumers. Opencast coal got a bad name at first, before screening and sizing plants were adequate. Preparation and distribution, like transport, were found, in fact, to present problems as important as production.

These operations revealed the presence in the country of an unexpectedly large quantity of coal capable of extraction by opencast methods. The total coal won by the end of 1944 amounted to more than 14 million tons. This was taken where quick production of clean coal appeared most possible; thin and dirt-banded seams were left untouched.

The magnitude of the operations was very great. They were described towards the end of the war as perhaps the largest civil engineering job in the world under a single direction. The side of the organisation concerned with plant was said to be the largest plant and maintenance organisation in existence. The amount of overburden removed exceeded, it was pointed out, the excavations of earth from the Panama Canal. However they are measured, the opencast coal operations were certainly a major effort in the field of coal production, all the more remarkable from having been carried out in the latter part of the war when men and machines were hard to come by.

The effort was not only great; so far as this country was concerned, it was novel. None of the civil engineering firms employed had experience of this kind of work; the necessary drills and large excavating machinery were not, at first, manufactured in this country. British technical staff and material were not by themselves equal to such an effort. The early history of the enterprise owed something to the Canadian Army, who made available diamond drills and men to work them, when no other diamond drills were available. Royal Engineer units lent by the War Office did excellent work when the civil contractors were only just beginning to get down to the job. And American assistance was indispensable. In 1943, it became clear that help would have to be sought in the United States both for plant and for guidance in planning operations and in handling plant, if the target output was to be reached. The American Government agreed to transfer equipment under 'Lease-Lend'. An American mission visited the United Kingdom in 1944, a British mission went to the United States later in the same year. The greater part of the excavation machinery on the sites was American, and the advice of American engineers led to important modifications in practice. The staffs of the British civil engineering firms, the visiting American engineers, some of whom were resident for long periods, and the technical staffs of the Ministries concerned, seem to have worked well together. This says much for the organisers of the Directorate.

More coal proved winnable by these means than anyone, except perhaps one or two enthusiasts, had supposed possible in 1942. During that year, output was 1,310,800 tons. It rose to 4,426,900 tons in 1943 and in 1944 and 1945 to nearly double that amount.

The whole of this immense effort stood outside of the pre-war plans

laid down by the Government for the production and distribution of coal. Those plans did not contemplate opencast production. The opencast programme was developed as a policy of urgent necessity in the latter years of the war, owing to the failure of the pits to provide the coal that was required, and it would presumably never have been adopted but for that failure. In exploring the methods and the results of the opencast organisation, we have moved away from the mines. It will be necessary to go back to them in the next chapter, in relation this time not to the management and capital state of the pits but to their labour.

# CHAPTER XVI

## THE MINERWORKER I

(i)

### The Question of Numbers

**T**HERE are, as has been seen, three great influences on the productivity of the coal mines: natural conditions, capital equipment and labour. Our survey so far of the record of production in the coal industry during the later war years has provided certain tentative conclusions about their relative importance in the problem of production.

So far as natural conditions are concerned, British coal output during the war was influenced most by those regional differences of productivity which already existed and by the growth of those relatively new producing regions, the importance of which has already been pointed out for the earlier war years.<sup>1</sup> Thus, while every coal-mining region in Great Britain showed a fall in output, both in total and in the production per wage-earner per annum, over the period of the war, that fall was much heavier in some regions than in others, while there were one or two districts within the regions where output, both aggregate and per man, even increased. The varying extent of the fall was obviously conditioned by many things.<sup>2</sup> But there is no reason to suppose that increasing difficulty of natural conditions in the country as a whole brought about during these few years the general fall in production and in output per man.

We are dealing with an industry which stood in 1939 in urgent need of heavy capital investment for the replanning and re-equipment of many pits. What has to be accounted for, however, is not the disappointingly slow rise in the productivity of labour in the coal industry before the war, but its actual decline during the war. The difficulty of maintaining the industry's capital equipment amid war scarcities of material no doubt contributed to the decline, but does not go far to explain it. We are reduced to finding the main explanation on the labour side. The rest of this inquiry into the causes of the fall of production will, therefore, be devoted to the position of labour

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<sup>1</sup> See above, Chapter VI.

<sup>2</sup> See the regional and district production figures in the *Ministry of Fuel and Power Supplement to Statistical Digest, 1945* (1947), Table I, and the comments upon old and new producing areas in the report of the *Royal Commission on the Coal Industry, 1925* (Cmd. 2600) pp. 45-7.

in the mines in the later war years, although we shall cast back into earlier years wherever this appears necessary.

The history of a great body of men such as the mineworkers, forming with their families a community of their own within the nation, is a complicated story even within the space of a few years. We shall restrict our view to those sides of the mineworker's life which were important for our immediate subject, the problem of coal production. Within this narrow field we shall consider first the numbers of mineworkers, and secondly their regularity and intensity of work, together with attendant circumstances, which were often highly complex. Regional and local varieties of experience will have to be put aside for the most part, with the warning that in few industries in the country are they more important and that they were certainly not less important in war than in peace-time.

The main problem of the industry was how to get as many men and boys as it needed. Coal-mining began the war with a weekly average of 766,000 persons on its books in 1939. The decline of numbers came between then and the year 1942, when they were down to 709,000. This was the main key to the production troubles which led to the establishment of the Ministry of Fuel and Power. In the later years of the war there took place a further decline in 1943 to 708,000; then a stabilisation of the position, for it was little more, at 710,000 in 1944 and 709,000 in 1945.<sup>1</sup>

The significance of this movement can only be understood if one bears in mind the constant pressure of the forces which tended to drive the number of workers even below the level of 1942. The underlying position remained always highly unstable. The movements in and out of the industry, even after 1942 when the Essential Work Order was being applied to it more rigorously, continued to be large. Thus, the industry gained workers on net balance in 1942, despite a movement of 32,000 workers out of it, but it lost on balance in 1945, notwithstanding an inflow in that year of over 48,000 persons. Net intake and outflow ran during these years as follows: in 1942, a net gain of 7,679; in 1943, a net loss of 8,843; in 1944, a net gain of 12,046; in 1945, a net loss of 17,351.<sup>2</sup> The numbers going out rose very sharply in the thirteen weeks before 22nd September 1945, being the period in which the war in Europe was already over and hostilities came to an end in the Far East.

Important changes were going on in the age composition of the labour force during these same years. The tendency was for the average age of mineworkers to rise owing to the withdrawal of many young men from the mines during the war and the failure of the industry to recruit new entrants in large enough numbers.

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<sup>1</sup> *Ministry of Fuel and Power Statistical Digest, 1945* (Cmd. 6920) Table I.

<sup>2</sup> *Cmd. 6920*, Table 13.

The youth between fourteen and eighteen became rarer in the pits as time went on. The age groups 14-15, 16-17 had formed nearly ten per cent. of the wage-earners in the industry in 1931 and more than nine per cent. of them as late as 1937; by 1945, they were down to five per cent. The age groups 18-19 and 20-25 were, on the other hand, a higher proportion of the whole than in 1937, being 21 per cent. instead of 18.5 per cent. This was the result, however, of the ballot and optant schemes after 1943; these groups had slumped in the middle of the war, in 1942, to 14.6 per cent. It was this slump which forced the direction of youth into the mines.

The middle age groups on which the industry so much depended before the war lost ground. Workers between twenty-five and thirty-five formed in 1937 one-quarter of the wage-earners on colliery books; they were only eighteen per cent. in 1945. All age groups above thirty-five were, on the other hand, more strongly represented in the mines when the war finished than when it began. Almost a quarter of the workers in 1945 were between thirty-five and forty-five; over a quarter or, to be exact, 28.1 per cent., were between forty-five and sixty-five. And there was a steady average of 24,000 workers, only three to four per cent. of the whole, who in the later war years were over sixty-five, although it should not be thought that the practice of employing workers of this age was new.<sup>1</sup>

Under the manpower conditions of the war, this phenomenon of an ageing labour force was seen in many industries besides coal-mining. Yet it must have been especially important for an industry which depended so much on the muscles of the young adult worker. It must have had some effect on physical efficiency; although the importance of this can be exaggerated. An American mission to the British coal mines in 1944 were quick to observe that, while there was a lack of comparative information of the subject, there seemed no evidence that the average age of American soft coal industry workers was at that period of the war lower than the average age of British coalminers. But American conditions differed materially in other ways. There appears to be no way of measuring the importance of the change in the average age of the miner upon the efficiency of the industry, so far as the British pits were concerned.

While lack of physical youth was a disadvantage to an industry of heavy workers, middle age and family responsibility made for steady attendance and good work. The incentives to work tend to differ with age. The attitude of the elderly married man, with family responsibilities and old habits of work in the mine, may reasonably be supposed to have been different from that of the young unmarried man, often little more than an industrial conscript, without family to

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<sup>1</sup> For these figures of age, Cmd. 6920, Table 15.



maintain. But just for that reason, that they were already working well, older men were not good material for production bonuses, pep talks and other schemes to increase production; the time and the energy needed to increase it were not conspicuously theirs.

The rising average age of the mineworker was only one aspect of the wastage of the labour force of the mines, which was the result of the tendency of the young not to go into the industry and of the old to leave it in the natural course. This phenomenon was something very different from the rapid turnover of labour experienced in many thriving industries of the world; it was the symptom of an industry sick and in decline before the war. In 1941, the quickening wastage was one of the causes of the application of the Essential Work Order to the coal-mining industry. Further measures were taken to check the wastage during the later war years which must now be mentioned. They relate especially to applications to leave the industry on medical certificate, as a consequence of the Essential Work Order, and to the direction of youth into the mines. The first of these was a comparatively unnoticed administrative measure; the second caused a considerable political stir.

The White Paper of 1942, in considering the wastage problem, recommended that there should be an advisory Mines Medical Service to ensure both that miners got the best medical treatment available and that proper standards were observed in the grant of medical certificates to men who left the industry on the strength of them. The White Paper remarked: 'Although there is nothing that can be done to reduce the numbers leaving the industry through death, disablement and normal retirement, it should be possible to reduce the numbers of those leaving with medical certificates on account of sickness of a not very serious character. In many cases, miners suffering through illness from some loss of physical fitness could be retained in the industry if further arrangements were made for medical treatment. The Government therefore propose to establish a Medical Consultative Service for the mines'. And again: 'All applications for release on medical grounds will be dealt with through the Service and arrangements will be made in suitable cases for men to receive appropriate treatment designed to enable them to continue their employment in the mines'.<sup>1</sup>

No one will underrate the importance of this decision who considers what the conditions are in coal-mining in respect of mortality, injury and sickness, and how far these things affect the daily working lives of pitmen. Just before the war, in 1938, about one man in five among underground workers in coal mines received compensation for accident or disease. The rate of compensatable sickness and accident in

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<sup>1</sup> Cmd. 6364, paras. 8, 19.

mining and in one or two other occupations, such as dock and quarry working, but above all in coal-mining, stood high above the rate for that great mass of the population which works in factories, constructional works and railways. There was some evidence too before the war that for various reasons miners showed more sickness than many other groups of workers.<sup>1</sup>

What the high accident rate implied in its effects on the size and the working efficiency of the labour force of the mines during the war may be gathered from the fact that in 1943, among 708,000 workers, over 173,000 accidents took place involving disablement for more than three days; in 1944, among 710,000 workers, over 176,000 accidents of the same class; and in 1945, among 709,000 workers, over 181,000. Diseases, such as 'beats', nystagmus, dermatitis and pneumoconiosis continued to be great enemies of the mineworker, especially in certain districts such as South Wales.<sup>2</sup>

While the incidence of serious accidents and of some kinds of disease among the mining population was much above the average for the working population as a whole, the medical services available on the coal-fields stood in need of improvement. Doctors were often few compared with the numbers of the miners and their families, hospital facilities were inadequate over large areas of the coal-fields and the standards of the industry in such matters as first-aid had been backward. This old state of affairs was beginning to pass away, although too slowly, in the period between the wars. The change was due partly to the intervention of Parliament and the law—the institution of a Mines Medical Officer to investigate the occupational diseases of the industry and to inspect the fulfilment by the colliery companies of their statutory duty to supply a certain minimum standard of first-aid treatment at the collieries—and partly to the activities of the Miners' Welfare Committee.

The Miners' Welfare Committee had been constituted in 1920 and became a commission in 1939. It consisted of representatives of the Mineworkers' Federation and the Mining Association, sitting under the able chairmanship, after 1934, of Major-General Sir Frederick Sykes. This semi-independent body financed its operations by a levy on the tonnage of saleable coal produced by the industry and had as its main aim the promotion of those forms of workers' welfare which began to be familiar in manufacturing industry in the first quarter of the present century, but which were at that time rare on the coal-fields. The Committee's efforts to correct this industrial backwardness took the shape of education, the development of leisure-time and recreational activities, the building of convalescent homes and of

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J. N. Morris in the *Lancet*, 6th September 1947, p. 341.

<sup>2</sup> *Ministry of Fuel and Power Statistical Digest*, 1945 (Cmd. 6920) Tables 1 and 18; *Lancet*, 6th September 1947, p. 342, Table 1.

pit-head baths. Their efforts were on a considerable scale and they were beginning to be well known on the coal-fields in the decade before the war.<sup>1</sup>

After 1942, the Miners' Welfare Commission and the new Mines Medical Service co-operated to develop an adequate accident rehabilitation service for the first time. The Commission had agreed before the war to make grants to fracture or orthopædic departments in hospitals, where fracture cases among miners could receive surgical treatment. Surgical attention and accident rehabilitation treatment as an out-patient at a hospital, however, although it may, and often does, suffice where the injury is not severe, is not enough for the more difficult cases, which require treatment as an in-patient at a special centre. The point was seized upon by a committee formed to consider the Mines Medical Service under the chairmanship of Mr. Tom Smith, then Parliamentary Secretary to the Minister of Fuel and Power, in September 1942. This committee recommended that, in so far as the existing hospital services failed to meet the particular needs of coalminers for rehabilitation treatment, immediate action should be taken to provide special accident rehabilitation centres. The Minister adopted the report and invited the Commission to build the centres, taking advantage of the staff of architects and other specialists which it had gathered together for the construction of pit-head baths, work on which had perforce to be discontinued during the war.

The Miners' Welfare Commission thus became responsible for the capital expenses and the running costs of the rehabilitation centres, of which seven were opened or came into the hands of the Commission during the war. Other rehabilitation work was subsidised by them at selected hospitals. The business of the centres was to take miner patients for treatment from the specialised fracture hospitals. These accident rehabilitation centres should be distinguished from the convalescent homes, of a different and far less specialised character, which were already maintained by the Commission when war broke out, some of which remained in operation throughout the war.

New schemes for improved first treatment of sickness and injury at the mines were developed after 1942 by the Mines Medical Service through its Mines Medical Officers, stationed in the regions. The Mines Medical Service also took over the job which had been allotted to it by the White Paper in 1942, of ensuring, mainly through its contacts with the general practitioners, that more precise and uniform standards were maintained in the release of men from the industry upon medical certificates. And it took part in the scheme,

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<sup>1</sup> The pre-1939 history of the Miners' Welfare Committee is summed up in the Committee's *Annual Reports*. The report for the 6½ years ending 30th June 1946, when the Commission in its old form was wound up as a result of the nationalisation of the industry, was published in 1947 as *Miners' Welfare in War-time* (Ashley Court, Ashted, Surrey). It is the source of the information used here.

under the Ministry of Labour and National Service, to examine medically all persons under eighteen years of age entering the industry.

Good work was done by the Mines Medical Service and the Miners' Welfare Commission in the improvement of medical service upon the coal-fields during the war. While the leeway to be made up in adequate care was great, the health of the miners had never been so well looked after before. The standards applied were properly medical rather than economic. Both the Commission and the Service worked, of course, within economic limits dictated by the war-time scarcity of building labour and materials and professional staff. But the Mines Medical Officers and the doctors employed by the Commission at their rehabilitation centres regarded it as their first duty to do their best for their patients, not to keep men in the industry or to promote production. The rehabilitation centres, for example, took patients who would certainly never go back to the industry as well as those who would.

The work of the centres affected relatively few individuals every year—no more than 1,261 persons were discharged from them in 1945<sup>1</sup> when they were in full working order, although their mere presence removed, no doubt, some anxiety from the mind of the worker. The duties of the Mines Medical Officers in connection with applications to leave the industry on medical grounds were more far-reaching. No less than 38,055 of these were dealt with in 1945 and 9,288 were recommended for release.

No measurement of the effects of the Miners' Medical Service or of the operations of the Miners' Welfare Commission in terms of the efficiency of the industry was attempted during the war, and none will be tried here. The presence of the Mines Medical Service must, however, be noted as one of the important measures of the control.

## (ii)

### The Direction of Youth

One end of the wastage problem was to keep men in the industry, whether by the Essential Work Order which forbade them to leave it, or by devoting attention, as through the Mines Medical Service, to one of the most serious causes of their abandoning it, through sickness and accident. The other end of it was the door of entry into the industry. This door was held open, but the number of young persons who went in was too few to prevent a serious slump in the total of young persons in the coal mines during the middle war years.

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<sup>1</sup> *Miners' Welfare in War-time* (1947), p. 53, table.

Hence, the direction of youths into the pits in 1943, a measure which has already been mentioned in connection with the Parliamentary debate of October 1943, and the rising criticism of the coal control which produced that debate. Some details may be added here, to put the direction of boys in its setting as part of the manpower problem at the mines, for it was not undertaken without much calculation and the expectation of rousing a good deal of trouble.

Future Service requirements of coal were in the summer of 1943 still indefinite, although it was known that the major operation in the western hemisphere, the invasion of Europe by the armies of the United Nations, lay not very far ahead, and would bring with it the prospect of increased demands for coal for war operations and for the restarting of industries in the occupied countries. Meanwhile, the United Kingdom supplies for the current coal year 1943-44 were probably safe enough; that is to say, it would not be necessary to run stocks below safety level. It was the supplies for the coal year 1944-45, when military operations would presumably be at their height, which were imperilled by the constant tendency of the manpower of the industry to fall. At the 1943 rate of labour wastage, the labour of the industry was expected to stand by April 1944 at 690,000 workers; if the same rate of wastage were maintained in the future, the average number employed in the mines for the year 1944-45 would probably be more than 680,000 workers. This low figure would be reached just when military and relief needs would be greatest.

Some of the needs for coal external to the United Kingdom could be met from American sources and by the more careful dovetailing of supplies in all the countries under Allied control. But it was necessary to take special measures to see that British output was maintained over this critical period.

Hence, the warning given to the House of Commons on 29th July 1943 by the Minister of Labour and National Service, Mr. Bevin.<sup>1</sup> He was reviewing the national manpower for war purposes. The Minister pointed out that the training required of prospective mine-workers was so indispensable and prolonged that any measures intended to maintain output in 1945 must be taken well in advance. Little was to be hoped from more withdrawals of ex-miners from the Forces or from other industries than mining. Considerable withdrawals in the past twelve months had so far made other measures almost unnecessary. But they were already at a stop so far as the Forces were concerned, and even the men remaining in other industries, often doing work of much importance, could only be withdrawn at the cost of much dislocation. Other measures were needed and the Minister proposed to begin by removing the age limit from the option to enter the mines which was given to men called up for the Forces.

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<sup>1</sup> H. of C. Deb., 29th July 1943, Cols. 1798-1803.

So far this option had been allowed only to men below the age of twenty-five at the time of calling up. If there were not forthcoming enough optants and volunteers—men engaged in work which was not of high priority in industry and who were not liable for military service, were always eligible as volunteers—then something new would be necessary. It might be needful to direct into the coal mines men between the ages of eighteen and twenty-five who would otherwise be called up for the Forces, or to go even farther and direct to the mines youths between sixteen and eighteen.

Optants and volunteers were not forthcoming, and as we have seen in an earlier chapter the direction of youths began to operate from December 1943. The lads so directed came to be known as the 'Bevin boys' and their introduction to the pits received much attention from the public and the press. Much of the publicity was concentrated on the method used to choose men for direction, which was that of the ballot. Service in the pits was known to be highly unpopular among young men, who would mostly have preferred service with the Forces. The ballot was intended to take some of the sting out of the ill-luck of those who found themselves turned into coalminers. Direction applied to men born in or after 1918, but as most of these had already been posted to the Forces the majority of those directed came from the first quarter of the 1926 class, who were due to register for national service in December 1943. The names of these men were balloted for service in the mines and only those were exempted who came upon a short list of highly skilled occupations or were accepted for air-crew service or as submarine artificers.

The ballot was intended to provide 50,000 new recruits for the industry in 1944. The number actually forthcoming in 1944 was 15,000 and in 1945 between 5,000 and 6,000, or a little over 20,000 in all, before the scheme of compulsory direction to coal-mining was abolished when the war in Europe came to an end in May 1945. The proportion which the Bevin boys formed of all entrants to coal-mining in these years may be seen from the following figures:

	1944	1945
Juveniles under eighteen . . . . .	10,400	9,400
Ex-miners returned from H.M. Forces .	6,400	11,500
Ex-miners recruited from other industries	6,900	8,100
Ballotees . . . . .	15,000	5,900
Optants . . . . .	8,500	7,200
Men, other than ex-miners, from H.M. Forces . . . . .	4,700	2,000
Men, other than ex-miners, from other industries . . . . .	4,900	3,700
<b>TOTAL . . . . .</b>	<b>56,800</b>	<b>47,800</b>

An important difficulty in the way of placing in employment those who were chosen for the pits by ballot was their want of training, and this mainly accounted for the discrepancy between the number of new recruits to the industry who were expected from the scheme and those who were actually placed. An untrained boy in a pit would certainly have been useless and might have been dangerous. It was an important consequence of the direction of boys into the pits that pit training, which when the war started depended entirely on the intelligence and the initiative of particular colliery managements and was by many of them seriously neglected, had to be developed in 1944 and 1945 for the first time upon national lines.

Training was taken in two stages according to a scheme worked out between the Ministry of Fuel and Power and the Ministry of Labour and National Service. The first stage, for which the Ministry of Labour and National Service was responsible, lasted four weeks. It was aimed at toning up the physique of the boys and developing the muscles most required for underground work, introducing them for the first time to pit and to underground conditions, providing them with the sense of working comradeship which the newcomer to mining before the war gained from living among and working with miners, and giving them an elementary knowledge of safety measures and the terms, tools and equipment of coalmining. If they proved themselves satisfactory, they went on to the second stage of training. This took place at the pits and lasted for a fortnight. Training here was in the hands of the employers to whom the boys had been allocated. It was much less general and bore directly on the kind of job for which the trainee was being taken on, such as transport or haulage or repair work. The centres and the training schemes served, of course, not only the directed youth but also the optant and the volunteer to coal-mining.

The number of Bevin boys who came to be employed at the coal-face was small, not more than between 6,000 and 7,000. The rest of the trained lads went to various sorts of underground work apart from coal-getting, such as the maintenance of roads, attending to track points, attaching and detaching coal tubs and controlling the movement of underground transport. A few who had experience in mechanics or electricity before they passed through the training centres were employed on electrical or mechanical maintenance and repair work underground. The amount of coal got directly by the Bevin boy was therefore small. His importance in the mine lay in taking over a number of jobs of less importance and so freeing 11,000 other workers, more experienced in the ways of a mine than he, for up-grading to the coal-face. This up-grading of men, made possible by the direction of boys, compelled the introduction of further training schemes of a more advanced character for the men up-graded

and especially those who were being put on to the running and maintenance of coal-getting machinery.

The scheme for directing boys into the pits would not have been necessary if the industry had not been growing in unpopularity as an employer for many years, especially among the families of the miners, from whom in the past most new recruits to the industry had come. In the years between the wars, as education improved, as buses made it possible to work at a distance from home, and as light industries sprang up with their demand for juvenile labour, the miners' sons had found alternatives to employment down the pit. Thus arose in time of peace a problem of the recruitment and training of juveniles for coal-mining which continued into the war. Sir John Forster's Committee had reported on the malady in 1942. This Committee had looked forward to correcting it by long period measures, but, while it suggested the provision of training for boys, it did not suggest their direction.

How then did it come about that—apart from certain changes in the minimum wage rates for juveniles—the direction of juvenile labour came to be the main part of national policy to cope with the problem? The sole justification, as revealed in the Minister of Labour's speech to the House of Commons introducing the scheme, was the extreme urgency of the manpower position in the pits at this particular juncture of the war. On behalf of the scheme, it can be pointed out that no further Government measure of any importance was found necessary to bring men into the mines before the war was over. Without the scheme and without withdrawing men from the Army at a time of critical military importance, it is hard to see what other measure could have been resorted to.

Its compulsory character proved, however, a strong drawback to the scheme. Administration and social habit clashed and the administrator did not win a complete victory. Coming unwillingly, many Bevin boys brought a strong aversion to the work and the life of the pits and a determination to quit both as soon as they were able; some were among the habitual absentees from work, discontented and unsatisfactory workers. These facts, taken together with the large number of men sent back to coal-mining from other industries and from the Forces, have an important bearing on the state of discipline and morale in the industry towards the end of the war.

Before the war, the coal industry held out few attractions to working men. Its conditions of work were bad, prospects of promotion were poor and wages were low. The application of compulsion by the State during the war was the measure of the weakness of existing incentives to enter or remain in the industry. It was not generally realised how far, towards the end of the war, direction had been applied to the coal industry. All mineworkers were, of course, subject



to the Essential Work Order, which prevented a man's leaving or, for that matter, being dismissed from his industry, except under carefully controlled conditions. But the principle of the Order applied to many other industries. What was novel and undesirable in coal-mining was the high proportion of directed men which it contained. From 1941 onwards, many thousands of men had been placed in the industry under the special powers of the Ministry of Labour and National Service. Many of these were ex-miners; many were green labour coming to coal-mining for the first time. It was reckoned in October 1944 that compulsion of one kind or another had brought into the industry since 1941 not far short of 100,000 men, or nearly one in seven of all those employed at the time, for although many had succeeded in escaping, the bulk of these directed men and boys remained.

One result of this development of compulsory labour in the pits, prolonged over four years, was the high ratio of trainees to the number of those employed at the end of the war. Towards the close of the coal year 1944-45, that is, in March 1945, they were estimated at five per cent. of the labour force. At the other end of the age scale, there were numbers of men in their sixties and seventies, who were subject to the Essential Work Order, which had no age limit. Many of these elderly men were past making a useful contribution to output, and were still on colliery books only because of the cumbersome procedure which had to be gone through under the Order before their names could be removed; many would gladly have retired or taken up some less heavy occupation if they had been free to make the move. There were upwards of 50,000 men over sixty in the industry in the autumn of 1944, whose contribution to output—like that of the trainees, although for different reasons—was not in proportion to their numbers.

The directed men varied in their attitude towards the industry. They were ex-miners who had left the industry for better-paid or more congenial work, for health reasons, or because of the slump in coal exports in 1940, and who had been directed back into the industry at various times since 1941. Some had been directed to work away from home, and were anxious to get back to their native district, although not necessarily to leave the industry. The considerable improvement in wages and conditions which had taken place since 1942 made many of these men willing to stay in the industry, although they had been directed into it; others were unreconciled to coal-mining and were anxious to leave it. On the whole, they were a group of which an unusually high percentage might be expected to leave the industry as soon as the war was over, and those who intended to leave then could hardly be expected to be amongst the most satisfactory workers in the mines while the war was on.

The ballotees or Bevin boys were in a somewhat different position from the directed men. They were not returning to an industry which they had once known, but had been conscripted to an industry which most of them disliked very heartily from the beginning. Their record for attendance and discipline was bad, and their influence was not good over the young labour in the mines. Absenteeism among ballotees and optants was double that among regular miners, according to a statistical sample taken in March 1946. Much absence was caused by sickness or accidents among these newcomers to a heavy industry. There were many discharges every year for 'incurability', indiscipline and absenteeism, which must have had an ill effect upon other young workers. A limited range of evidence points to absenteeism having been highest among young workers generally, but this was true of other industries as well as coal. It was significant that the best attendance, judging by the available evidence, was among miners of experience aged forty to forty-nine years, with the over-fifties and over-sixties not far behind.

The Essential Work Order did not press upon the old-timers in the industry, who were settled there for good, as hardly as it did upon the younger workers who thought they might do better elsewhere. The Order and the application of direction, unavoidable as they must both of them be judged to have been, proved an evil not only from the standpoint of the men themselves but also from that of the efficiency of the industry. There is an old view that compulsory labour is inefficient because it is unwilling; that is borne out by the record of directed labour in the coal industry during the war, notwithstanding the good service rendered by many directed men. It was the misfortune of this industry that the number of its workers during the war could only be kept up by methods which were injurious in a high degree to the spirit of willing and good work.

# CHAPTER XVII

## THE MINERWORKER II

(i)

### The Miner's Effort<sup>1</sup>

**T**HE fundamental labour problem of mining during the war was to maintain the number of workers. This was done at the cost, unfortunately, of introducing into the pits elements of compulsion which were injurious to the willing performance of work to the extent that they were resented by the men concerned. The problem of numbers created a dilemma for the labour policy of the State in relation to the mines which persisted throughout the war. Enough has been said of this, however, and we shall now turn to the question of the miner's performance of his job. The main points to be considered are the regularity and the intensity of his effort.

Both the number of shifts which it was possible to work and the number of shifts worked rose in the early years of the war, as our discussion of the causes of the first great fall of output, in 1941 and 1942, will, it is hoped, have made clear.<sup>2</sup> The number of possible shifts reached its maximum for the war years in 1942. The weekly average of shifts worked was at its highest in 1941. From that year onwards there was a rather steep decline in shifts worked, which outpaced the simultaneous but slower reduction in the number of possible shifts. Absenteeism rose. In 1939, it was little more than in 1938; but it increased gradually throughout the war, attaining its maximum in the last year of war, 1945. The table may make the movement clear:<sup>3</sup>

#### *Attendance and Absenteeism at Coal Mines*

(Weekly averages)

(1)	1938 (2)	1939 (3)	1940 (4)	1941 (5)	1942 (6)	1943 (7)	1944 (8)	1945 (9)
All workers:								
(a) Shifts possible	5·30	5·53	5·75	5·91	5·96	5·96	5·85	5·74
(b) Shifts worked	4·96	5·15	5·27	5·37	5·34	5·24	5·12	4·96
Absenteeism	6·4%	6·9%	8·3%	9·0%	10·4%	12·1%	12·4%	13·6%

<sup>1</sup> In this chapter, the description of the production committees was prepared in the first instance by Mrs. B. Wallen-James, that of the mining community by Mrs. K. H. Blanchet.

<sup>2</sup> See above, Chapter VI.

<sup>3</sup> *Ministry of Fuel and Power Statistical Digest, 1945* (Cmd. 6920), Table 21. There was a change in the series at the end of 1942; the figures for 1943 are therefore given on the old as well as the new basis, for the sake of comparison. Victory holidays in 1945 caused a reduction of 0·10 possible shifts per wage-earner per week.

This downward trend of attendance was very important for coal production. Absenteeism in the last three years of the war was generally admitted to be a serious problem.

There were, of course, other important causes of loss of output during these years. They included the recognised holidays, disputes, accidents, breakdown and necessary repairs to machinery, difficulties with rail transport and a variety of less significant causes. Thus, in 1940, rail transport difficulties were responsible for a loss of output amounting to 4,768,000 tons, and in 1941 for a loss of 1,229,000 tons. Industrial disputes in the same years accounted for 501,000 and 341,900 tons respectively. The disputes of 1944 caused more loss than anything else that year, accounting for over three million tons. In 1943, which was regarded as a quiet year after the unrest of 1942, more production was, in fact, lost by disputes than in the previous year.<sup>1</sup> Much the most constant and one of the most considerable causes of loss of production was the great group of accidents, breakdowns and repairs to machinery. Disputes went with the mood of the miner and losses owing to transport difficulties with the weather; but breakdowns, accidents and repairs occurred at all times of the year. The tonnage lost by them fluctuated between one and two million tons per annum throughout the war, with a tendency to settle at about  $1\frac{1}{2}$  million tons. It is necessary to keep these other causes of lost output in mind if one is to have any clear idea of the production position on the coal-fields in these years and the place of the mineworkers in it.

The shift position at the mines was in one respect maintained in a fairly satisfactory position during the later years of the war. It will be remembered that between 1939 and 1941 there had been a serious fall in the proportion of shifts worked at the face compared with the shifts worked. The decline was from a proportion of 37·85 per cent. in 1939 to one of 35·96 per cent. in 1941, largely caused by the withdrawal of face-workers from the industry after the summer of 1940. This was serious, because it was upon the rate of output at the face that the production of the mines depended. Considerable efforts were made to correct it by up-grading men to face-work. It is a little difficult to make comparisons between the early and the later war years owing to changes in the method of compiling the statistics which had the effect of increasing the number of men classified as face-workers, but the face-shift proportion seems to have been fairly well maintained from 1943 onwards, although it still showed a tendency to fall, from 37·48 per cent. in 1943 to 36·9 per cent. in 1945.<sup>2</sup>

The maintenance of the face-shift proportion was partially offset, however, by the high rate of absenteeism among workers at the face

<sup>1</sup> Figures from *Ministry of Fuel and Power Statistical Digest*, 1945 (Cmd. 6920), Table 11.

<sup>2</sup> *Ministry of Fuel and Power Statistical Digest* 1945 (Cmd. 6920), Table 24, Col. 7.

in the later years of the war. Details do not exist for earlier years, but it appears that in 1945 absences from the face-shift averaged 19·1 per cent. of the possible shifts. This high figure was partly accounted for by a high rate of absenteeism in the third and fourth quarters of that year. Victory and the reaction it brought with it led men to knock off without giving good reason to the management. In the first quarter of the year, however, the proportion of absences on the face-shift had already reached 18·6 per cent.; it was 17·8 per cent. in the second.<sup>1</sup>

The increase in absences from work among face-workers towards the end of the war was part of a rising rate of absenteeism among all workers, both surface men and underground. This may be conveniently shown by the following figures.<sup>2</sup> They relate to 1944 and 1945 only, since comparable evidence is not available for the earlier years of the war when returns of shifts worked were not made upon a uniform basis and reflected a considerable variety of practice among colliery managements in the definition of voluntary and involuntary absence. Voluntary absenteeism is here taken to mean absence from work without satisfactory reason given.

*Weekly Average of Absenteeism as Percentage of Possible Shifts*

	ALL WORKERS		TOTAL
	Voluntary absences	Involuntary absences	
1944			
January . . .	4·66	7·78	12·44
February . . .	4·55	7·45	12·00
March <sup>3</sup> . . .	4·90	7·78	12·68
April . . .	5·14	7·30	12·44
May . . .	5·28	7·39	12·67
June <sup>3</sup> . . .	5·43	7·46	12·89
July . . .	5·57	7·57	13·14
August . . .	6·98	8·23	15·21
September <sup>3</sup> . . .	6·19	8·95	15·14
October . . .	5·85	9·01	14·86
November . . .	5·76	8·79	14·55
December <sup>3</sup> . . .	6·58	8·46	15·04
1945			
January . . .	6·73	9·87	16·60
February . . .	6·17	10·23	16·40
March <sup>3</sup> . . .	6·05	9·50	15·55
April . . .	6·44	9·02	15·46
May . . .	6·73	8·37	15·10
June <sup>3</sup> . . .	6·22	8·47	14·69
July . . .	6·78	9·00	15·78
August . . .	8·71	9·29	18·00
September <sup>3</sup> . . .	7·72	9·66	17·38
October . . .	7·73	9·34	17·07
November . . .	7·75	8·94	16·69
December <sup>3</sup> . . .	8·78	8·54	17·32

<sup>1</sup> Ministry of Fuel and Power Statistical Digest, 1945 (Cmd. 6920), Table 21.

<sup>2</sup> From Ministry of Fuel and Power Statistical Digest, 1945 (Cmd. 6920), Table 22.

<sup>3</sup> Average of five weeks.

These figures possess several interesting features. They show how strong seasonal influences were, a fact easily overlooked by those who fix their eyes upon the current weekly position. They associate absence from work with political events, for it is hard to believe that the expectation of victory in the winter of 1944-45 and the surrender of the German and Japanese armed forces in the late spring and summer of 1945 had nothing to do with the comparatively high rate of absence about that time.

Coalminers sometimes felt impatient that the statistical searchlight trained upon them by the Ministry of Fuel and Power showed up their absences from work clearly enough and left the behaviour of other industries and professions in the dark, so that those who knew little of industrial life occasionally ran away with the impression that mineworkers were the only people who absented themselves from work. Putting aside all attempted comparisons with other industries, however, the fact remains that absences from work for which no satisfactory reason could be given were on a high level in this industry during the later years of the war. No one connected with the mines in any responsible way, whether as manager, trade union leader or civil servant, looked upon this as satisfactory. But the position, so far from improving, deteriorated as the war reached its close.

The American mission to the British coal-fields in 1944 pointed out that an understanding of the production problem required an appreciation, not only of the regularity of attendance and the length of the shift, but also of time actually spent at the face as a proportion of shift time. They ventured on a comparison of American and British conditions.

The usual length of the shift at British mines during the war was  $7\frac{1}{2}$  hours, plus a winding time of from fifteen to forty-five minutes a day. Averaging the winding time at thirty minutes, this gives a working day of eight hours. Most of the mines—eighty per cent. of them—worked six shifts a week; the others  $5\frac{1}{2}$  shifts. The man at the face had often a long way to travel to and from his working place and this distance had usually to be walked. His productive time at the face averaged probably 6 to  $6\frac{1}{2}$  hours a day or thirty-seven hours a week.

The American miner worked a slightly longer shift—six shifts a week of nine hours each, inclusive of winding times, after November 1943—and his productive time at the face averaged from  $7\frac{1}{2}$  to 8 hours per shift, partly owing to the easier conditions of some American mines, partly to the general practice of 'riding' the men to their place of work, made possible by locomotive haulage underground. Obviously, output per shift at the face must be greater with the longer productive time.

Those who lightly urged in Parliament and elsewhere during the war that the mineworkers' week or shift time should be lengthened

to raise output seldom knew the industry, either as to the conditions of work underground or as to what was possible in the existing state of pit relations. Some who knew it well and were interested in the application of mechanised coal-getting thought the suggestion misplaced, on the ground that the proper cleaning and maintenance of machinery, in a thoroughly mechanical system of mining, required a proportion of time to be set aside for it which was inconsistent with a long working week. This was a matter into which both technical and political considerations entered, for the length of the working week had been a subject of bitter dispute in the coal industry for many years before the war, and the influence of those quarrels endured. The Minister of Fuel and Power never regarded an increase of hours as worth urging and there was no official attempt to urge it at any time during the war.

To complete the picture of what was happening, we shall pass from shifts worked to the intensity of work on the shift. Reference may be made in the first place to the long-standing restriction of output by the mineworker, which was sometimes referred to in public discussion as if it were the obvious explanation of the downward drift of production during the war.

There were a number of devices by which good service was not given on the shift, some of which were old colliery customs. These customs were condemned as contrary to good mining practice by the Reid Committee, the departmental technical advisory committee described in the previous chapter which was sitting from September 1944 onwards and which was considering conditions as they were towards the end of the war.<sup>1</sup> The Committee observed that in a well-run mining industry a full shift's work should be the rule and they deplored 'the tendency, which has grown up, to scamp or to do less work in order to leave the mine before the end of the normal shift', which they thought prejudicial to safety as well as to production. This practice of short shifting, of 'early lousing', as it was known in some parts of the country, left the face unclean and work unfinished which had to be done by the next shift. To that extent, it interrupted and retarded the cycle of coal-getting operations.

Other customs were mentioned by the Committee as incompatible with good mining practice 'where they do not constitute a deliberate brake on production'. The limitation on the stint—that is, the restriction of the length of face men were prepared to work during a shift—had its common-sense side; but it was also a restrictive practice. The 'cavilling' system, by which men drew lots every three months for the places in which they were to work, was in origin a device to prevent some men getting all the luck of the mine while others could not earn more than the minimum wage; but such methods of ensuring

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<sup>1</sup> *Coal Mining Report of Technical Advisory Committee* (Cmd. 6610), para. 692.

rough justice were inconsistent with the best organisation of labour in the mine. The 'seniority rule', by which the older men were first employed on or promoted to any new or better-paid job, was also restrictive, for it prevented the making up of teams on the best lines to operate new machinery. 'There are many other customs', said the Committee, 'some of them both curious and ancient, others of more recent growth, which stand in the way of efficiency of production and the modernisation of the industry'.<sup>1</sup>

Something was wrong with an industry which, in the middle of a vast war production drive, could not persuade its workers to give up the practices here described. But the maintenance of restrictive practices, however deplorable, will not account for the war-time fall in output, since these practices were in full force before the war. An entirely different explanation has been suggested for the fall in output per shift at the face, which was the heart of the trouble in the later war years. It has been suggested that the decline may have been due to a change in the distribution of workers at the face. Of the face-workers, only a certain proportion are engaged in the actual coal-getting; the rest are occupied in a variety of jobs, packing, drilling, ripping, and so forth. It may be that the proportion of men engaged in productive operations fell for reasons chiefly connected with the lessened size and the changed composition of the labour force, and that this brought about, at least in part, the decline in the output of the face shift. The analogy is with an earlier phase of the war when the proportion of face workers to total workers altered with very important consequences for the output of the mines. Unfortunately, we do not know enough statistically about the occupational distribution of workers underground during the war years to be able to test this theory, although there may be something in it. So far as the fall in output at the coal-face was not due to some such cause, its explanation must be sought in other influences which were peculiar to the war years. Restrictive practices were not.

## (ii)

### Official Policy

Meanwhile, the Minister and his advisers did not watch what appeared to be a seriously slackening effort without proposing some counter-measures. They attempted, for example, to deal with the complaints, sometimes advanced as an explanation of diminishing effort, that the war-time diet was inadequate for heavy workers such as miners and that the mineworker was not sufficiently consulted by the management in the operations of the pit.

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<sup>1</sup> Cmd. 6610, paras. 694, 695.



The question of diet, as it affected the mineworker, began with the imposition of standard civilian rations of food in 1940 and 1941. In all countries adopting a strict rationing system during the war, the question arose whether the standard ration was sufficient for heavy workers. If the rations were judged inadequate, two ways were open to supplement them; to provide heavier rations at home for heavy workers or to give them extra food on the job, in works or pit canteens. Differential rationing in favour of the heavy industries was ruled out in this country by Government decision and popular feeling. The Secretary of Mines, when in 1941 he asked the Miners' Welfare Commission to assist in setting up canteens at the mines, was therefore proposing to do what was being done in other industries, that is to supplement the worker's diet by extra food on the job.<sup>1</sup>

Canteens already existed at some collieries before the war. These were, however, little more than places where hot drinks or snacks could be taken. Something different was needed and upon a far wider scale if full meals were to be supplied to mineworkers. From 1941 onwards, collieries were under an obligation, imposed on them by the Essential Work (Coalmining Industry) Order, to provide canteens for their workers. Progress lagged until late in 1941, and the main effort came after 1942, under the Ministry of Fuel and Power. The Miners' Welfare Commission assumed the initial capital outlay on building the canteens, while refraining from grants towards operation or maintenance. The Commission's architects and other staff were called in to advise on planning and equipment and the Commission took steps to obtain the release of labour and materials. In this way, the Commission came to lay out over £2½ millions in canteens, managed on a non-profit basis by committees of employers and employed.

How all this was done and how the canteens became big business, disposing of 15,000 tons of food a year and taking over the counter £6,750,000 a year or 3s. 11½d. per week for every person employed in the industry, has been told by the Commission itself in the record of its war-time activities. What chiefly interests us here is the effects of the canteen movement; how far did it go to meet the physical needs of the miner?

It would be hard to measure the gap which the canteens had to fill between what the mineworker needed in the way of food and what he received under the rations. Before the war the miner was accustomed to a bulky diet. War-time limitations certainly made the conventional diet difficult and sometimes impossible to get, for example, the bacon and egg breakfast. Where the married miner fed at home, one way to maintain the breadwinner's diet was for his wife

<sup>1</sup> For the Commission's part see their official account, *Miners' Welfare in War-Time* (1947), pp. 20-31.

to go short. A complete investigation of the miner's diet during the war might well have shown that food rationing had more effect upon the health of the miners' wives than upon that of the men themselves.

The interest of the miner's wife was to this extent on the side of the canteen. Its existence made her weekly budgeting easier. Yet there seems no doubt that the unmarried worker used the canteen more frequently than the married and that there was among all mine-workers during the war considerable reluctance to use the canteen fully. Some men took canteen meals regularly, and it became not uncommon for a man to take more than one meal at the canteen towards the end of the week when home rations were growing short. Many men, on the other hand, never used a canteen at all. Here, as in almost everything else relating to the coal industry, the district counted for much.

The result of the canteens was regarded by many observers as disappointing. Whatever other workers were doing, the coalminer, even towards the end of the war, was not 'feeding on the job', in the sense that he was regularly supplementing the standard rations with full canteen meals. He was making do with the family rations, plus the extra cheese which was the only special allowance of food in the home which he received, plus occasional extras from the garden, the farm and the hedge-side; for in some parts of the country the miner is an habitual and skilful poacher.

Perhaps the most important cause of this reluctance to use the canteen was to be found in the miner's special conditions of work. He could not take a canteen meal in the middle of the shift, because he was underground. A packed meal or snacks purchased from the canteen lost something of their charm to a man sitting or lying in a cramped posture underground, surrounded by the dust and the strong air currents of a well-ventilated mine, or languid with the high temperature of a hot mine. At the end of the shift, the miner was free to go to the canteen for a meal under far more comfortable conditions; but his bus or train was often scheduled to start soon after the shift ended, leaving him little time. He might perhaps have postponed his departure, and sometimes did; but men who have not seen their families all day are generally anxious to get home. Miners are strong family men and they looked forward to taking their main meal at home both for the company and the food.

Whether the miner's diet, supplemented or not by the canteen, was adequate during the war for the work he had to do is a question to which no scientific answer seems possible. We do not even know how far his diet had met his physical requirements before the war, nor what was the significance—if any—to his physical well-being of the regional variations in matters of diet which existed in 1939. It may be plausibly argued that the miner's home diet must have been

ample and sufficiently varied since he did not make full use of the colliery canteen. Surveys of the miner's diet, carried out by medical men during the war on behalf of the Ministry of Food, were not comprehensive of the industry as a whole, nor can the effects of war-time diet be disentangled from the effects of other things, such as continuous hard work. But the surveys indicate with some probability that the effects of diet were felt rather by individuals and workers of certain ages than by the mineworkers as a whole.<sup>1</sup>

The complaint that managements did not consult the mineworker on production problems was part of the wider feeling, shared by many people besides mineworkers, that if only the man in the pit could see his work in relation to the work of others he would make a better workman. Some such view inspired the pit relations work of the Ministry of Fuel and Power after 1942, and especially the drive put behind the Pit Production Committee movement. The Ministry had the duty to remind the mineworker of his responsibility towards the rest of the country and of his importance in the scheme of winning the war. It had also the task of convincing him that his value in the future would be such as to insure him against the risk of unemployment and neglect. These tasks were handed over to a special branch of the Ministry, the Pit Relations Division, and in the coal-fields to the Pit Production Committees.

The Pit Relations Division of the Ministry had a delicate task. The mineworkers resented being 'got at', particularly when they suspected, as they almost invariably did, that the ulterior appeal was on behalf of the owners. They were sceptical of the necessity of full coal production to the war effort, and the feeling that there was no future in the industry led to apathy. There was also the physical problem of presenting publicity. The canteen was not, as in factory life, the recognised meeting-place, and there was difficulty in getting the men together after work for the showing of films and exhibitions, or for lectures. Posters do not show to advantage against pit buildings. However, posters, pamphlets, displays, exhibitions, films and broadcasts were all made use of to illustrate ways of improving output and to demonstrate the contribution of coal to the armaments programme. The success of the 'Driving Force of War' exhibition, which toured the coal-fields in 1943 and 1944, showing how coal was used to produce gas and electricity, showed that miners appreciated methods that appealed to their intelligence rather than the cruder lines of propaganda.

Most successful were those attempts to arouse interest which made use of the strength of local feeling, and brought into play the personal approach, methods familiar to trade unionists. Efforts were made to

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<sup>1</sup> See further, 'The Diet of Miners in War-time', Part II, by Dr. Ivor Davies, *Medical Press and Circular*, Special No. 5474, 5th April 1944.

link the achievements of regiments in the field with good output records from the collieries of their districts. Collieries held their own exhibitions. Publicity for output had most effect where it was spontaneous and local in origin. The personal approach was employed by Servicemen who toured the coal-fields giving talks and answering questions.

An important part of the work of the Pit Relations Branch of the Ministry was carried out in liaison with the Pit Production Committees in the coal-fields, especially in 1944 and 1945. Specialised personnel managers were almost non-existent in the coal industry, so that the Ministry could not work through them, neither could their place be taken by Government appointments. The Pit Production Committees therefore played a role which potentially at least was of great importance, and it is necessary to consider how well they filled it.

The Pit Production Committees were first set up in June 1940, except in Scotland where the scheme did not get under way until after the fall of France. The main function of the Committees in those days was the investigation of absenteeism. Thus, they immediately got off on the wrong foot with the mineworker. The emphasis upon discipline seemed to epitomise the worst features of the relationship between men and management and to preserve old antagonisms. The committees were unpopular. After the introduction of the Essential Work Order in 1941, managements could not dismiss a man except for gross misconduct, and the colliers were not slow to grasp their advantage. Little could be done to strengthen the hands of the committees. Their weakness was the weakness of the management side of the industry as a whole. For years before the war discipline in the pits had been kept in the last resort by the fear of dismissal and consequent unemployment. This had depended for its effectiveness on a background of industrial depression and surplus manpower, conditions which disappeared early in the war. It is perhaps significant that the areas in which pit committees worked best were areas which had not been depressed during the inter-war period.

The fall of France and the immediate drop in the export market deprived the pit committees of their main appeal and most of them lapsed from the summer or autumn of 1940 until the spring of 1941. When the committees were revived as a part of the coal production drive in 1941, the Coal Production Council placed upon them the responsibility for 'considering and recommending measures to improve output' and 'making any suggestions which seem likely to help production'. What was intended was that workmen and managements should now pool experience and share responsibility, but very few of the committees fully understood this, and the old view of the committees as disciplinary bodies persisted. They retained, indeed,

important functions in respect of absenteeism under the Essential Work Order.

The extension of the field covered by Pit Production Committees resulted in very little improvement in their work. At a meeting on 19th November 1941, the Coal Production Council commented on the slow rate at which District and Pit Production Committees were working and their apparent lack of understanding of the nature of their task. The Council circularised all Pit Production Committees, suggesting that they send weekly output reports to the District Production Committees, who were asked in turn to send in monthly reports on production and on the working of the pit committees to the Council.

The new procedure was strongly opposed in some districts, especially Scotland. The miners were not prepared to relax their traditional hostility to managements. The managements retained their old attitude towards the workers; the new arrangements seemed to them a waste of time that might be better spent on dealing stringently with absenteeism and other factors directly affecting production. The idea that the miners might share in the initiative and planning for production was new and unpalatable.

While the attempt was being made to bring home to the Pit Production Committee the full range of their responsibility, an amendment to the Essential Work Order directed the employer to report an offending workman straight to the Pit Production Committee, who would interview him and report him if necessary to the National Service Officer. The custom had been for such cases to go direct to the National Service Officer, but he was overburdened with problems arising in all industries, and it was hoped that the change would be for the better. The Pit Production Committee was to make recommendations to the National Service Officer and to carry out the directions which he issued.

This new implication of the pit committees in the question of absenteeism had the unfortunate effect of minimising the production side of their work. Absenteeism became the all-absorbing question, and reports made to the Council by District Production Committees were nothing more than lists of fines imposed and of cases reported to the National Service Officer. Though there were some regions where a notable improvement in the scope of the committees could be seen, the Pit Production Committees generally made small contribution to the positive work of increasing production in the six months up to the reorganisation of the control in June 1942.

When the Ministry of Fuel and Power was set up in June 1942, one of the first tasks which presented themselves was the remodelling of the Pit Production Committees. So long as the committees remained primarily disciplinary bodies, it was clear that it would be

difficult to get the right kind of miner, that is, one likely to have influence over his fellows, to serve on them; questions of production would still have to wait upon matters of discipline. Therefore, from August 1942, the emphasis was shifted from absenteeism to production problems. The committees were no longer required to act as absenteeism tribunals, although absenteeism, as a factor affecting production, still came under their consideration. Their positive function of 'discussing and advising on all questions of production and increasing output' was made more precise. The reports which the Pit Production Committees had formerly sent to the district committees were henceforward submitted to the newly established Regional Controllers. The Ministry recommended a constitution, a model agenda and report form, which were adopted with slight variations in each region. This remained the general machinery of the Pit Production Committees for the rest of the war.

There were about 1,100 Pit Production Committees in the country. In some cases one committee stood for several pits, and some collieries were not represented at all. The size of a committee varied with the size of the pit, but whatever its size, the two sides of the industry had an equal number of representatives. The management was represented by the manager, under-manager, foreman, fireman and chief engineer. The men's representatives were usually elected at lodge or branch meetings of the Mineworkers' Union. In the vast majority of cases they were the lodge officials themselves.

The subjects treated by the committees revolved round the general question of production. Labour problems were discussed at all stages of seriousness, from lateness and early lousing to spasmodic absenteeism and direct transfer to another industry. Although the committees were no longer absenteeism tribunals, some regions continued to handle absenteeism cases. The committees were often the means of advising on or carrying out publicity schemes for better attendance and higher output.

Questions of the general policy of the colliery, such as the closing down of uneconomic seams, the introduction of mechanisation, concentration and taxation, figured in their work. Underground transport, haulage, repairs, methods of cutting and shot-firing, the stowing and packing of rubbish, and ways of preventing the dirty filling of coal, all came under discussion. Constructive suggestions sometimes arose out of these discussions; the staggering of cutting time, so that a greater volume of compressed air would be available; staggered drilling of shot-holes; later starting by men on a given face to prevent overloading of a power unit; and the improvement of surface lighting.

Much depended on the chairman. He could either make or mar the proceedings. Regional Controllers held that an official of considerable authority should conduct the meeting so that suggestions

could be dealt with immediately and not referred to a higher body, and they recommended that he should outline, at the beginning, a definite programme of development for the colliery and invite criticism of it. This gave the Pit Production Committee something to 'get its teeth into', and counteracted the tendency to pick upon the points of difference shown by some of the men. The proceedings of the committee became less vague and remote, more informed with a sense of urgency and importance. Some chairmen showed exceptional tact and accessibility, but there were the inevitable examples of the management standing very much on its dignity and resenting any form of suggestion or criticism. The colliery manager is a technical expert and inclined to be sceptical, often with justification, of any suggestion of a technical nature from men who do not possess the same experience and training. The men's representatives, in most cases, were only familiar with their own district in the pit, whereas the manager had a bird's-eye view of the whole. Through no fault of their own, the men sometimes showed an inadequate and narrow knowledge of the workings. The effects of a conflict were twofold. The meeting either developed into a battle of words, with management and workmen ranged on either side, or the management blinded their critics with a flow of technical jargon which was completely above their heads. The men developed a sense of frustration which proceeded into apathy, and the committees became one-man sessions performed by the chairman with little or no comment from the other members. Hence the saying: 'It's a poor manager that cannot manage his own production committee'.

The men's representatives, on the other hand, were troubled by conflicting loyalties. They were trade union officials almost without exception. Reports of the committee's proceedings were delivered at union meetings and those who did not attend them heard nothing of their progress and cared even less. While this apathy was often a matter of temperament, it was often due to external conditions, such as the distance of men's homes from the colliery, and difficulties of transport. Where men lived far away from the pit, it needed a very extraordinary meeting to warrant the inconvenience of coming all the way back to the colliery in the evening for a committee election. In effect, the Pit Production Committee became, on the men's side, an offshoot of the lodge. The influence of the committee members would naturally be strongest among active trade union members; they would not carry much weight where there was an apathetic majority. It is always a debatable point how far men nurtured in the trade union tradition, with its emphasis upon the needs and rights of a group, are able to see industrial problems as a national issue. In the war, it was difficult for many of the men to switch over from their stalwart attitude of non-compromise with the management on ques-

tions of pay and welfare, to one of friendly co-operation on Pit Production Committees.

By the men, the committees tended to be regarded either with suspicion or apathy. Through their lack of any practical medium of communication with the miners, they had great difficulty in getting their recommendations carried out. They had disappointing results from recommendations on better time-keeping, on the cleaning of spillage and similar questions. They suffered in such cases from an isolation which earned from the men the contemptuous designation of 'secret societies'. At the worst the committee failed to arouse any reaction at all among the miners. They treated it with the complete apathy born of the scepticism in-bred in the industry.<sup>1</sup>

Towards the end of the war, in March 1945, the Ministry of Fuel and Power issued a pamphlet to Regional Controllers advising them on the best methods of conducting Pit Production Committee meetings. This was a useful indication of difficulties experienced in the past, and reminded the Controllers of the vital part the committees were expected to play in the future. The pamphlet emphasised the need for the lucid and detailed exposition of production plans, the advisability of keeping to a precise agenda, and, above all, when meeting the men, for striking a note of consultation and not of reprimand. The emphasis upon the last point indicated clearly that it had been borne in upon the Ministry that the old balance between management and men had shifted, and the management could no longer afford to take up a school-masterly attitude towards the mine-workers. It was significant that the results obtained by the committees were better in areas such as Yorkshire, where the previous history of the industry had been less disturbed by labour troubles, than in a turbulent district such as South Wales. Generalisation on this point could, however, only be made by people with an intimate acquaintance of the work of all regions.

The verdict given by those who had a bird's-eye view from headquarters of the work done by the committees in all the regions was that the Pit Production Committees were not generally successful in fulfilling the purpose for which they had been created, that is in stepping up production. For every committee that worked properly there were many that did not function at all, or else were ineffective. The committees contributed little or nothing towards the planning of increased production. But they did useful work in the sphere of industrial relations and they provided a potential implement of co-operation between the managing elements in the pits and the mine-worker. The committees were, to use the words of a Durham miners'

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<sup>1</sup> *Charity Main* by Mark Benney (1946) contains a lively account of the working of a pit committee, by one who had some opportunity to observe what he describes.



leader, 'an excellent lubricant to the industrial machine, because they make it possible for intelligent managers to help the workers to understand and accept what they are planning to do'.

(iii)

## The Mining Community

The attempts to improve war-time diet and to encourage the mine-worker to take a more personal share in the running of the mine have been described because they were an important part of the effort to maintain the regularity and intensity of work in the coal industry during the war. But the effort failed; the rhythm of work tended to slacken as the war went on. The influence of directed and unwilling men and boys, the rising age of the mineworker and similar circumstances which contributed to this unsatisfactory state of affairs have been mentioned. This chapter may conclude by referring to certain other aspects of the relation between the mineworker and production, which may help to put the matter in perspective.

We may begin by recalling the nature of the community in which the mineworkers lived and into which men and boys directed into the industry from outside found themselves, as it were, forcibly incorporated. For the mineworker's attitude towards his job, while it was intensely personal, was also the product of the society in which he lived. And the mining community was a special sort of community with a life and history of its own, not easily understood by those who lived outside it.

In spite of local differences and the strong rivalry which has characterised the industry in the past, there are features which are common to all mining communities in this country and which distinguish them from most other bodies of industrial workers. The main feature, which they share with the sailor and the agricultural worker, is the isolation, physical and mental, of the mining community. In the past, the lives of the miners have been focused upon the pit. In many households where there were men working on every shift, the pit intruded for twenty-four hours a day. There was constant heating of water for baths, cooking of heavy meals, washing and drying of pit clothes, with the dank, sooty smell of pit-dirt pervading the house, while the housewife waged incessant war against the fine clinging dust that is in the atmosphere of every mining town. Mining families have a common stock of past experiences and present dangers, and suffer in common the fears of accident and unemployment. This sharing of physical and mental experience has given the mining com-

munity a remarkable solidarity, while it cuts it off from the rest of the world that has no share in these experiences. Little happens in the miner's immediate surroundings that does not emphasise or give point to a similar event in the past. The miner's memory is long; it is made up of his father's memory and his grandfather's before him. The history of the industry as it has affected individuals is always present, and the mining community is the sum of such individuals with their separate and common memories.

Increased contact with the outside world had done little before the war to offset the miner's isolation or to modify his customs, habits and outlook. He accepted the standards of the community in which he lived. The principle 'do as the neighbours do' is not perhaps more marked in a mining village than among the semi-detached villas of a London suburb. The difference lies in what the neighbours care to do. The collier's habits of mind and body have largely been imposed upon him by physical and mental conditions which are alien to the rest of the world. Before the war, improvements in transport had done little to remove his isolation because he could not afford train or bus fares. The cheap cinema had an escapist appeal, but the miner is a realist, and would not dream of applying the standards of Elstree or Hollywood or any other community to his own world.

Whatever his personal deviation from the general, the miner has certain well-marked traits in common with the majority of his mates. The daily proximity of danger, the painful hardening-process of years spent, with not infrequent injury, in the pits, inure him to physical fear. He will bear pain with the stoicism of familiarity, and look upon falls and accidents as part of the luck of the game; there is never any shortage of volunteers for rescue work in the mines, and the miner makes an admirable soldier. He is used to activity, and spends much of his free time in the open air, gardening, racing pigeons or dogs, walking. He dreads inactivity; the dry-rot of silicosis or unemployment are ever-present fears. His life brings him down to fundamentals. He has no time for subtleties. He is as uncompromising in his personal relationships as in industrial relations, boss in his own home and resentful of anything that threatens his dominant position in the household. Until very recently family solidarity and parental authority were very strong in the mining community. Many of its members were related by inter-marriage. The family was a tight little unit within the microcosm of the community.

The miner's attitude towards his work is traditionally mixed. As a rule, in the past, a man entered mining because there was no other industry in the area that could absorb young labour. A Survey of Scottish Mining Communities carried out in 1946 found that of the miners questioned, two-thirds had entered the industry because there had been no alternative; sixty-one per cent. of them said that they

would change their jobs if they had an opportunity. Of miners who were fathers, forty-seven per cent. said that they would prefer their sons to take up 'any occupation but mining'. It appeared from their answers that this was due not so much to a desire that the children should choose some career more suited to their capacities as to a rooted objection to mining as an occupation.<sup>1</sup> If this were true in 1946, at a time when wages had considerably improved, it must certainly have been true in the past. This antipathy towards an occupation socially undesirable as well as physically offensive has gone oddly hand in hand with the miner's pride in his skill, his sense of solidarity as a member of a group and his indifference to the opinions, customs and fate of the non-mining world. Complaints of the 'muck and sweat' of the pits have been constant and bitter, even when the response to innovations such as pit-head baths has not been correspondingly brisk. At the same time, the miner has been proud of his skill and 'pit-sense', acquired painfully over much of his life. There is no more inveterate talker of shop out of working hours, none more eloquent in criticism of bad or shiftless workmates, none more ready to explain the exact degree of skill and judgement required in the working of coal. He has the confidence of the craftsman and is the more self-assertive because he is conscious that his status as such has been badly undermined in the past twenty-five years by mechanisation and by a surplus of skilled workers.

One can hardly overstress the effect of the depression years upon the morale of the mining community. Poverty and frustration descended like a cloud over the 'depressed areas'. It was probably the first time that the miner really awoke to his isolation from the rest of the world. It was the first time that he had found it a disadvantage. The clan feeling tightened in the mining communities as they realised that the rest of the world, whether from ignorance, indifference or hopelessness in the face of world-wide economic depression was not going to concern itself deeply about their fate. Common misfortune bound them together. At the same time their attitude towards the industry was being sharpened by its disadvantages—insecure employment, lack of prospects, poor wages, mismanagement. The legacy of the depression was an ill-defined but strongly felt and bitterly resented sense of professional and social degradation. Undoubtedly many miners during the war felt a sardonic satisfaction in finding themselves for once able to call the tune. Their attitude was not anti-social. It was only un-social. They were used to seeing themselves as a unit set somewhat apart from society. We have to consider how far these narrowed and embittered men could be expected to respond

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<sup>1</sup> See also Mr. Tom Smith's speech, in House of Commons, 12th October 1943, H. of C. Deb., Vol. 392, No. 106, Col. 1268.

to inducements wrung from the authorities by the urgency of war.

The war affected, of course, in many ways the old isolation of the mining communities. In spite of war-time restrictions on traffic, higher wages made it possible for miners to travel rather more than they had in pre-war days. Families were evacuated from cities into coal towns and villages, munition workers were drafted to factories set up in the surrounding countryside, and many young men and women from coal-mining homes joined the Forces and went far afield. But the effects of these modifying influences in breaking down the miners' insularity were only felt over the long period. There seems to-day to be a widespread desire on the part of the miners to end their isolation from the main streams of social life, but there is little to indicate to what degree this feeling was affected by the war. The mineworker's ingrained sense of isolation was certainly not removed by war-time conditions; it was in some directions even aggravated. The vague initial feeling of 'we are all in this together' soon wore off and in the summer of 1940, after the fall of France, many miners found themselves unemployed at the very time when the rest of the nation was roused to a sense of solidarity by the fear of invasion and was able to express its feelings in work. The mining areas, apart from the ports which served them, largely went unscathed by the bombing attacks of 1940-41. The immediate effect of the influx of workers and evacuees was to emphasise differences in modes of life, often in a way that left the mining community unpleasantly conscious of being considered socially inferior. On the other hand, the miners had their own justifiable grouse in that families from the congested areas of large cities often brought with them some of the habits of the slum. The miners' standard of life is low in comparison with that of the suburban town-dweller, but when one takes into account the difficult housing conditions and the incessant struggle against the all-pervading pit-dirt, the almost complete absence of the 'slum mentality' is remarkable. The miners often chafed over what they considered ingratitude and uncalled-for criticism, and what appeared to be deliberate misunderstanding of their difficulties by 'foreigners'.

In industry as a whole, absenteeism and slackness during the war were, generally speaking, due to fatigue or to a failure to appreciate the urgency and importance of a job or the value of a particular process to the finished work. The problems that arose could be fairly easily tackled by improving conditions likely to cause fatigue and by the work of personnel managers and works relations officers. In mining, the problem was much more complex. The miner's attitude had behind it the force of long-standing dissatisfaction with his conditions of work and living. His feelings were focused into a hostility, that had acquired the dignity of a tradition, towards the men in control of the industry. Also the miner is, in the common phrase, a

'tough customer'. His life is one of unremitting self-assertion, of winning by his own efforts, and whether he is cutting out an obstinate lump of coal or standing up against a cut in wages, he brings to the task the same uncompromising directness and energy. A body of such men is always difficult to handle. Individually open to rational conviction, *en masse* they form a solid block of opinion, an opinion too often circumscribed by the horizon of pit or village, and not easily assailable by argument or appeal from outside.

The explicit demands of the mineworkers could be met by wage adjustments, food regulations, the improvement of health and safety measures, everything that affected the men's view of the advantages of their occupation, including those that could not be reckoned in terms of money. Official policy with regard to these matters has already been traced in the preceding chapters, and it is not proposed to sum up all that was done here. We have to ask, however, what was the effect of these measures on the mineworker's attitude towards his work? How far were they in fact successful, and how far did they fail of that effect?

What public opinion found it most difficult to grasp about the mining situation was why the mineworker's output did not rise as wages went up. The puzzlement and disappointment were so widespread, and at the same time were shared by so many who were in one way or another in fairly close touch with the industry and its problems, that it will be well to discuss now the failure of the money inducement. For it lies close to the heart of the output question and needs to be cleared out of the way before a less confused picture of the miner and his incentives to produce can be reached.

There was, as the Greene Board stated in 1942, a substantial case for an advance in mining wages independent of its effects upon production. The National Reference Tribunal took much the same line in 1944. The equity of the advance is not here in question. What is significant is any incidental effect upon production which the advance may have had. And it has to be granted that, if the advances of mining wages during the war are to be regarded as financial incentives to produce, then the dose administered to the miner was a heavy one.

During the war, coal-miners' wage rates rose much faster than wage rates on the average in all industries. The following table brings out not only the increase in purchasing power, but also the decided improvement in the miner's position in the scale of wage-earners.<sup>1</sup>

The wage improvement was thus substantial both from the point of view of living costs and from the point of view of comparison with other industries. The coal-mining industry was still working pre-war

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<sup>1</sup> Table overleaf from *The London and Cambridge Economic Service Memorandum*, No. 50, May 1947.

Year	Cost of living index figure (Dec. 1924 = 100)	Average wage rates (all industries) (Dec. 1924 = 100)	Coal	Engineering Fitters	Railways	Cotton
1939	88	106	109	119	96	92
1940	104	119	126	128	106	113
1941	110	128	129	134	112	122
1942	111	138	172	143	123	124
1943	110	144	172	154	129	135
1944	112	154.5	208	161	136	143.5
1945	112.5	164	222	169	148.5	158
1946	112.5	177	227	179	148.5	169

hours, and there was no other industry in which the guaranteed minimum wage was as high as the Porter £5 minimum. With these facts before them, the public could not be expected to understand the continued unrest in the industry, and the mineworkers became increasingly unpopular, all the more so as the rise of wages had no effect in increasing or even maintaining their output.

There was a tendency for the general public, therefore, either to regard the mineworker as a disaffected member of the community and in some degree unpatriotic and disloyal, or to look upon him as a strange being whose motives were somehow different from those of other men. There seems no good reason to accept either of these views as correct. Taken as a whole, the mining community was markedly patriotic in its outlook. Neither is there any warrant for supposing that the mineworker's motives in relation to his job were different from those of other men. Indeed, these external views of the miner avoid the really interesting problems. Why did men whose patriotism was undoubted act from time to time in a way which imperilled the national war effort? Under what conditions did motives which are normal and general lead to conduct which appeared incomprehensible and deplorable to other men? This chapter may close with a few remarks upon these matters, although a detailed explanation of them would require a volume on the sociology of the coal industry.

Observers who found the conduct of the mineworker puzzling assumed that, in the normal way, a man who finds himself faced by a possibility of higher earnings will be prepared to put out extra effort to obtain them. An assumption about the conduct of an individual is as a rule, however, also an assumption in some sort about the kind of society in which he lives and of which he is a member. The individual's demand for income, his views upon the getting and spending of money, are usually formed by the part of society which he is most in touch with. For most men the social code, whatever it may be in their time and place, is something which they accept as given and take over with little demur or questioning. Before one can assume that a demand for additional income existed on the coal-

fields and could easily translate itself into extra work, one has to ask whether the mining community had those standards or those habits. If it did not, and if it was unable to develop them in a short time, then even a rapid rise of wage rates might bring about no appreciable change in the working habits of the industry.

The mineworker's demand for higher wage rates during the war arose to a certain extent because he stood in need of extra money in his pocket for immediate expenses. This was the consequence of the increasing cost of living in the early years of the war. It accounts for the formidable character of the discontent of 1942, when earnings showed signs of not keeping pace with the mineworker's family budget.<sup>1</sup> But even in 1942, it should be noticed, the purely economic reason for demanding higher rates was supplemented by other causes. These were of a social rather than an economic character, but were none the less important. One was the comparison between what the mineworker earned and what was being earned by other groups of workers. The other was the threat to the position of the man in the mineworker's family, where the younger members were bringing home almost as much, if not more, than he was in the way of earnings, as opportunities for employment in war industry opened up.

The truth appears to be that a wage rate fulfils a number of different functions. On one side the miner's wage rate measured his immediate need for purchasing power to keep himself and his family. But his pay also measured the miner's position in society, as seen by himself and by other men. The great fall in wage rates between the wars, when wages in the coal industry fell further than the average fall in industry, was attended by a bitter sense upon the mineworker's part of social inferiority forced upon him. This sense was common to the whole mineworking community, which, after 1939, watched the rates of pay in the coal industry increase faster than the average rise of industrial wages with the feeling, not that some new benefit was being conferred upon them for which perhaps payment in kind was required, but that a wrong that had gone unremedied for years was at last being put right. This conviction of the essential justice of conventional wage relations found a new grievance in the comparison between coal-mining and munitions rates of pay between 1939 and 1942; but behind it lay the memories and the comparisons of a whole generation of mining labour.

The importance of the wage rate in maintaining the position of the men in the family, and especially of the head of the family, as against the youngsters and the women, measured by their receipt of pay, may appear trivial, but no one regarded it as such who knew

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<sup>1</sup> On the 'wage-earner's price index' for these years see J. L. Nicholson in the *Bulletin of the Oxford Institute of Statistics*, Vol. 7, No. 14, 13th October 1945.

the miners. As an issue, it was most productive of trouble in 1942, but much less so afterwards.

These matters apart, the wage rate performed certain other functions for the mineworker. It acted, for example, as a buttress to his feelings of security. Two decades of heavy unemployment had sapped the mineworker's confidence in the future of the industry, and the conviction was widespread that, once the war was over, wage-cutting and unemployment would come as they had done after the previous war. By driving up the wage rate during the war, the mineworker prepared against a future which for him was full of uncertainty and fear. He felt that, if he could only hold his job, he had a bargaining counter in his hand against the day when the employer demanded a cut in the rate.

Finally, the wage rate played a part as a symbol in the perpetual conflict between managements and men. This was an issue of control, of power in the industry. There could be no doubt with whom that power had lain in the past, and many mineworkers believed that it had been most unjustly used, to the detriment of themselves, of their womenfolk and of their children. The rights and wrongs of this question are too many and extend too far into the history of the coal industry to be considered here. What is immediately relevant is the long record of bad industrial relations in the industry and the organised opposition between employer and employed. The wage rate tended, from time to time, to be regarded as a test of relative strength, as a weapon in an ancient feud.

There were, therefore, to the miner's mind a number of good reasons, apart from his immediate need of purchasing power, why wage rates should go up in the industry. But while these motives made him a strong fighter for increased wage rates, they did not suffice to give him, beyond a point, a high demand for money income. The standards of expenditure of the average mineworker's family had been modest for many years, under the influence of lowered wage rates and unemployment, and they became in some ways more so as strict rationing and commodity control spread during the war. The extension of income tax to small incomes by the 'pay as you go' system as a part of war finance made the extra pay to be obtained by an extra shift seem pointless to many men. The mineworker had always been an irregular worker, partly from the conditions of a rough, heavy and dirty job, partly from the dislike many men felt for an industry which was none of their choosing, partly from the prolonged unemployment and under-employment of the years before the war. When wage rates rose, some mineworkers, finding it easier to make the money required for their needs and amusements, tended to take out part of their earnings from the industry not in the form of money but of leisure. And especially



among the younger men, the absence of family responsibilities and the resentment at direction tended to encourage this. There appeared no incentive to relax or abolish the practices restrictive on production which had developed in the industry largely as a protective device against unemployment. The discipline of the industry had been relaxed, partly by the Essential Work Order, still more by the scarcity of mining labour. Hence, any tendency in an individual to slacken his effort on the shift or to absent himself from the shift received encouragement, especially towards the end of the war, when the fear of invasion had been removed, victory appeared certain, and many men, especially young men, hoped to leave the industry for ever within a very short time.

Whether or not a financial incentive to produce more will work or not depends, in a word, upon circumstances. The increase in miners' wages was not a well-calculated experiment in industrial management; it was not introduced as part of a systematic and well-laid plan to increase production; it was not carefully integrated with the reclassification of jobs, the change of technical and working methods, and all the other parts which would have been necessary to such a plan. Wage policy in the mines during the war was the result of a series of *ad hoc* decisions—each perhaps thoroughly justifiable in itself—to which productivity was incidental. It could not and did not succeed, therefore, as an incentive to production. The war economy itself deprived the financial incentive of much of its force. A combination of labour scarcity and full employment, of commodity shortages and of inflation rigorously controlled by rationing on the one hand and extended taxation on the other, was not the set of circumstances under which the wage-systems of industry have been designed to work.

In the coal industry, special circumstances added themselves to this union of a wage policy which was only a policy by courtesy and the economic conditions of total war. The war came when the coal-mining industry in Great Britain and the coal-mining community with it were just beginning to pull themselves round after the crushing experiences of the nineteen-twenties and thirties. The industry was beginning to adapt itself to the prospect of extensive changes in its technique and management, changes which, if consummated, would have brought with them profound changes too in the social life of the coal-fields. But the beginning was very slow; up to 1939 there were few signs of new life in the coal industry and in the coal-mining community. The one was an industry used to a low level of productivity compared with what came to be regarded as desirable during the war, after such inquiries as the Reid Committee. The other was a community used to a low income, badly frightened by the enormous power, so recently demonstrated, of trade depression and

mass unemployment. Health might yet come out of illness, given time, but the war was hardly normal convalescence. Many of the most unsatisfactory features of the war record of the coal industry arose from the fact that in 1939 the industry had been a sick industry and the mineworking community, with all its abundant reserves of vitality, a sick society.

## CHAPTER XVIII

# THE FINANCE OF THE COAL INDUSTRY

(i)

### The Development of the Coal Charges Account

**T**HE application of the controls over manpower and industrial supplies did not exhaust the expedients invented to hold the coal-mining industry in its place within the national war economy after 1942. It was a condition of success in this unpleasant and thankless undertaking that emergency arrangements should be worked out covering coal prices and production costs which would facilitate the production and distribution of coal under the increasingly novel conditions of war and would keep both producer and consumer reasonably contented. How these financial problems grew urgent in the early years of war, how the industry attempted to deal with them by price-averaging schemes, levies, pools and similar devices, and how the Government, in pursuit of the broad national objects of price policy as they appeared at the time, took over the levy system from the industry and created in the Coal Charges Account in 1942 a weapon to attack the problems of price and cost, has already been told.<sup>1</sup> It has still to be seen how far that step was wise, and served the purposes it was intended to serve.

The Coal Charges Account was intended to meet a situation in which consumers had to be instructed by the control more and more to take their supplies from unaccustomed sources, and they were very much interested in the difference of price which they might have to pay. Meanwhile, producers found themselves faced by rising costs which bore unequally on the various fields. These costs were difficult to deal with by national price increases without either raising prices so high as to injure consumers and the war effort, while paying a bonus to the low cost producer, or raising prices too little to help effectively the high cost mine or field. The way out from these problems was sought by the method of averaging the rise in costs over the whole output of the industry, levying the funds to meet successive increases in cost by means of a national average charge per ton, and

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<sup>1</sup> See Chapter X above. Also the valuable official analysis, *The Coal Charges Account*, published as a White Paper, April 1945 (Cmd. 6617).

recouping the industry for the levy by national average price increases.

The rise in industrial costs was the main cause of the institution of the Coal Charges Account. The system of the combined charge and the price increase, both closely supervised by the Minister of Fuel and Power, formed the backbone of the arrangements by which that rise was met from 1942 to the end of the war. But there were also special problems to be met—those of the necessitous undertaking or of the specially high cost field, for example—which required some adaptation of the general method. Furthermore, from time to time the Minister of Fuel and Power, as the principal keeper of the Account, had to meet unusually large increases of cost, such as that added by the wages award of 1944 which caused some difficulty and even excitement in the financial field. Finally, the effect of the total rise of costs throughout the war upon the finances of the coal industry has to be considered. For it was great and it had the effect of leaving the coal industry substantially indebted to the Exchequer by way of loan to the Account. As a result of a series of decisions upon these difficult problems, the war-time finances of the coal industry came to be covered by a web of arrangements of much complexity, linking field with field and one undertaking with another. The characteristic finances of a competitive and individualist industry, which had been substantially modified by the organisation of control prices and central selling under the Coal Mines Act of 1930, were still further obliterated. The highly mixed war-time system of industrial finance so created was brought into a special relation with the finance of the central Government, which became closer and more obvious as the war proceeded and the financial strain which it threw upon the coal industry became more intense. This attempt to keep the finances of the coal industry within the four corners of the system created by the Coal Charges Order of 1942 forms the subject of the present chapter.

Nothing has yet been said concerning the administration of the Coal Charges Account. Control was in the hands of the Minister of Fuel and Power, advised by a committee consisting of two representatives each from the colliery-owners, the miners and the Ministry. The District Executive Boards of the Central Council of Colliery Owners issued the initial demands for payment of the levy and price allowances were deducted by undertakings when making the payment. The Central Council, acting as agents for the Minister, refunded to each undertaking the amount of wage additions under the Greene recommendations, the guaranteed wage payments and, later, wages additions under the Porter Awards and wages agreements of April 1944.

The Central Council also paid the bulk of grants and loans to necessitous undertakings. The responsibility for dealing with cases

requiring assistance was left, subject to principles recommended by the Advisory Committee, to the District Executive Board and the Necessitous Undertakings Committee of the Central Council with its chairman appointed by the Minister of Fuel and Power. Application for assistance was made by collieries to their respective District Executive Boards. These Boards, after ascertaining from the Regional Controller that maintenance was in the national interest, obtained reports from accountants and mining engineers appointed for the purpose and, after consideration, made recommendations to the Necessitous Undertakings Committee as to the measure of assistance to be given.

Two items in the financial arrangements which were in being before the Coal Charges Account was started continued after 1942 and formed main charges on the new Coal Charges Account. One of these was the guaranteed wage under the Essential Work Order, which had formerly been repaid to the collieries out of the industrial levy managed by the Central Council of Colliery Owners and was now paid to them out of the charge levied on the industry by the Minister of Fuel and Power and the fund arising from it which was administered by him. The other was the scheme (known as the Necessitous Undertakings Scheme) for helping by grant or loan collieries whose output was badly needed but which financially were so broken that their difficulties could not be met simply by district price increases. This scheme continued to be administered, after the manner earlier described, in the form of grants to meet ascertained working losses plus 3d. per ton on the output of the undertaking. Much of the success of a scheme of this sort depended upon the conditions surrounding the grant and upon keeping down to a minimum the number of undertakings in receipt of relief. The amount of relief given under the scheme will be considered later. It was in fact a kind of out-relief to collieries which would otherwise have been destitute. A scheme of this kind was of limited application and it came to form a subordinate part of the general scheme of the Account.

Much more important was the handling of wage increases throughout the industry—a general problem of great urgency in the summer of 1942. Almost from the first, the main charges on the Account were other than the guaranteed wage of 1941 and the relief of necessitous collieries. In the first place there was the cost of the wages award of June 1942 to be met; in the second, there developed in that and subsequent years an innovation, in the shape of what were termed district price allowances intended to maintain standard district balances. The handling of the Greene Award through the Coal Charges Account formed the precedent for the treatment of later increases of wages, which were the most important element in the war-time rise of costs. The district price allowances proved to be

the beginning of a regular system by which the low cost and more profitable fields were made to carry the high cost and less profitable fields. Both developments were significant, not only for the finances of the industry, but also for the maintenance of production.

When Lord Greene's Board of Investigation into miners' wages recommended a wage increase of 2s. 6d. per shift to all adult miners, the cost of the proposed increase bore much more heavily on districts and undertakings with a low output per shift than upon those with a high output per shift. If the undertakings had been left to bear the cost through district price increases, these increases per ton would obviously have been widely different. The Minister of Fuel and Power therefore decided, in consultation with the Central Council, to increase the amount of the levy or coal charge from 7d. to 3s. 7d. per ton and to pay from the Account to each colliery individually the actual cost of the wages award. Thus, the whole cost of meeting the award was borne centrally by the Coal Charges Account. Of course, a national price increase had to be granted to cover the cost, and on 3rd July the price of coal was advanced by 3s. per ton to enable the owners to meet the levy. This would have been insufficient to meet the needs of those undertakings for whom, on their low output per shift, the award represented an addition to their costs per ton which was above the average addition for the industry as a whole. The intervention of the Account met their needs by pooling the proceeds of the price increase. It avoided a national increase of price adjusted to meet the needs of the undertakings with the highest cost, which would have presented a bonus to the low-cost concerns, or a series of district increases of price which must have been widely uneven because of the varying incidence of the award on costs.

The month of July 1942 also saw the beginning of the system of price allowances to districts. Local increases in price were overdue in Durham, South Wales and Yorkshire to meet rising costs of production in those fields, apart from the wage award. Of the increased levy of 3s. per ton, 2s. 6d. was used for the wage payments, 6d. for payments to those districts in lieu of the overdue price increases. This innovation suggested a new way of dealing with district discrepancies in costs and profits and their constant tendency to diverge. This was a problem created by the substantial and continued reduction of output, which increased costs per ton and was most felt where production fell most. It could not be treated in the same way as the wage award, for to pay all additional costs to each colliery individually would have destroyed whatever competitive incentive there still remained in the industry. Some means of retaining this incentive had to be found. The answer was the district price allowance scheme which eliminated competition between districts but enabled it to persist within each district between pit and pit. The proceeds of the

high cost districts were increased by allowances from the Coal Charges Account. Thus, one district helped to finance another, a great change from the days of acute inter-district competition. The price allowance system became the standard method of meeting charges in district costs (other than those due to wages) from 1942 onwards. From that year, no further district increases in price were granted. Any necessary increases in the price of coal were henceforward on a national basis; the proceeds were pooled and the weaker districts were put on allowance by the Account.

Price allowances were bound up with the idea of standard district credit balances. The assurance of a national minimum credit balance of at least 1s. 6d. per ton had been given by the President of the Board of Trade in May 1941, but no guarantee had at that time been given to maintain minimum balances for each district. In the summer of 1942, the Government reached agreement with the Central Council that the datum level for the national credit balance was to be 1s. 9d. per ton, with the provision that if the profit became less than 1s. 6d. per ton or greater than 2s. there should be adjustment of prices. District standard credit balances were agreed varying from 6d. to 2s. 9d. per ton and averaged out to 1s. 9d. per ton for the industry as a whole.<sup>1</sup> These standard balances, together with the actual credit balance achieved after allowing for adjustments through the Coal Charges Account, are shown in the table overleaf for all districts and for the whole period of the war.

This agreement was followed by the general introduction of the system of district price allowances adjusted quarterly, designed to produce the agreed standard credit balances and to meet the increased costs of the individual districts by a small general price increase spread over the whole country. The pit-head price of coal was increased by 1s. per ton on 1st January 1943 for these purposes. The coal charge was at the same time increased from 3s. 7d. to 5s. and paid back out of the Coal Charges Account at a flat-rate per ton to those districts whose actual credit balances were below their agreed standard balances.

The calculation of the price allowances was made possible by the standardised and uniform system of cost accounting which already existed in the industry. For the purposes of the wage ascertainment system, instituted after the wages agreement of 1921, independent accountants had been appointed by both sides of the industry in each district to check by test audit the books and records of the colliery undertakings and to summarise the statistical returns each month, so as to ascertain the financial result of the district as a whole for the period. Apart from collieries which were too small to keep proper records, the arrangements covered the total production of Great

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<sup>1</sup> Cmd. 6617, para. 27.

*District Balances per Ton<sup>1</sup>*

	Standard Credit Balance	1939	1940	1941	Adjusted Balances			
					1942	1943	1944	1945
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Scotland . . . . .	1 9	1 8	2 2	2 1	1 7	1 8	1 6	1 7
Northumberland . . . . .	1 6	1 5	1 4	1 7	1 4	1 4	11	2 0
Durham . . . . .	1 3	1 4	9	1 1	1 1	1 0	9	1 2
South Wales and Mon- mouth . . . . .	1 3	11	5	11	1 1	1 0	1 0	1 4
Yorkshire . . . . .	1 9	1 11	1 11	1 10	1 4	1 4	1 9	1 4
North Derbyshire . . . . .	2 3	1 10	2 1	2 3	2 1	1 10	2 0	2 4
Nottinghamshire . . . . .	2 3	1 11	2 5	2 7	1 11	2 3	2 1	1 10
South Derbyshire . . . . .	2 6	1 8	2 10	2 10	2 5	2 1	2 7	2 4
Leicestershire . . . . .	2 3	2 3	2 6	2 7	2 3	2 4	2 4	1 11
Cannock Chase . . . . .	2 3 <sup>2</sup>	2 7	2 8	2 2	2 5	1 11	2 0	2 3
Warwickshire . . . . .	2 9	2 11	2 9	3 2	3 4	2 8	2 4	3 0
Lancashire and Cheshire . . . . .	1 9	1 7	10	1 1	1 3	1 4	1 8	1 2
North Staffordshire . . . . .	1 9	1 11	2 0	2 5	1 4	1 9	1 5	11
Cumberland . . . . .	6	7	10	1 4	6	4	8	2
North Wales . . . . .	1 6	1 9	1 5	1 6	1 3	1 2	1 6	10
South Staffordshire . . . . .	1 9	1 9	1 9	2 7	1 6	1 4	2 7	2 0
Shropshire . . . . .	1 6	1 0	1 0	2 1	1 3	1 2	1 8	8
Forest of Dean . . . . .	1 11	1 9	1 7	1 7	1 5	1 6	1 11	1 5
Bristol and Somerset . . . . .	1 9 <sup>1</sup>	1 7	2 3	2 7	2 8	2 7	1 8	3 0
	2 9 <sup>1</sup>							
Kent . . . . .	1 9	2 1	1 6	2 10	1 10	2 6	3 0	2 0
Great Britain . . . . .	1 9	1 8	1 7	1 9	1 6	1 6	1 6	1 7

Britain. This was so far convenient that arrangements were made by the Ministry to continue taking the district ascertainments even when, after April 1944, they had lost their original function of determining the district percentage addition to wages. For audit of payments into and out of the Coal Charges Account the Ministry employed the independent accountants who audited the wages ascertainments of the industry. In paying the price allowance, the actual district balances per ton, shown by the ascertainment figures for a given period, were compared with the standard district balances as now agreed, and an amount equal to the district deficiency per ton was paid out from the Coal Charges Account to each colliery in the deficient districts in the form of a supplementary payment on the tonnage it produced during the subsequent quarter. This supplementary payment formed the price allowance for the district.

As it happened, the whole period during which the price allowance scheme operated was one of falling production and rising costs. A national average credit balance of 1s. 9d. was never reached. In 1942

<sup>1</sup> Sources: Table 35, *Ministry of Fuel and Power Statistical Digest* (Cmd. 6538) and subsequent annual supplements to the Digest. See also Statement III attached to the White Paper on the Coal Charges Account (Cmd. 6617). Debit balances are underlined.

<sup>2</sup> This was reduced to 2s. after the Porter Award in January 1944 owing to an allowance for holidays which was now borne by the Coal Charges Account.

<sup>3</sup> Reduced to 2s. 6d. in January 1944 for reasons indicated in note 2.



the balance was 1s. 2d. per ton, in 1943, 1s. 4d. per ton and in 1944 and 1945, 1s. 7d. per ton. In 1942 and 1943, the balance was made up to the minimum of 1s. 6d. by supplementary payments of £3½ millions in the first year and £1½ millions in the second.

## (ii)

## The Coal Charges Account after 1942

It remains to consider one or two aspects of the relation between the Government and the finances of the coal industry after 1942. The tendency was for that relation to grow closer and firmer and to pass over into a thoroughgoing Government control of the main items of coal finance, that is, prices, profits and wages, by virtue of the decisions that had to be made by the Minister of Fuel and Power concerning coal prices, the national and district balances of the industry, and the use of the coal charge to pay wages. The hold of the Government over the industry was increased to the extent that the funds raised by the coal charge were not sufficient to meet all the purposes authorised by the Minister so that money had to be advanced from the Exchequer. Furthermore, the Government lent money to the industry on capital account.

When the levy under the Coal (Charges) Order of June 1942 was increased to 3s. 7d. per ton, the Government had already taken, in effect, a substantial responsibility for the finances of the industry. It is true that it was an underlying principle of policy that all costs of production should be met in full by the industry without Exchequer subsidy. Apart from certain expenses noted below<sup>1</sup>, this principle was maintained.

In the summer of 1942 the levy fund met four main items:

- (a) wage additions;
- (b) district price allowances;
- (c) guaranteed wage payments under the Essential Work Order;
- (d) assistance to necessitous undertakings.

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<sup>1</sup> The expenses excluded from the Coal Charges Account and met by the Exchequer fell principally under the following headings:

- (a) Expenses of administering the operational control of the industry (except the salaries of Group Production Directors, see Chapter XIV).
- (b) The continuation of the subsidies to meet abnormal distribution costs.
- (c) Expenses incurred in stocking coal on Government account.
- (d) Expenses of production and sale of coal by opencast, etc., methods on Government account.
- (e) Expenses of production and sale of briquettes on Government account.
- (f) The acceptance of responsibility for meeting the costs of special war-time development; and for financing the losses of certain undertakings maintained in production under Government control.

TABLE IV

*Coal Charges Account*Income and Expenditure Account for period from 3rd June 1942  
to 31st December 1945

## A. GENERAL PURPOSES

<i>Expenditure</i>	<i>Amount</i> £	<i>Per Ton</i> s. d.
<b>PAYMENTS TO MINERS</b>		
1. WAGE ADDITIONS . . . . .	135,787,767	4 4·39
2. GUARANTEED WAGE PAYMENTS . . . . .	5,015,611	3·45
3. Cost of V.E. and V.J. Holidays . . . . .	3,850,000	1·50
4. Output Bonus (merged in (1) from 20th April 1944) . . . . .	605,900	·24
5. Contribution towards miners' travelling expenses . . . . .	541,000	·21
6. Allowances to miners returning from the Forces . . . . .	123,428	·05
7. Expenses of Pit Production Committees . . . . .	124,997	·05
8. Miners' housing including cost of operating hostels . . . . .	576,000	·22
<b>PAYMENTS TO OWNERS</b>		
9. PRICE ALLOWANCES . . . . .	108,833,078	3 6·39
10. Allowances for increased costs consequential on wage additions (from 3rd June 1942 to 31st December 1942) . . . . .	454,367	·18
11. Special Price Allowance re pneumoconiosis (merged in District Price Allowance from 1st October 1943) . . . . .	140,400	·05
12. Special Allowance to cover increased costs under Workmen's Compensation Act 1943 (merged in Price Allowance from 1st January 1944) . . . . .	151,000	·06
13. Special Allowance on exports (merged in Price Allowance from 1st April 1944) . . . . .	195,051	·07
14. Subsidies on anthracite exported to Canada (merged in Price Allowance from 1st April 1944) . . . . .	206,987	·08
15. WAR EMERGENCY ASSISTANCE . . . . .	8,982,274	3·50
16. Maintenance of individual pits . . . . .	440,960	·17
17. Pneumoconiosis Trust Funds in South Wales . . . . .	2,206,829	·87
18. Maintenance of Minimum Credit Balances, 1942 and 1943 . . . . .	4,733,732	1·84
19. Cost of timber subsidies <sup>1</sup> . . . . .	1,200,000	·47
20. Miscellaneous expenditure and allowances . . . . .	353,556	·14
<b>OTHER PAYMENTS</b>		
21. Interest on Treasury advances . . . . .	2,005,854	·79
22. Audit fees . . . . .	121,500	·05
23. Administrative expenses . . . . .	354,650	·14
	277,004,941	8 11·90
LESS receivable on account of Railway Freight Rebates . . . . .	1,385,000	·54
	275,619,941	8 11·36
COAL CHARGE . . . . .	252,834,448	8 2·49
DEFICIENCY . . . . .	22,785,493	8·87

Source: Ministry of Fuel and Power.

<sup>1</sup> This provision was as originally advised by the Ministry of Supply. After the income and expenditure account for 1945 had been prepared, the Ministry of Supply advised the Ministry of Fuel and Power of large additional cost incurred.

As time passed, a number of other items were charged to the Account, as indicated in the table opposite, which shows the income and expenditure of the Account for general purposes from its beginning in 1942 to the end of the war. But these four items remained always the largest and most important. They were enough to give the Government a very firm hand over the general finances of the industry. Whatever had been the intention of the Government about financial control at the beginning of the war, by the end of 1942 it was in all but direct control of all coal prices and had guaranteed the industry a minimum national credit balance.

It had always been feared that direct control of pit-head prices would bring the Government dangerously near to a determination of what wages ought to be. The Ministry of Fuel and Power was faced with just such a situation at the end of 1943. The claims made by the men and the awards given by the National Reference Tribunal, under the chairmanship of Lord Porter, are described in detail in an earlier chapter, so it is only necessary here to recapitulate briefly from a financial viewpoint the circumstances of the award.

The White Paper on Coal of June 1942 clearly laid it down that wages questions should be left to the industry's own machinery. When, as part of this machinery, the National Reference Tribunal was faced with a claim, at the end of 1943, for an increased national minimum wage and an increase in piece rates to take account of the proposed new minimum rates, the Government was directly implicated in that it held the purse-strings of the industry. It was faced with the dilemma that it must either rely absolutely on the machinery of the industry to arrive at decisions which would safeguard the national interest, which was tantamount to saying the Government would guarantee an increase in prices to meet any wage advances allowed by the Tribunal, or it must look upon itself as the final arbiter in these matters. To follow the latter course would inevitably strike a blow at the root of the system of free collective bargaining between responsible organisations in the industry.

The Minister refused to give any assurance in advance that the price of coal would be raised to meet an advance of wages granted by the National Reference Tribunal. When the fourth award, raising the minimum wage but rejecting the demand for increasing piece rates, had been given, he agreed, however, to increase prices to meet the additional wage cost arising out of the award.<sup>1</sup> In agreeing to this course, he refused to meet the cost of removing the various wage 'anomalies' arising out of the award, which were being negotiated in the districts. The Tribunal had expressly rejected the claim for increased piece rates and the Government placed its weight behind

<sup>1</sup> A national price increase of 3s. per ton was granted on 1st February 1944 with additional increases of 2s. 3d. in South Wales and 2s. in Cumberland.

the decision, whatever its merits, by stating 'that any further increase in the total wage bill must be met from within the industry as a result of its own efforts'.

Whether the Minister was in a position to enforce this decision is a nice point. The mine-owners had been assured a minimum national credit balance of 1s. 6d. per ton. Through the mechanism of the Coal Charges Account any extra payments to miners would go to decrease the district balances, unless the extra wages were accompanied by rising output and proceeds. In due course, this decline in the district balance would be reflected in increased price allowances payable out of the Coal Charges Account. Thus, although the whole cost of the new wage increase had not been allowed by the Minister, the Coal Charges Account would ultimately foot the bill unless some action were taken to prevent the additional cost appearing in the figures for the ascertainment of district proceeds, where it would infallibly be translated into a claim on the Account via the price allowance system.

The problem was solved indirectly by the decision to overhaul the wages structure of the industry. The wages agreement of April 1944, which was to remain in force at least until the end of June 1948, set out to restore the serious loss of incentive to productive workers who, under the Porter Award, were earning only slightly more than the minimum underground wage. The details of the agreement have already been explained. Its main effects were to merge the existing district percentages, which depended upon the periodical district ascertainments, and the war-time flat rate in a new consolidated basis rate. This made the district ascertainments unnecessary and involved abandoning, for the duration of the agreement, the district ascertainment system as a method of settling wages. It had been, in effect, largely inoperative since June 1942 when the Greene Board had converted the percentage rate then existing into a minimum. Price control and the price allowances operations of the Coal Charges Account involving agreed district balances made it difficult for the ascertainments to have any real meaning. For the ascertainment system belonged very distinctly to the days when prices had been free and when the affairs of the coal industry were run largely on a district footing.

The National Wages Agreement, of which the suspension of the ascertainment agreements was only a part, was only obtained at the cost of an important concession from the Government. For the period of the new agreement the Government undertook to continue a system on the lines of that provided by the Coal Charges Order and to maintain the price of coal at a level which would ensure a reasonable credit balance for the industry. This meant that the Coal Charges Account system would be continued most probably into the first years of peace.

While these things were happening, the Coal Charges Account, and the coal industry with it, were falling into debt with the Exchequer. Any prospect of an increase in output, which was the main hope of reducing costs, had been surrendered by 1944. As the year passed, it became clear that the coal levy for the year was going to be far from sufficient to meet the charges on the Account. Production was declining and costs were increasing so that district price allowances continued to grow and the income of the Account fell below its expenditure. The War Cabinet was asked to agree to an increase in price to meet the rising costs, but there was delay in giving the necessary authority, and by the end of 1944 the excess of charges over levies on the first 2½ years of the Account had been approximately as follows:

3rd June-31st December	1942	£6½ millions
	1943	£6 millions
	1944	£13½ millions
		<u>£25½ millions</u>

This deficiency, together with £6½ millions advances of working capital for the current operation of the Account, was met by Exchequer loans. The Coal Charges Account was designed not to subsidise the industry but to provide a means of financing part of the costs of the day-to-day operations of colliery undertakings and to spread the burden of war-time increases in costs by a system of partial pooling, the cost of the levy being met by national price increases. The Exchequer advances, therefore, had to be repaid at some point when the financial position improved, either through greater production, with consequent reduction in costs, or through an increase in the price of coal.

Down to the end of 1944 the increases in the coal charge and in the pit-head price of coal had been as follows:

<i>Increases in the Levy under the Coal (Charges) Orders</i>			<i>Increase in the Pit-head price of Coal</i>	
	<i>Per ton</i>		<i>Per ton</i>	
	<i>s. d.</i>		<i>s. d.</i>	
1939	3rd November	—	1 0	(1s. 4d. in South Wales)
1940	2nd May	—	8	(1s. 8d. in Shropshire, South Staffordshire, Forest of Dean, Somerset and South Wales anthracite)
	1st November	—	1 9	(2s. 9d. in South Wales and Cumberland. 3s. 3d. in Kent. 2s. 9d. to 4s. 9d. in Scot- land anthracite)
1941	1st January	—	8	
	1st June	—	10	
1942	3rd June	7	—	
	3rd July	3 0	3 0	
1943	1st January	1 5	1 0	
1944	1st February	3 0	3 0	(2s. 3d. in South Wales)
	1st August	4 0	4 0	
		<u>12 0</u>	<u>15 11*</u>	

\* The average increase over all supplies was approximately 18s. a ton.

There appeared no immediate hope of improving the financial position through increased production, and on 1st May 1945 coal prices were raised by 3s. 6d. There was at the same time an increase of 3s. per ton in the coal charge and a general reduction of 6d. per ton upon all district price allowances to take into account the 6d. per ton increase in price retained by the producers.<sup>1</sup> This brought the levy up to 15s. a ton or some forty-five per cent. of the average production cost of coal for the country.

The Minister of Fuel and Power announced this price increase to the House of Commons on 26th April 1945.<sup>2</sup> Two days before, in his budget speech, the Chancellor of the Exchequer had referred to the possibility of inflation and announced that he was not prepared to offset increases in the cost of living by corresponding subsidies, although there were indications that the index figure could not be held much longer at its existing figure—130 per cent. of September 1939. The increased coal price, therefore, caused some alarm in the House, although the Minister assured Members that the rise would make a difference of no more than .7 to the cost of living index.

Wages were by far the most important item in the increased cost of coal. As shown below,<sup>3</sup> they accounted for three-quarters of the total increase:

*Wages, Coal-mining Costs and Proceeds*

	1939	1942	1943	1944	1945	Increase 1945 compared with 1939
	Per ton of coal supply					
	s. d.	s. d.	s. d.	s. d.	s. d.	%
Wages . . . . .	10 11	18 1	20 3	23 8	25 5	133
Other costs . . . . .	5 6	7 5	7 11	9 7	10 6	92
Total costs . . . . .	16 5	25 6	28 2	33 3	35 11	119
Proceeds <sup>4</sup> . . . . .	18 0	26 5	29 1	33 5	38 4	113

As the Minister pointed out to the House, the wage increases, which no one in the country thought other than fair, were being felt in our national economy in more ways than one. The domestic consumer and the rise in the cost of living were only part of the picture.

<sup>1</sup> This step was taken mainly because a coal charge of 15s. per ton was simpler to administer than one of 15s. 6d. per ton, and as all district price allowances were well above 6d. per ton, the deduction made no significant difference to balances.

<sup>2</sup> H. of C. Deb., 26th April 1945, Col. 994.

<sup>3</sup> From Cmd. 6617, p. 14, with figures for 1945 added.

<sup>4</sup> For the years 1942-44 the difference between proceeds and costs represents part of the credit balance available to owners; the rest of the credit balance was made up by net payments arising from transactions on the Coal Charges Account and provided for by Exchequer loans, e.g., 7d. per ton for 1942 and 1943, 1s. 5d. per ton for 1944. In 1945 the industry received a credit balance of 1s. 7d. and the remaining 10d. went towards paying off the Exchequer loans, and in meeting certain costs which were carried directly on the Coal Charges Account, not shown in the figures prepared for the purpose of the wages ascertainties.

The rising price of coal affected costs of production throughout industry and the export trade might suffer after the war. Some were inclined to think a subsidy advisable, but the Minister believed 'that for the sake of the nation and industry it is far better for the public to know what they are paying'.

The increase in the price of coal stopped the need for further advances to the Coal Charges Account from the Exchequer, but it did not go as far towards repaying the loan as had been hoped. During 1945 an additional item, the cost of the VE and VJ holidays, amounting to nearly £4 millions, was borne by the Account, and the deficiency at the end of the year was reduced by little more than £3 millions from £25,795,723 at the end of 1944 to £22,785,493. Furthermore, the Ministry was immediately presented with an unexpectedly large bill at the beginning of 1946 for timber supplied for the pits by the Timber Control Department of the Ministry of Supply, and the year's savings were devoted to meeting in part this bill.

The Coal Charges Account closed its war-time books with the industry heavily indebted to the Exchequer for financial assistance which had yet to be repaid. It is desirable to be clear as to how this situation had arisen. The Account had been evolved as an instrument to handle on behalf of the industry war-time increases in cost and spread them over all coal producers. Finance was made the servant of war-time production. But productivity, as we have seen, fell off over the country as a whole and the consequent rise in the costs of the industry was reflected in the state of the Account. To this extent, the deficit measured the economic weakness of the coal-mining industry as a whole, under war conditions. The fall in productivity and the rise in wages were, however, felt far more violently in some districts than in others. Districts whose output per head was low and costs high before the war, were flung into graver difficulties after it began and might conceivably have been forced out of production altogether, but for the help afforded them through the levy system and the Account. The deficit, therefore, measured not only the weakness of the industry but especially that of the districts of high cost.

The degree to which some districts were subsidised by others through the operations of the Coal Charges Account and the changes which had taken place in relative output and cost positions by 1945 are illustrated in the table overleaf.

These figures show that the seven districts, Durham, South Wales and Monmouthshire, Lancashire and Cheshire, Cumberland, North Wales, Bristol and Somerset, and the Forest of Dean, which never contributed to the Account, were the seven districts with the lowest output per shift in the country. The last four of these districts were all comparatively unimportant, accounting for little more than 2½ per cent. of total output between them. Durham, South Wales and

TABLE V  
District Costs per ton and Recoveries from the Coal Charges Account

	1945		1938		1945		1942		1943		1944		1945	
	Percentage of total tonnage commercially	Output of saleable coal per man shift worked	Total costs per ton		Total costs per ton		Contributions per ton	Recoveries per ton	Contributions per ton	Recoveries per ton	Contributions per ton	Recoveries per ton	Contributions per ton	Recoveries per ton
			s. d.	s. d.	s. d.	s. d.								
Scotland . . . . .	12.16	Tons	15 2	1 00	34 0	3	1	6	1	6	3 2	8	2	2
Northumberland . . . . .	5.62		14 10	0.95	35 2	2	6		1 6			8	2	2
Durham . . . . .	12.84		15 5	0.84	40 2	11			3 3			3 9	3	2
South Wales & Monmouth . . . . .	11.67		18 3	0.75	49 4	2 4			3 3			7 10	8	7
Yorkshire . . . . .	20.74		15 6	1.10	32 8	7			6			6	0	0
North Derbyshire . . . . .	7.20		14 8	1.33	29 6	3	11	1 1	3 6	1 1	3 0	6	0	0
Nottinghamshire . . . . .	8.51		14 1	1.45	28 8	4	7	1 6		1 6	5 2		4	0
South Derbyshire . . . . .	1.60		14 8	1.50	27 4	6	1 10	2 4		2 4	5 8		8	0
Leicestershire . . . . .	1.81		13 8	1.60	24 6	10	2 2	3 7		3 7	7 8		8	0
Cannock Chase . . . . .	2.43		16 7	0.97	32 0	7	8	10		10	4 10		10	0
Warwickshire . . . . .	2.48		16 2	1.22	29 9		1 11	2 7		2 7	5 10		10	0
Lancashire and Cheshire . . . . .	5.82		18 10	0.85	42 10				2 5		3 5		7	0
North Staffordshire . . . . .	3.11		16 7	1.14	37 4	1 1	8		6 1		10 0		8	0
Cumberland . . . . .	0.58		20 3	0.67	56 10	3 3			1 0		2 5		10 8	0
North Wales . . . . .	1.04		16 7	0.84	39 5	5			1 0		—		—	0
South Staffordshire . . . . .	0.54		15 8	0.99	31 10	3		11	1 1		4 4		—	0
Shropshire . . . . .	0.33		17 8	1.01	36 10	1 0			9		1 0		4	0
Forest of Dean . . . . .	0.51		15 0	0.82	38 3	1 7			3 1		2 6		4	0
Bristol and Somerset . . . . .	0.35		18 7	0.73	41 8	6			9		3 9		1 11	0
Kent . . . . .	0.66		18 9	0.89	43 9	9	7		—		2 0		3 0	0
Great Britain . . . . .	100.00		16 0	1.00	35 11	7			7		1 4		11	0

Source: Ministry of Fuel and Power



Lancashire, on the other hand, accounted for some thirty per cent. of the total. The five districts which consistently contributed to the Account, North Derbyshire, Nottinghamshire, South Derbyshire, Leicestershire and Warwickshire, were the five districts with the highest output per shift in the country. The first four comprised the North Midland region, which accounted for some twenty per cent. of total national output.

The importance of the subsidies received by certain districts becomes clearer from a comparison of total costs per ton in 1938 and in 1945. Ignoring any difference in the quality of the coals, the average cost per ton of coal produced in 1938 in the lowest priced district, Leicestershire, was 13s. 8d., and in the highest priced district, Cumberland, 20s. 3d., the average for all districts being 16s. In 1945, the figure for these two districts, still the lowest and highest on the list, had increased to 24s. 6d. and 56s. 10d., the average for Great Britain being 35s. 11d. It is difficult to imagine how, had anything like the ordinary competitive system of peace-time been retained, South Wales, Durham and Lancashire, with costs ranging from 40s. 2d. to 49s. 4d. in 1945, could have continued in production without the aid of the Coal Charges Account when other districts, mainly in the North Midland region, were producing coal at a cost below 30s. a ton.

The Coal Charges Account was designed largely to even out district discrepancies. But the help given to collieries individually through the Necessitous Undertakings Scheme was closely linked to the district accounting and to the district price allowance scheme by the method of bringing to account as credit any payments received by necessitous undertakings. Such payments thus added to district balances and reduced price allowances. The table overleaf shows the assistance given to necessitous undertakings in each district.

Even in a relatively prosperous district such as Warwickshire, which always paid more to the Account than it received, nine per cent. of the total output was coming from undertakings so assisted. In Northumberland, Scotland and Lancashire, sixteen per cent., fourteen per cent. and eleven per cent. respectively of production was being assisted.

From the beginning of June 1942 to the end of December 1945, expenditure under the Necessitous Undertakings Scheme had been as follows:

	<i>Loans</i> £	<i>Grants</i> £	<i>Total</i> £
Seven months to 31st December 1942	79,000	994,000	1,073,000
Years to 31st December 1943 . . .	157,000	3,106,000	3,263,000
Year to 31st December 1944 . . .	1,000	2,470,000	2,471,000
Year to 31st December 1945 . . .	204,000	2,606,000	2,810,000
	441,000	9,176,000	9,617,000

*Assistance to Necessitous Undertakings*

(Period for twelve months to 31st December 1945)

	Number of undertakings in receipt of assistance	Assisted undertakings in relation to district		Cost of assistance per ton of district tonnage (commercially disposable)
		By number per cent.	By tonnage per cent.	
Northumberland . . . . .	7	16	25	s. d. 8
Durham . . . . .	3	4	6	2
Cumberland . . . . .	—	—	—	—
Lancashire and Cheshire . . . . .	5	11	17	11
Yorkshire				1
South Derbyshire				1
North Derbyshire	12	7	5	3
Nottinghamshire				1
Leicestershire				—
Shropshire . . . . .	—	—	—	—
North Staffordshire . . . . .	3	7	8	4
South Staffordshire . . . . .	1	7	2	3
Cannock Chase . . . . .	4	17	11	5
Warwickshire . . . . .	3	20	9	4
Forest of Dean . . . . .	1	4	20	7
Bristol . . . . .	—	—	—	—
Somerset . . . . .	1	14	14	5
Kent . . . . .	1	33	59	2 9
North Wales . . . . .	3	23	19	8
South Wales . . . . .	12	8	6	1
Scotland . . . . .	20	14	16	7
Great Britain . . . . .	76	9	9	4

*Source:* Ministry of Fuel and Power

Over this period, 153 undertakings were from time to time receiving assistance, but of these only seventy-six were regarded as likely to be in need of further assistance as at 31st December 1945. The tonnage of coal produced from 'assisted' undertakings during the period was 62 million tons.

The costs of the coal industry grew so much compared with its proceeds that without advances from the Exchequer the Coal Charges Account could not have carried on. So much appears from the income and expenditure of the Account for general purposes. But this was not the only point at which the coal industry became indebted during the war to financial assistance from the Government. In addition to the financial transactions through the Account for general purposes, the Government also made grants or loans through the Account for capital development in collieries. The terms on which assistance was made available were defined by the Ministry at the end of January 1943 and a Capital Assistance Committee, under the chairmanship of the Director of Finance, was set up to deal with cases.

Where production schemes required special plants such as the Ministry was acquiring, particularly from the United States under Lend-Lease, the Minister was prepared to provide the plant, charging a rent for it. Where plant of a new type was being provided, the Ministry was prepared to contribute to the cost of schemes. Where extension of plant of a more ordinary character was required to increase output, assistance was usually given only in cases where the undertaking was unable to provide funds itself. Collieries unable to replace existing plant continued to apply to the War Emergency Assistance Scheme.

Terms of the hire agreements where applicable were framed so as to provide for the recovery of most of the expenditure involved. Up to the end of September 1945 expenditure on capital assistance to colliery undertakings and manufacturers of mining machinery had been as follows:

*Coal Charges Account*

Income and Expenditure Account for period from 31st June 1942 to 31st December 1945

**B. SPECIAL PURPOSES**

*Expenditure in respect of Capital Assistance to Colliery Undertakings and Manufacturers of Mining Machinery.*

	£
Expenditure on coal-mining machinery and on capacity for manufacture of coal-mining machinery . . . . .	2,400,000
Interest on Treasury Advances to cover expenditure . . . . .	107,736
	2,507,736
<i>Deduct</i>	
Rentals from colliery undertakings under hire agreements . . . . .	186,000
	2,321,736
<i>Balance: Excess of Expenditure over Income . . . . .</i>	<i>2,321,736</i>

NOTE: In addition lend-lease equipment was received from United States of America to the value of approx. . . . . £864,220

The account shows that under the pressure of war the Government not only advanced considerable sums towards the working expenses of the coal industry, especially to help pay its wages, but also became, to a small extent, chiefly in connection with the installation of new methods of production, an investor in the industry.

During a debate in the House of Commons in February 1944,<sup>1</sup> the administration of two items in the Account, the guaranteed wage and necessitous undertakings payments, was seriously questioned. It was alleged that some collieries charged to the Account wages paid to men who made no reasonable effort to get to work when there were minor transport failures; others charged as guaranteed wage payments which they should have borne themselves. This might happen

<sup>1</sup> H. of C. Deb., 24th February 1944. Debate on the Coal (Charges) (Amendment) (No. 1) Order 1944.

if, through some minor mechanical breakdown, men had to remain idle for a few hours in the middle of a shift until repairs were completed. To avoid the colliery bearing the cost of these few hours loss of output the men would be sent home and paid the guaranteed wage which would then be charged to the Coal Charges Account. Similarly, when a colliery became a necessitous undertaking there was a temptation for the colliery to use the Necessitous Undertakings Fund, not to increase output but 'to heighten roads, drive tunnels, buy machinery, or put the pit into as good a position' as possible 'from the production standpoint to prepare for the post-war position'.<sup>1</sup>

These abuses were not easy to prevent. When the auditors came to check colliery books many weeks after the event it was all but impossible to prove that the management was not justified in sending men home and paying them the guaranteed wage on account of a breakdown. A considerable number of over-payments and improper payments were discovered but many others must have passed unquestioned, and the Minister himself admitted in answer to a Parliamentary question at the beginning of February 1944 that there was some abuse of the Account in making these payments.<sup>2</sup> The prevention of post-war development work in necessitous pits was perhaps easier, although it could never have become easy to detect. The Parliamentary Secretary, however, in replying to the allegations made during the debate, did not deny their substance. The total average charge per ton from 3rd June 1942 to 31st December 1945 for these items was admittedly only 7d. per ton out of a total average charge of nearly 9s., but the fact that abuses and rumours of abuses did exist even in a small number of cases had a bad effect in the coal-fields.

In considering the effectiveness of the Account for its main purposes, these administrative shortcomings can be disregarded. The aims of the Account were to keep the greatest possible number of collieries in production by spreading the incidence of war-time costs of production, while retaining the money-incentive to efficiency. There was, of course, a lack of consistency about these aims. To keep some collieries and fields from going out of production, it was necessary to make the stronger undertakings and fields share their burden; but the mere act of sharing took away some of the reward which the stronger parts of the industry would otherwise have enjoyed and diminished to that extent the force of the money-incentive. No scheme could have reconciled beyond doubt or criticism policies which were in conflict with one another. But the conflict was unavoidable since the State was neither prepared to take over and subsidise the industry nor to trust to private enterprise unalloyed. The coal industry during

<sup>1</sup> H. of C. Deb., 24th February 1944, Col. 1090.

<sup>2</sup> H. of C. Deb., 17th February 1944, Col. 347.

the later years of war was a privately owned industry acting under the directions of the Government. The Coal Charges Account reflects in the financial sphere the facts of that awkward position. On the one hand, it was held important to maintain the integrity of the industry's finances, unmixed by subsidy or subvention, and to keep alive the money-incentive appropriate to private enterprise. On the other, it was believed impossible to persuade many enterprises and even whole fields to carry on under conditions which became increasingly difficult, without breaking through some of the conditions of private ownership and treating the coal industry in some respects as a unit, especially in the matter of costs. On the whole, the Coal Charges Account reconciled its various aims with reasonable success. It preserved the competitive element to some extent by undertaking to guarantee the balance, not of the individual undertaking, but of the district.

The development of the scheme on a district basis left some financial incentive to the colliery management to do its best. For although the guarantee of district profits through the price allowance scheme meant that any increase in costs by a particular colliery would reduce the district balance and so increase the price allowance to all collieries in the district, this increased allowance would clearly be but a small fraction of the increased costs of the individual colliery. It was unlikely that the collieries in a particular district would make a concerted attempt to secure repayment from the Account for costs improperly incurred, although this possibility did occur when districts began negotiating increased wages after the Porter Award in 1944.

But the district principle was never carried to excess. There were problems facing the coal industry which could not be solved either by district price increases or by district price allowances. They were especially those of the necessitous undertakings, which were formidably numerous, and of certain elements in cost, such as the great wage awards. The Coal Charges Account looked after these problems by the method of payments, not to the district but to the undertaking, even when such payments, as in the case of the wage awards, distorted the relative values of capital and labour to the undertaking and went against every principle of the finance of competitive industry. On the whole the work appears to have been well done. The Coal Charges Account played an important part in keeping the coal industry in the war. If its principles appear to a curious eye in some respects mixed and ambiguous, it must be remembered that the business of the men who ran the Account was to translate into financial terms the general arrangements governing the control of the coal industry, established in June 1942. Those arrangements were, as we have seen, nothing if not a political and administrative compromise.



PART VI

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Problems of Consumption and  
Distribution





# CHAPTER XIX

## BALANCING THE COAL BUDGET

### 1943-44

(i)

### The Allocation of a Scarce Material

**C**OAL production and distribution began the war as activities with which the Government wished to have as little to do as possible, even under war conditions. The coal industry ended the war as a directed industry—an industry which was told by the Government what it had to do and to some extent at least how to do it. This was a profound change both in Government policy and in the fortunes of the coal industry. But a change scarcely less deep came over coal consumption and distribution. At the beginning of the war, officials had hoped that coal distribution, like coal production, would require only occasional intervention by the representatives of the State. By the end of the war, coal like any other scarce material was subject to close and continuous allocation under carefully drawn and rigorously enforced plans. This system began to grow up in the early years of the war. It developed rapidly after 1942. And it is the purpose of this and the next chapter to describe some of the problems of coal consumption and distribution experienced in the later period of the war. This will be done in the process of examining how the national requirements of coal were balanced against available supplies in the years 1943-44 and 1944-45. The history of the national coal budget of the year 1942-43 has already been described in connection with the winding up of the Mines Department and the first year of the Ministry of Fuel and Power.

The Minister, in his approach to the War Cabinet before the debate in the House of Commons in October 1943, had asked for a reorganisation of the coal control in the interests of production. It was clear that even had these powers been granted, they could have done little to increase output in the remainder of the 1943-44 coal year. A tighter turn of the screw on the consumer was the only immediate means of balancing the budget. It was also likely to be the only means of balancing it in the year 1944-45, particularly as military operations were likely to place a substantial and as yet unknown demand on the country's coal resources. In the autumn of

1943, therefore, the Ministry had to press on with long-term programmes for reducing consumption. Supplies to the public utilities and the larger industrial consumers were already programmed. These restrictions had to be made more stringent and the smaller consumers included. Further restrictions had to be placed on domestic consumers and the distributive and Local Fuel Overseer organisation strengthened to ensure that inevitable hardships were fairly shared. The Ministry had also to pay careful attention to economies, not only in the consumption of coal, but also in the use of labour and transport to distribute it; nothing but the most scrupulous husbanding of all resources could be regarded as sufficient.

The first estimate of production from deep and opencast mining for the coal year 1943-44 had been given in January 1943 as 204 million tons. The next estimate in July reduced this figure to 200 million tons, a reduction which was to some extent compensated by a stock figure which at the end of the 1942-43 coal year was rather higher than expected. A revised budget submitted to the Lord President's Committee in October estimated an output of only 198 million tons. It was not possible at that stage to give precise estimates of operational and civil requirements overseas, but on the most reliable figures available the resulting budget was as follows:

	SUPPLY million tons		REQUIREMENTS million tons
Deep-mined coal	193·0	Inland consumption	194·3
Opencast coal	5·0	Exports and bunkers	8·1
Deficit	7·3	Operational and civilian requirements overseas	2·9
	<hr/> 205·3	TOTAL	<hr/> 205·3

Total distributed stocks<sup>1</sup> on 1st May 1943 were 17,200,000 tons so that, if the deficit were met by withdrawals from stock, the stock level on 1st May 1944 would fall to 9,900,000 tons. This would be just below the figure of 10 million tons, which the Minister regarded as the lowest consistent with safety for inland consumers. Moreover, there was always the fear of heavy additional demands for operational purposes; demands which the United States Government might or might not be prepared to meet. However, given the assumptions which at that time they felt justified in making concerning output, transport and requirements, the Lord President's Committee concluded that 'there was no reason to suppose that any acute shortage of coal would develop in the coal year 1943-44'.

By the beginning of December 1943, it was clear that this conclusion had been over-optimistic and that the assumptions on which the revised October budget were based could no longer be taken for granted. A minor crisis was developing in the coal situation and this

<sup>1</sup> Distributed stocks excluded colliery stocks and stocks at opencast sites.

was aggravated by bitterly cold weather and an influenza epidemic which brought with them transport difficulties.

Public utilities consumption was showing a disturbing increase and was likely to add well over a million tons to the requirements side of the 1943-44 budget. During October, the consumption of coal by gas works had been nearly five per cent. and that by electricity works over ten per cent. above the figure for the previous year. The November figures showed little improvement. The increase was probably due to three main factors; firstly, the expanded aircraft and shipbuilding programme, particularly increased electric welding; secondly, the increased requirements of the Services in certain areas, particularly of the United States Forces; and thirdly, an undoubted increase in domestic consumption of gas and electricity which was probably related to the fall in domestic deliveries of solid fuel. The net result, together with an increase of some half a million tons in coal requirements for the Army, was to add 1·8 million tons to estimated consumption in 1943-44.

On the production side, a wave of disputes beginning in October had resulted in a loss of nearly a third of a million tons in October and November. Influenza also was beginning to have its effect on productivity. Equally serious was the effect of influenza and bad weather on the transport situation. Railway manpower shortages and dislocation led to a loss of coal output amounting to nearly 90,000 tons in these two months and the December losses threatened to be far worse. To meet these and other contingencies the Minister required a margin of 1,150,000 tons.

Transport and other difficulties were reducing the effectiveness of the stock level and stocks were becoming very unevenly distributed between particular areas. The progress in industrial programming was having a marked effect in reducing maldistribution of coal stocks between different firms, but it could have little influence on maldistribution between geographical areas due to rail embargoes such as those applied in the eastern region of England where supplies to gas works and other essential industries were already seriously endangered. The effective stock level was further reduced by a lack of balance in coal qualities. It was plain at the end of April 1943, when end of winter distributed stocks reached the relatively high total of 17·2 million tons, that the shortage of certain grades of coal threatened most serious difficulties. At that time there was a surplus of lower-quality coals, especially slacks and fines, opencast coal, the larger anthracite sizes and coke; but the supply of graded coal and large coal of good quality, especially high grade steam coal, was exceedingly tight. This shortage of large and graded coal was a problem which was to give the Ministry many headaches throughout the rest of the war and is described in more detail in the next chapter. In December

1943, it was clear that distributed stocks of 10 million tons could no longer be regarded as sufficient for inland requirements if that stock was neither of the right quality nor in the right places. The effective stock level therefore had to be written down by some 1,300,000 tons.

These three demands on the coal budget for 1943-44, amounting to 4,250,000 tons, had somehow or other to be met out of consumption. The question was, by which consumers? It was agreed that coke ovens could save 300,000 tons. Domestic consumers could forgo the  $1\frac{1}{4}$  million tons by which their receipts up to December 1943 had fallen short of estimate. The remaining 2·7 million tons would have to come from a cut of 1·7 million tons in industrial consumption and a further sacrifice of one million tons from the domestic consumer.

The severity of the cut to be imposed on domestic consumption can be judged from the comparative figures for the previous year. Domestic disposals of house coal during 1942-43 to the amount of just over 38 million tons had been some  $4\frac{1}{2}$  million tons less than consumption during 1941-42. The original allocation for 1943-44 had been fixed at the same rate as disposals for 1942-43. This was considered justifiable because stocks in domestic cellars at the end of April 1943 were thought to be relatively high. The low rate of disposals during the summer added proof of these high stocks for, as mentioned above, the domestic consumer had taken  $1\frac{1}{4}$  million tons less coal by the beginning of December than he had been expected to take. The Minister now asked for a further sacrifice of one million tons during the rest of the winter. Thus, over the whole year 1943-44 the domestic consumer would receive nearly six million tons less than in 1941-42.

The sacrifice was severe and the Minister considered whether the miner himself could contribute by forgoing some of his free or cheap coal. A survey carried out at this time showed that during the coal year 1942-43, 4·2 million tons of this coal were supplied to miners, ex-miners and their dependants. This represented an average of 4·4 tons per person employed, but as there were some districts where no such coal was given, the average per person supplied was 9·1 tons or three times as much as the average household consumption of the rest of the country. Although the coal supplied was often of a low quality, the quantity was disturbingly high, particularly as in a number of households there might be more than one recipient of concessionary coal. The consumption of solid fuel, however, by a miner's household is often necessarily high (especially in the older mining areas, where there is often no alternative source of heating) because of the dirty conditions of the miner's work, the shift system, and the grime of mining towns. In view of the strained labour relations in the coal-fields at the end of 1943, it was felt to be an inopportune moment to suggest any such sacrifice from the miner. Also,

there was the difficulty of transport. If concessionary coal were removed, many miners would have to register with coal merchants, thus putting an added strain on the inadequate retail transport facilities. Steps were, however, taken to make illegal the sale by miners of coal supplied to them free or at a reduced rate.<sup>1</sup>

The industrial contribution of 1,700,000 tons required by the revised budget estimates in December 1943 was to be met by a general ten per cent. cut in consumption to come into effect on 13th December. No exceptions were to be made save in individual cases where the Regional Controller of the Ministry of Production was satisfied, after vigorous investigation by the Regional Officers of the Ministry of Fuel and Power and of the firm's parent Department, that the cut would endanger essential production.

The equitable imposition of this cut throughout industry was possible owing to the wide extension of industrial coal programming which had been going on during 1943. At the beginning of that year the Minister had been able to report to the Lord President's Committee that the movement of practically every ton of coal was known, and in July 1943 this Committee had authorised him to introduce delivery programmes for all industrial units consuming annually 100 tons or more of coal and/or coke.

The technique of coal programming for industry evolved on the lines briefly indicated in a previous chapter.<sup>2</sup> It rested on three broad fundamentals: the formulation of the general lines of programming policy by the Ministry headquarters; decentralised execution of the policy by Coal Supplies Officers and regional programming authorities paid by the coal industry; and control over the execution by means of a speedy and accurate statistical service. The regional programming authority, which was for most regions the Area Committee of Coal Supplies Officers<sup>3</sup> or, where no such Committee existed, the Coal Supplies Officer, worked out the weekly requirement of each individual factory for the programme period, usually six months. The estimate of total requirements was then squared with the forecast of available coal and the programmed tonnage required from each coal-field allocated by the Coal Supplies Officer among the collieries in his region. The forecast of production was at first a broad estimate of national availability of coal, but as supplies became scarcer it became necessary, in the spring of 1944, to forecast the output from each coal-field of the principal qualities in which shortages were likely to occur.

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<sup>1</sup> S.R. & O. No. 702, 13th May 1943.

<sup>2</sup> See Chapter VIII above.

<sup>3</sup> As mentioned in Chapter VIII the three Area or Co-ordinating Committees of the Coal Supplies Officers covering London and the South, the North-Western Region and the Midland Region, were given formal status on the setting up of the Ministry of Fuel and Power in June 1942.

When the programme came into operation the Coal Supplies Officers watched its progress at the colliery end by means of weekly returns of disposals from each colliery. Through the weekly returns of consumption and stocks sent in by consumers to the Ministry's Regional Statistical Officers, the Regional Coal Officers were able to see that each consumer received the programmed quantity. If anything went wrong with deliveries or if there were any variations in the requirements of individual consumers, the regional organisation was responsible for reporting it to the Coal Supplies Officer or the programming authority.

The above paragraphs condense in a few lines what was in fact an immensely complicated task, particularly in the winter of 1943-44 when rapidly deteriorating supplies involved the Ministry in re-programming in one field or another several times. By March 1944, every consuming unit in the country, industrial or non-industrial, using 100 tons of coal and/or coke a year was making a return of its consumption and stocks and had its place in an allocation programme which fixed its weekly rate of receipt and placed on some specified colliery the responsibility for seeing that these deliveries were forthcoming. Throughout the winter of 1943-44, when so much of public attention was focused on the problems of coal production, the officials and the industry were quietly and conscientiously working out a machinery of programming which was to have more immediate practical effect in making coal available for winning the war than any measure taken to increase output. It was a tedious job and it involved all the irritations of form filling and increases in Government staff which the consumer associated with bureaucracy. But it did enable war production to continue without a break.

On the whole the machine was efficient. The Ministry wisely used men of industrial experience for executive work. It did not attempt to recruit them as temporary civil servants, but assigned the formulation of general policy to the administrator and its execution to the industrial expert. The lack of technical knowledge sometimes handicapped the Ministry and made it difficult to counter the informed arguments of the trade. But it is hard to imagine what better machinery could have been devised. The coal industry was, because of its pre-war organisation, a good instrument. The Coal Supplies Officers, who were the backbone of the programming authorities, had been before the war the chairmen or officers of the District Coal Selling Schemes, set up as statutory authorities under the 1930 Coal Mines Act. Although chosen by the industry, they were thus independent of particular groups of companies. There were admittedly instances of care for trade interests and reluctance at times to adopt at the outset policies laid down by the Ministry, but these handicaps were relatively few. They were far more than outweighed by the

great advantages of goodwill, co-operation and local initiative that were secured by a generally accepted system of control.

Programming likewise facilitated the imposition of the million ton cut in supplies to domestic consumers. But unlike industrial supplies house coal allocations could only be programmed to the retail merchant's depot; the control over each individual household had to be exercised by restrictions on the merchant's stocks and deliveries. Control over the domestic consumer thus operated in two ways, partly through programming and the non-statutory control of coal distribution among merchants exercised by the distributive trade itself through the House Coal Distribution (Emergency) Scheme, and partly by statutory control under the Coal Distribution Orders through the Local Fuel Overseers. As we have seen earlier in this history, the plan of controlling domestic consumption by fuel rationing was abandoned in 1942.

The origin of the house coal programmes, the programming to regions, has already been described.<sup>1</sup> As this was worked under the Regional Control of the Ministry of Fuel and Power after 1942, the probable weekly output of house coal from each coal-field was estimated for a period ahead (usually six months) and, with the help of the organisation of house coal distributors known as the House Coal Distribution (Emergency) Scheme and the Regional House Coal Officers, was then allocated between the twelve consuming regions. Finally, the Supplies Branch of the Ministry, working through the Coal Supplies Officers, divided among the coal-fields the responsibility for supplying each region with its allocation.

Soon after the setting up of the Ministry a further step forward was taken by the programming of allocations of house coal supplies to each of the retail depots within the region. The shortage of house coal was acute and this step was essential if serious maldistribution was to be avoided during the coming winter. The House Coal Distribution (Emergency) Scheme was made responsible for the work. It set up in each region a Standing Supervisory Committee consisting of the Coal Supplies Officers of the districts supplying into the region and the Regional House Coal Officer, under the chairmanship of the Coal Supplies Officer for the coal-field supplying the bulk of the region's requirements. This Committee divided the regional allocation into depot requirements on the advice of the Regional House Coal Officer, and allocated each depot to a particular coal-field of supply. The Coal Supplies Officer for that coal-field then allocated each depot's requirements to specified collieries. The scheme, in fact, followed the lines of the industrial programmes, the Coal Supplies Officer supervising the carrying out of the programme from the

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<sup>1</sup> See above Chapter VIII.

colliery end and the Standing Committee watching the programme in the region.

The disturbance to normal trade channels and the work involved in assessing allocations for some 6,000 merchants' depots was no easy matter. Nor was this all; for while the main purpose of the scheme was systematic and equitable distribution of available supplies amongst the depots, it was essential to combine with it fair distribution amongst the 20,000 or 30,000 merchants depending on the depots.

The Mines Department had pressed the House Coal Scheme in 1941 to institute unified control at each depot, with centralised buying and complete pooling of supplies and stocks, both as a means of ensuring fair distribution between the merchants and of reducing the number of collieries supplying each depot.<sup>1</sup> This, however, had been opposed by the trade on the grounds that it was difficult to find men of the calibre to run a unified depot, and that small merchants working on their account might well leave the trade altogether rather than work as part of a central organisation. Another objection was, of course, that the merchants were loth to lose anything of their independence, particularly the important power involved in placing orders with the collieries of their choice. The collieries and factors were even more averse to tampering with established trade connections.

Whatever the reasons for the opposition to pooling of orders and supplies at depots, it must be recognised that the practical difficulties were enormous. Complete pooling amongst distributors in an industry such as petroleum was a much easier problem, for distribution there was in the hands of a relatively small number of concerns who could agree to merge their resources on a profit-sharing basis for the war period with a reasonable expectation that they might again emerge as separate concerns after the war. Such an arrangement amongst some 20,000 to 30,000 retail coal merchants was a very different matter. It would have meant separate agreements at each of 6,000 depots, every one to some extent opposed in the knowledge that the pre-war arrangements might never be returned to. It would have meant opposition from the co-operative societies who handled some fifteen per cent. of the retail coal trade and would in no circumstances have willingly agreed to sacrifice their interests for the sake of unified management. It would have threatened also the wholesale merchant of domestic coal, or rather it would have increased the pre-war threat to his existence arising from the adoption of central selling by the collieries.

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<sup>1</sup> See above Chapter V. The proposal was contained in a letter from the Under-Secretary for Mines to the Director-General of the House Coal Distribution (Emergency) Scheme, dated 14th February 1941.



There can be no doubt that such a reorganisation of retail coal distribution was theoretically desirable in the interests of war economy. It would have simplified programming, withdrawn labour from the wholesale trade, saved transport from the colliery to the depot and, equally important, economised on vehicles and manpower, particularly clerical staff, at the depots. The question is whether it was politically and administratively feasible? Had the war taken a different and less favourable turn after 1941, the proposed pooling might, and probably would, have been enforced, and it might have been accepted with comparative resignation in the name of the national interest. If there was ever any possibility of carrying through reorganisation in 1941—which seems doubtful—that moment was lost. After the end of 1941 the question was never again seriously considered. The Ministry seems to have taken the line, on reflection, that the advantages of its proposals would not outweigh the disadvantages which would attend their enforcement in face of opposition. It compromised here, as elsewhere, between the ideal ends of war administration and the need to win the co-operation of the citizen if administration itself was to continue.

The arrangements made at the merchants' depots under the depot allocation scheme were a compromise. Instead of pooling orders and supplies, merchants continued to order their own coal. But when it arrived at the depot it was intended for the benefit of the merchants at the depot as a whole, regardless of how it was consigned.<sup>1</sup> By agreement of the merchants a Depot Manager, under the supervision of the District Officers and House Coal Officers, was given the job of seeing that no merchant received more than his agreed share of the depot allocation and of transferring any surplus at an agreed charge to those who had received less. Each merchant's allocation was based primarily on his number of registered customers, but account was also taken of past performance and any local circumstances which might affect the allocation.

Generally speaking, the arrangements worked satisfactorily and the need for free interchange of coal among merchants was accepted. But, as the Director-General of the House Coal Scheme himself admitted, whereas the majority of the merchants co-operated willingly, 'a generation of unrestricted competition had not diminished the naturally individualistic outlook of many traders, which died hard even in the crucible of war'. Collieries and wholesalers tended to favour the depots which they had normally supplied and to give

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<sup>1</sup> The only exception to this was what was called 'guaranteed cushion tonnage' which was labelled direct to the Scheme Consignee who held it as trustee for the merchants, transferring it to them under instructions from the Depot Manager. This tonnage was a small proportion of the weekly output of house coal, set aside as a reserve. It was used to make up deficiencies in allocations to regions or to meet special difficulties at individual depots.

preference to their own customers among the merchants. Merchants themselves were often reluctant to part with current supplies or stocks which they badly needed for their own trade to assist others whose position was only slightly worse or who had taken less trouble to help themselves. The House Coal Scheme had no statutory means of bringing a recalcitrant merchant into line. It relied on the personality of the depot manager to ensure smooth working at the depot. In most cases the depot manager was well respected, but as there were some 6,000 of them, all voluntary and unpaid, it stands to reason that, whereas some were very good, others were indifferent.

Whatever the shortcomings of the House Coal Scheme it enabled the Minister at the end of 1943 to face the need for severe cuts in domestic consumption, if not with equanimity, at least with the knowledge that they could be imposed without a breakdown in supplies. The working of the scheme has been described in some detail, not only to show the extensive organisation required, but also because, together with industrial programming, it formed the main attempt of the Ministry and the coal trade to adjust the peace-time organisation of coal distribution to the needs of the national war economy.

Restrictions under statutory rules and orders on deliveries from the merchant to the domestic consumers were the remaining and the chief means whereby the Government controlled house coal consumption. These restrictions had been exercised, although not very effectively, since 1st July 1941, when deliveries were limited to one ton per calendar month subject to a consumer's stock limit of less than two tons.<sup>1</sup> Similar month-to-month restrictions with appropriate reductions during the winter when supplies were tighter continued in force until the beginning of August 1942. Then the restriction period was extended to two, three or four months, depending on the coal position, so as to lessen the uneconomic consequences of delivering small quantities each month.

Reference has already been made to the sacrifice called for from the domestic consumer by the decision of the Lord President's Committee on 13th December 1943. In practice it meant not only a severe cut in the deliveries allowed and stock held, but a return to the old method of month-to-month restrictions on deliveries. When the direction was issued on 24th December,<sup>2</sup> the domestic consumer found that if he lived in the south or east of England he was to be allowed only 4 cwt. during January, and if he had more than one ton (5 cwt. if he lived in part of the eastern region where there were special rail transport difficulties) already in stock he could receive no coal at all. People living elsewhere were allowed 5 cwt. with the same provision concerning stocks. Similar directions were issued in Feb-

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<sup>1</sup> See Chapter VIII.

<sup>2</sup> S.R. & O. 1943, No. 1773.

ruary, March and April but with further reductions in the maximum stock figure. These restrictions were severe compared with previous winters. In 1942 and 1943 the restriction on stocks had at no time fallen below 10 cwt., and even during January to March 1943 people had been allowed deliveries up to a maximum of 15 cwt. for the three months in the south of England and one ton elsewhere.

(ii)

## A Transport Problem

These stringent demands on the consumer in December 1943 were imposed to meet the increasing requirements of the public utilities and military operations and the depressing effect of disputes and inadequate transport on coal output and stocks. As December passed it became clear that there would be still further difficulties in the way of balancing the 1943-44 budget. Consumption of public utilities and industry was above estimate and for various reasons it proved impracticable to reduce coke oven consumption as planned by the Lord President's Committee. There was a welcome decrease in strikes, but the coal-fields were still unsettled and the Ministry feared the outcome if the terms of the Porter Award, soon to be announced, should be considered unfavourable by the miners. The transport situation was deteriorating rapidly and there seemed little prospect of American help in meeting the British commitment to supply coal to North Africa at the rate of some 80,000 tons per month.

By far the worst problem was the transport situation. According to the Minister of War Transport, the root of the trouble was the shortage not only of locomotives and wagons but also of operating labour owing to an influenza epidemic. These difficulties had been to some extent foreshadowed in the summer when large proportions of open-cast output had had to be put on the ground owing to the lack of means of getting them away. In the autumn of 1943 the threat to the movement of coal through shortage of wagons was so serious that the Railway Executive Committee suggested an immediate restriction on the use of mineral wagons for general merchandise traffic. This proposal was rejected by the Central Transport Committee on the grounds that it would give overriding priority to coal traffic. They agreed, however, that with certain exceptions, the railway companies should not supply mineral wagons on indent for the carriage of general merchandise, and that user Departments should economise as far as practicable in their use of such mineral wagons as might be at their disposal.

These arrangements failed to prevent idle time at the collieries. In November and December 1943, 450,000 tons of coal output were

lost owing to lack of transport facilities. The country was now working to such close margins on its coal supplies that continued losses on this scale would be enough to stop production in a substantial number of important factories. Estimates produced in January 1944 showed that even if adequate transport could be maintained, stocks at the end of the coal year were likely to sink to 11,300,000 tons, or well below the figure of 12·1 million tons which the Lord President's Committee regarded as the lowest stock required for safety. If transport during the rest of the year remained as bad as in December, the stock would probably be only 8·4 million tons.

The Ministry was concerned at the effect which output lost due to lack of transport might have on the miners and on recruitment to the mines. At a meeting of Regional Controllers in January, the Controller for the North Midland Region, where the bulk of the transport difficulties were occurring, said 'there were already signs that the mineworkers were becoming discouraged and incredulous about the seriousness of the coal shortage'.<sup>1</sup> Shortage of coal transport might also affect the American willingness to provide deep-mining and opencast equipment, for this country had been asked for a definite undertaking that any extra coal so obtained could be transported. Another reason for concern was the need to prepare for the coming invasion of the Continent by distributing stocks according to a carefully prepared plan. Not only would stocks be required in specific places for shipment to North-West Europe but, as all transport was likely to be overstrained during the opening of the campaign, it was vital to distribute sufficient stocks to essential consumers during the next few months to enable them to carry on when the emergency arose.

Thus, the lack of transport was serious, both because it interfered with the satisfactory distribution of coal and because of its effect on output. The Lord President's Committee suggested that colliery output might be helped by stocking facilities near the collieries, but very few collieries were able to stock at the pit-head. In previous years, particularly during the winter of 1940-41, stocking grounds had been laid out at central points serving a number of collieries and wagons provided for a shuttle service between the collieries and the stocking grounds.<sup>2</sup> These facilities had been designed to stock coal and keep production going when bombing and bad weather interrupted rail traffic and coastwise shipping. But when wagons were scarce, as in

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<sup>1</sup> Transport difficulties had a serious effect on recruitment. In May 1944, the Ministry of Labour reported to the Lord President's Committee that, 'owing to the transport situation, it had been found advisable to spread over a longer period the entry into the pits of directed youths who were being trained and that consequently only 8,000 out of some 20,000 youths who might have been at work in the pits by this time had started work to date'.

<sup>2</sup> See above, Chapter V.

the winter of 1943-44, it was clearly desirable to use every wagon for transporting coal to consumers and to stock coal only if it could be done at the pit-head. As a result of the experiences of this winter the Ministry, in March 1944, endeavoured to encourage stocking at colliery premises. In future all collieries could claim reimbursement of costs incurred provided the Ministry was satisfied that the colliery had either stocked already at its own expense to a reasonable extent, having regard to its pre-war practice, or had good reasons for not doing so.

At the beginning of January 1944, the Minister asked the Lord President's Committee for immediate priority for coal traffic, a step which he estimated would reduce rail transport facilities for goods other than coal by some  $3\frac{1}{2}$  per cent. during the first three months of 1944. To this, however, the Lord President's Committee would not agree. Whilst coal was essential to production, it was not the only essential element. Coal traffic already represented fifty per cent. of rail transport and a fair balance had to be struck between the various claims upon the remaining fifty per cent. The Lord President's Committee decided that the possibility of restricting the movement of goods traffic other than coal should be kept under constant review by the Central Transport Committee and invited the Departments concerned to work out arrangements for making available additional recruits to the operating grades of the railways.

In spite of this decision, the Minister still considered his claim was justified and referred the question to the War Cabinet, who were at that time considering the serious position of transport generally. The matter was discussed on 17th January. The Minister did not get his overriding priority, but he and the Minister of Production and other Ministers concerned were asked to examine both the immediate problem of coal transport and the more general question of the steps which should be taken to relieve congestion of inland transport. Thus, for the rest of the coal year the Ministry estimated that it would have to work on the assumption that transport difficulties would probably account for a loss of output of some 50,000 tons a month.

One of the first moves of the Ministerial Committee, set up by the War Cabinet, was to ask the Ministry of Fuel and Power how much it had done to help itself in its transport troubles by rationalising the distribution of coal, and to suggest that further schemes might be examined.

The development of trainload working and some early steps taken to rationalise the distribution of coal have already been described.<sup>1</sup> One of these steps was the collection of regular and accurate information showing where each ton of coal was produced and where it was

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<sup>1</sup> See above, Chapter V.

consumed. With this knowledge it was possible to detect and eliminate unnecessarily long and cross hauls of traffic. Early in 1943 and thereafter every four weeks the Ministry prepared a statistical statement showing inter-district movement of coal. The first survey, covering industrial coal for the week ended 6th March 1943, showed no obvious cases of cross hauls or uneconomic transport. Where uneconomic haulage was suspected investigations were made but frequently showed that the firm or district in question had to be supplied with special coals which could not be produced elsewhere. These special requirements made impossible in the distribution of coal zoning schemes of a set character such as those introduced for some other commodities.

The history of train- and block-load working during the war goes back to the beginning of 1941 when the Coal Supplies Officers had been asked by the Mines Department to submit reports on trainload working in their areas together with suggestions for its extension. These reports showed considerable variation from district to district, depending mainly on the size and layout of the collieries and the gradients on the railways. The Midland (Amalgamated) District was sending out about twenty-six per cent. of its coal in full trainloads, Durham some eighty-five per cent.,<sup>2</sup> and South Wales one-third. Northumberland was busy making plans. In other districts little had been done. At a meeting with the Mines Department on 21st March 1941, the Coal Supplies Officers expressed the opinion that the possibilities of extending trainload working were small owing to the difficulties of local conditions, and the need for a certain amount of 'rough' coal traffic at marshalling yards to mix with other goods traffic. The main scope for improvement, they thought, was in labelling coal wagons at the colliery in marshalling yard or station order so as to reduce shunting. The Ministry of War Transport accepted this view and secured the agreement of the Coal Supplies Officers to continue their efforts to increase train- and block-load working where practicable, and to pay special attention to marshalling and labelling 'rough' traffic at the collieries.

Although improvements were made during the next two years, particularly in the Midland districts and Scotland, the Coal Supplies Officers were probably correct in assuming that train- and block-load working had already been developed as far as was possible in most colliery districts within the existing system of distribution. What they do not seem to have considered was how far further progress might be possible if that system of distribution were changed particularly for house coal. The letter which the Mines Department wrote to the Director-General of the House Coal Scheme in February 1941, re-

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<sup>2</sup> The high percentage in Durham was mainly due to the fact that it was a large shipping district and had a less varied and less specialised trade than other districts.

opening the question of rationalisation of distribution, had stated that the greatest benefit from transport rationalisation could be secured only if there were at the same time a determined attempt to reduce the number of grades supplied, to introduce co-operative handling at the depots and, by co-ordinating orders, to reduce the number of collieries supplying each depot.

Very little in this way was done, for reasons which have already been mentioned. Isolated cases of co-operative handling occurred, as at Streatham in the London region where the merchants voluntarily pooled their labour and virtually eliminated demurrage charges. Elsewhere, although most merchants were prepared to help each other in an emergency, the lack of pooling arrangements always left open the possibility that any advantage gained by arranging full trainloads and reducing the time spent in shunting might be thrown away by increased delays in clearing wagons at the depots.

From the beginning of 1942 onwards the Mines Department gave up any hope of securing a general adoption of unified depot management. The compromise scheme under depot managers in 1942 saw the end consequently of any hopes of reducing by pooled orders for coal the number of collieries supplying each depot. The large number of supplying collieries was clearly a great obstacle to transport rationalisation. At Aylesbury, Bucks, fifty collieries were supplying 500 tons a week. Under the depot allocation scheme, introduced in 1942, the number of collieries supplying the town was reduced to twenty-two, but was still high. At the end of 1942, Llandudno was receiving 195 tons a week of North Staffordshire coal from six different collieries or colliery groups. Much the same complicated pattern existed for industrial and public utility coal. No less than fifteen different collieries were, in November 1942, still supplying Burton-on-Trent gas works with some 750 tons a week.

Industrial programming and the depot allocation scheme did something, but not enough, to reduce the number of supplying collieries. The house coal allocation programmes for 1942 and 1943 from the Midland (Amalgamated) District to depots in the London region north of the Thames show how little improvement had been made in that region. In the summer of 1942 the Ministry had asked the House Coal Officer for London to prepare a scheme for this great consuming area to reduce the number of collieries serving individual depots. His estimates for the North Central area showed that it was possible to reduce the number of supplying collieries from 1,280 to 387. But on the advice of the Coal Supplies Officer for the Midland (Amalgamated) District the plan was abandoned, in favour of a more promising scheme for rationalising traffic from this district to the Eastern region, including that part of London served by the Great Eastern section of the London and North Eastern Railway.

The Eastern region scheme, when worked in with the coal allocation programmes, provided for a reduction in the number of supplying collieries from 1,009 to 105 for house coal and from 117 to 36 for gas coal; the proportion of 'rough' traffic to train- or block-loads was to be reduced from 50,000/20,000 tons per week to 14,000/56,000 tons per week. The scheme was to come into operation on 13th December 1943. In the time available between the date when the scheme was first broached and its beginning it was impossible to carry out a detailed examination of the individual needs of each industrial consumer and the scheme did not materially alter the sources of supply of coal for industrial purposes. It did, however, incorporate a considerable volume of industrial traffic in house coal block-loads. When the scheme came into effect in December 1943, its full operation was at first prevented by railway embargoes. Adjustments had to be made and teething troubles overcome, and there was some criticism of the delays incurred by the railways in handling this specially prepared traffic. But the House Coal Officers concerned, particularly the House Coal Officer for the Eastern region, were well satisfied with the experiment.

The Eastern region scheme involved a great deal of work and was certainly a feather in the cap of the Coal Supplies Officer of the Midland (Amalgamated) District. Granted all the difficulties in the way, it seems unfortunate that something similar was not achieved for other consuming regions. The districts supplying the Midland region, it is true, worked out similar schemes on a smaller scale. The Ministry could report to the Ministerial Committee at the beginning of 1944 that the collieries, the merchants and the railways had done much to economise transport, but not that everything possible had been done.

### (iii)

## The Balance of the Year

The coal year 1943-44 ended with total distributed stocks of 12,700,000 tons against 17,200,000 tons at 30th April 1943. This was 600,000 tons above the safety figure of 12 million tons, but it was the lowest stock figure recorded since the end of April 1941, when distributed stocks were some half a million tons less. The question which may occur to the reader is how it had been possible to maintain stocks even at this relatively low level. In January 1944, it had seemed probable that end of winter stocks would be rather less than ten million tons. The achievement appears the more remarkable in that February and March saw a serious loss of output due to strikes following the Porter Award. During the last four months of the coal



year,  $2\frac{1}{2}$  million tons were lost through disputes, as well as half a million tons through transport difficulties. After the strikes, however, the increased efforts of the miners to make up their loss of earnings resulted in an unexpected increase of output. The year finished with a total output of  $190\frac{1}{2}$  million tons compared with the 193 million tons estimated in October and with the 203 million tons of output in 1942-43. Opencast production amounted to  $5\frac{1}{2}$  million tons, but owing to transport difficulties only 4.1 million tons had been disposed of.

It was the consumption side of the budget, however, which showed the most striking results. There were three large unexpected savings. The first was due to the abnormally mild weather in January, the second to a reduction of 100,000 tons in the requirements of the Service Departments, resulting partly from a change in the arrival programme for United States forces and partly from increased fuel economy and the substitution of coke for coal, the third to a saving in the export programme made possible by assistance from South Africa and the United States and a reduction in the requirements for Italy owing to operational developments.

Other savings during the last four months of the coal year were mainly due to the planned restriction in domestic and industrial consumption, agreed in December 1943. Domestic house coal disposals over the year amounted to 35.3 million tons or nearly three million tons below those in 1942-43. Thus, the domestic cuts planned in December were more than fulfilled. The ten per cent. cut on industrial deliveries, designed to save 1,700,000 tons, achieved only about half this amount, and even then at the expense of stoppages at nearly 100 industrial firms. Coke oven consumption increased rather than decreased, but gas works, on the other hand, consumed some 350,000 tons less than estimated owing to the increased use of gas oil instead of coal.

The country had balanced its essential requirements with its supplies, but not without anxious moments and a good deal of hardship for the domestic consumer. In spite of much better control over the distribution of supplies through the development of programming, stocks had become badly distributed owing to transport dislocation and railway embargoes. A national stock of 12 million tons (including the two million tons operational reserve) was considered the indispensable minimum necessary if local breakdowns were to be avoided. In 1943-44, requirements had been met by drawing on stocks to the extent of  $4\frac{1}{2}$  million tons, so running the national stocks down to the minimum. In 1944-45 no such expedient would be possible.

# CHAPTER XX

## BALANCING THE COAL BUDGET

### 1944-45

(i)

### Estimates for the Year

**T**HE Minister of Fuel and Power found it more than usually difficult to prepare estimates for the coal budget of 1944-45.

If the European war came to an end during the year, output and inland requirements and overseas requirements would all be affected. The figures which the Minister put before the Lord President's Committee in June 1944 assumed no such fundamental changes. Output from deep mines was estimated at 190 million tons, half a million tons lower than actual output the previous year. Open-cast production was expected to reach the unprecedented figure of 12 million tons, although difficulties in procuring American machinery made this figure somewhat unreliable. Inland requirements were budgeted slightly higher than in 1943-44, mainly because of the assumed needs of the domestic consumer whose cellars had been so badly depleted by the end of the previous winter. Certain savings were expected, on the other hand, in the needs of the Service Departments owing to the transfer of troops abroad and in iron and steel industry requirements owing to reductions in the production programme.

Overseas requirements were reckoned slightly less—not, however, because there was any decrease in demands; indeed, they were likely to be far greater than in 1943-44. But the Combined Production and Resources Board,<sup>1</sup> being aware that the United Kingdom could no longer meet her commitments in the Mediterranean and South America, would probably arrange for the whole of them to be met

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<sup>1</sup> Following decisions taken at the Lord President's Committee on 16th July 1943, a Coal Sub-Committee of the London Committee of the Combined Production and Resources Board had been set up. It reported to the London Committee of the Combined Production and Resources Board and to the Minister of Fuel and Power on:—

- (a) The requirements of coal for overseas operational purposes and for conquered and liberated territories where the responsibility for supply rested with the British Empire or the U.S.A.
- (b) The requirements of coal-mining machinery to facilitate the output of coal within the British Empire.
- (c) The sources and means of supply to meet (a) and (b)

from other sources. There was still a margin of 4·6 million tons between total requirements and estimated supplies which could be made available for the military and civil needs of North-West Europe. Whether this would be sufficient was doubtful. Overseas requirements were kept under review by the London Coal Committee of the Combined Production and Resources Board, and further action might have to be taken later either to ship coal from the United States or, if possible, to cut United Kingdom inland requirements.

During the summer months of 1944 production from the mines was below the previous year and below estimates. Opencast production increased, but less rapidly than the fall in output from the mines. Fortunately, however, for most of the summer period consumption was even further below estimate than production and distributed stocks at the end of October (18,500,000 tons) were one million tons higher than had been expected, although two million tons below the total a year before. It had been feared that transport difficulties around the time of the invasion of Normandy might be acute due to military demands on the railways and the withdrawal of coastal shipping from its normal job of carrying coal to carrying cross-channel supplies for the invasion. Special measures had been taken, such as the strengthening of coal stocks at public utility undertakings in the South. More central stocking grounds were equipped in coal-field areas to receive any coal which could not be distributed to consumers during the invasion period. But good fortune favoured the Ministry. Careful planning and re-programming ensured that the railways were able to cope with the large-scale diversions of coal traffic made necessary by such obstacles as the closing of the Bristol Channel to colliers moving from South Wales ports to Ireland and the South of England. No coal had to be stocked because of transport difficulties, the loss of output due to wagon shortages was negligible and the amount of coal carried during the summer exceeded expectations.

When the Regional Controllers reviewed the position in their respective coal-fields at their monthly meeting in October, they concluded that, while the inland supplies situation did not seem unduly serious, it concealed strains and stresses which in particular fields might well give rise to considerable difficulty. The home supply position was summed up as 'not unsatisfactory in respect of slacks and graded coal, disquieting in the case of coke and anthracite, and distinctly serious in respect of large coal'.

This danger of a breakdown in supplies of particular coal qualities was not new. It was due, not only to the general fall in output, but to a more than proportionate decrease in the production of large coal and graded fuels. Increasing mechanisation tended to break up coal

and the shortage of surface workers prevented the maximum grading and washing of coals. Requirements were at the same time increasing. Expanding industries, such as iron and steel, needed more graded fuels and the growing traffic on the railways required more large coal.

In June 1942, when the Ministry was set up, the Prime Minister had sent a personal message to heads of Government Departments requesting full collaboration with the new Ministry to induce consumers to accept inferior fuels. The Minister of Production made a special appeal to industry, explaining the position and asking for co-operation. Industrial consumers were warned that they must be ready to accept lower grade coals, and that permits for installation or alteration of plant would only be given if the new plant could burn a wide range of fuels.<sup>1</sup>

On the Minister of Fuel and Power fell the direct task of inducing industry to burn more duffs and slurries, coke breeze and opencast coal. This was no easy matter, for the pre-war tendency of the coal industry to increase the number of grades available and of boiler manufacturers to produce plant designed to burn specialised fuels greatly decreased industrial flexibility in this matter. With the valuable aid of its Fuel Efficiency Committee the Ministry carried out extensive investigations to find out what plants and what firms could burn lower grade fuels, what proportion of them a boiler could take if these fuels were mixed with graded fuels, and whether some adaptation of the plant, such as the fitting of forced draught furnaces, would facilitate degrading. It also encouraged the production of plant which could burn a wide range of fuels. In March 1944, by arrangement with the Ministry of Supply, the production of nearly 4,000 hand-fired, forced draught furnaces was begun. These furnaces, which were supplied to selected consumers, were of two kinds, one type for burning unscreened opencast, coke breeze, etc., and the other for slurries and other redundant fuels.<sup>2</sup>

Once the Ministry's investigations had provided technical evidence of what could and what could not be burnt by industry generally, the programming authorities could foster degrading through their industrial coal allocations. It was then the task of the Regional Fuel Efficiency Engineers to advise firms how best to use an unfamiliar fuel. Through its regional organisation, the Ministry eventually surveyed every consumer under its control with the set purpose of achieving the maximum degrading of fuel supplies.

Relevant statistics are not available before 1943, when a vigorous drive was begun for extensive withdrawals of large coal. Industry

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<sup>1</sup> *British National Committee, World Power Conference, Reports on Fuel Economy since 1939*, p. 5. These reports include a valuable bibliography of British fuel economy during the war.

<sup>2</sup> *British National Committee, World Power Conference, Reports*, p. 5.

alone lost in that year 41·3 per cent. of its large coal supplies. The following table shows the development of substitution in the last three years of the war:—

*Coal Consumed in Industry by Grades as a percentage of Total Consumption*

	Large	Graded	Washed slacks	Other coal	Unscreened coal	Dry slacks	Anthra- cite	Open- cast
1943	11·96	40·38	12·82	5·98	4·11	17·91	3·03	3·81
1944	10·89	38·53	10·68	3·94	4·22	20·01	3·49	8·24
1945	10·64	37·75	11·67	3·70	4·29	20·32	3·17	8·46

In spite of these intensive measures, the position in the autumn of 1944 was serious. The initial concentration of S.H.A.E.F.<sup>1</sup> demands on a single quality, large coal for locomotive purposes, was soon to produce trouble. The main French coal-fields were relatively unharmed, but transport difficulties and the shortage of pit wood hampered production. Europe could contribute little to its own requirements and was caught in the vicious circle of being unable to restore transport unless someone supplied the coal. Britain was expected to be that someone.

Of other qualities of fuel in short supply in the autumn of 1944, coke was one of the most difficult. No relief, unfortunately, could be looked for from anthracite as an alternative boiler fuel, for a steady fall in anthracite production had been accompanied by a steady rise in demand from branches of industry which held a high priority.<sup>2</sup> This shortage of coke had begun in the spring of 1944, partly because of heavy coke sales in the summer of 1943 when coke stocks were high, partly as a result of action taken to save the coal situation during the succeeding winter. Availability of gas coke had fallen off slightly owing to the increased use of carburetted water gas at gasworks. This practice not only tended to decrease production of coke through reduced carbonisation but also required more coke for manufacturing the carburetted water gas. Demand for coke had at the same time expanded rapidly because of the shortage of house coal and the enforced substitution of coke for coal among industrial consumers.

Once the shortage had arisen, progress in dealing with it was slow. The need for a rapid change of policy became obvious in February 1944, but it was not till June that the Ministry was able formally to announce its decision to programme coke supplies in the same way as coal. The intervening months had been taken up with protracted negotiations with the coke producers on the form programming should take. The Ministry was prepared to treat the industry in a

<sup>1</sup> The initials are used here and elsewhere to refer to the Supreme Headquarters Allied Expeditionary Force, in charge of the invasion of Europe.

<sup>2</sup> *British National Committee, World Power Conference, Reports*, p. 6.

similar way to coal and allow it to appoint its own programming authorities and do the job itself. The Coke Supplies Officer, representative of the coke industry, who had been keeping an eye on coke supplies since early in the war, was appointed Director of Coke at the Ministry of Fuel and Power, and he appointed coke programming authorities in each of the areas broadly corresponding to those covered by the coal programming authorities and consisting of two representatives, one from the hard coke and one from the gas coke producers. The coke industry, however, proved less co-operative than the coal industry. It was implicit in the arrangement that whoever assumed responsibility for the administration of programming must also bear the cost. The coke producers showed a tendency to try to get the best of both worlds, and in May 1944 the Ministry, tired of procrastination, made a threat, which it did not carry out, to take over both the cost and the administration.

The arrangement with the industry proved unsatisfactory, perhaps because while in coal programming the Ministry had been careful to use the industry only as an executive instrument, the coke industry was allowed an important influence on central policy. One result was an ambitious attempt to programme from the start small firms using 20 tons of coke a year, although experience in coal programming had shown that this was not possible. The attempt had to be abandoned, but in the meantime much valuable time had been lost. Want of administrative experience apart, it was perhaps also a defect of the coke programming organisation that the regional coke programming authorities were representatives, not of statutory selling authorities as in the coal industry, but of trade associations. Unlike the Coal Supplies Officers, they were thus representatives of particular producers engaged in controlling the products of their rivals and competitors.

Whatever the rights and wrongs of the machinery devised for controlling coke, programmes came into operation for the larger consumers in the winter of 1944-45. These, together with severe destocking and an intensive economy campaign, did not suffice to keep the scarcity in check. Aggravated by urgent demands from the Iron and Steel Control for more blast furnace coke owing to the reduction in imports of United States steel, coke supplies deteriorated at an alarming rate, and by the end of the year were already critical in London and the South. In December, the rate of delivery to all consumers in the London area was curtailed. At the end of January 1945, the problem was referred to the Lord President's Committee.

The Minister told the Committee that he hoped to obtain more coke by reducing the output of water gas at gasworks, but this depended on variations in gas demand and supplies of gas coal. The quantity of gas sold had already gone up from 321,348 million cubic feet in 1939 to 379,934 million cubic feet in 1944, and the

tonnage of coal carbonised by gas undertakings from 19·3 millions in 1939 to 20·6 millions in 1944. Gas coals were in particularly short supply, and much house coal and graded coals had already been diverted from the domestic market and industry.<sup>1</sup> Increased output from coke ovens likewise depended on increased supplies of coking coal. But it also depended on more labour, and it was this problem which the Minister wanted to impress on the Lord President's Committee. If anti-glare restrictions on coke oven operation, which had been imposed throughout the war as a form of defence against air attack could be removed or relaxed, less labour would be required. The Committee, however, could only agree to certain relaxations west of a line from the Wash to Southampton. For the rest, the Minister had to be content with expectations of more manpower from the Minister of Labour and a rearrangement of requirements from the iron and steel industry by the Minister of Supply.

The most disquieting factor in the coal position in the latter half of 1944 and the underlying cause of anxiety over supplies of particular grades of fuel was the unsatisfactory coal output. The usual seasonal upswing in production in the autumn failed to appear, and by December a complete and drastic reshaping of the coal budget for the remaining months of the coal year was necessary. Even assuming that there were no losses through transport difficulties, bad weather or prolonged disputes, output from the mines was now expected to reach only 185 million tons during the coal year 1944-45, compared with 190 million tons in the previous estimate. Estimated opencast production was reduced from 12 to 10 million tons due to the effects of bad weather, the inferior quality of the equipment supplied from the United States and the lack of spare parts.

This loss in production had somehow or other to be made up on the consumption side. Again the domestic consumer was to bear the brunt of the miners' shortcomings. Domestic consumption over the year was now planned at little over half a million tons more than the previous year. In this plan Government reserve dumps in consumer areas (as distinct from transit dumps in colliery areas), were to be drawn upon to supplement supplies available for domestic consumption. These dumps, held against emergencies arising out of possible dislocation of traffic due to enemy action against air communications, had been built up over the period 1940-43 to a maximum figure of about 2·4 million tons, of which half was in domestic dumps.

During 1944 about 115,000 tons of opencast coal had been withdrawn from the reserve dumps for industrial and public utility undertakings. The winter opened with stocks in the dumps of just over 2·1 million tons, of which domestic dumps held 1·2 million. About

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<sup>1</sup> *British National Committee, World Power Conference, Reports on Fuel Economy since 1939*, p. 6.

one-third of this was estimated to be suitable for industrial use only, and not for use as house coal. Now that it was clear that the house coal available from opencast workings and merchants' stocks would be insufficient to meet domestic winter needs, it was decided to draw on Government dumps to provide the merchants with reserves up to about 800,000 tons. In all, total inland consumption was to be reduced by nearly  $3\frac{1}{2}$  million tons compared with the previous estimates in June. Distributed stocks at the end of the winter were expected to be 11.3 million tons.<sup>1</sup>

The rest of the savings in consumption were to come from exports and bunkers and operational and civil requirements for Europe. Exports, bunkers and the Admiralty were estimated to require 4.6 million tons as against the previous figure of 6.5 million tons. Some 2.7 million tons remained for operational or S.H.A.E.F. requirements. Owing to limited transport and port capacity, only 150,000 tons of this had been shipped to France up to the end of October and 137,150 tons had been arranged for November. The Minister felt that, with the addition of certain small quantities for the South of France and the Mediterranean area, a little under two million tons was the most that this country could supply to S.H.A.E.F. for the rest of the coal year. He was only prepared to offer this on condition that it was taken in approximately equal monthly instalments and that transport facilities in the United Kingdom would allow it to be moved in addition to home requirements. The amount offered was less than S.H.A.E.F.'s provisional demands, but it seemed unlikely that port capacity and transport facilities on the Continent at that time would allow imports to the extent of these demands.

## (ii)

### Distribution Troubles

These revised estimates were based upon the unwritten understanding that any major transport difficulties or labour troubles would throw the whole budget out of gear. No one supposed that the country could get through the winter without transport difficulties of some kind. Railway equipment was getting old, repairs were most difficult and much rolling-stock was being shipped to the Continent for essential operational purposes. Finally, the railways were short of labour. If severe weather or sickness again visited the country there must be a minor crisis. And there was. In December 1944, some

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<sup>1</sup> This was below the 12 million tons 'safety level'. But this minimum had been fixed before the European invasion; it included a reserve set aside against dislocation during the opening of the campaign.



160,000 tons of coal output were lost through shortage of wagons and well over half a million tons during the severe weather of January and February 1945. Since collieries were wagoned in preference to opencast sites, the movement of opencast coal was even more affected.

The effect of the severe weather on stocks was serious. By the end of January total stocks were over one million tons below estimate. Main line railway stocks of large coal, which had been expected to fall to slightly over two weeks' supply by the end of March, had already fallen to 2·1 weeks by the beginning of February. Receipts of house coal by merchants in December and January were about half a million tons lower than programme and their stocks stood at rather less than one week's supply at the beginning of February. The house coal reserve in Government dumps was also less than one week's supply and was being steadily drawn upon. Between December 1944 and the end of April 1945 nearly 700,000 tons of house coal was distributed from the dumps to the merchants.

These circumstances inevitably affected British undertakings to S.H.A.E.F., for we had only agreed to them on condition that transport facilities would allow coal for S.H.A.E.F. to be moved in addition to home requirements. Fortunately S.H.A.E.F. requirements of gas and domestic coal were lower than had been expected, and the Minister felt that these reduced demands could be met except for those of the Mediterranean theatre, which could only be covered if transport improved rapidly. The most important requirement, steam coal for locomotive and bunker use, could not be fulfilled unless sufficient transport could be provided from the collieries and the opencast sites or (an alternative which could not be recommended) more withdrawals were made from the house coal market.

At a meeting on 16th February, the Lord President's Committee discussed the position, particularly the effect on American opinion if this country failed to honour its undertaking and on opinion in the liberated countries, for it would be mainly the civilian population who would suffer as a result of any short-fall in supplies from this country. The Ministers of Fuel and Power and War Transport were asked to examine all possible steps and report back the following week. There was little which the Minister of War Transport could do to give higher priority to coal traffic on British railways, for although stops or embargoes were in force on practically every other type of railway traffic, no stops at that time existed on coal traffic. The result of the examination by the two Ministers indicated, however, that transport could be provided to carry the full requirements of S.H.A.E.F. and the Mediterranean theatre, at the expense perhaps of some dislocation in the inland supply programme. The coal thus provided (10,000 tons a week) would be good quality opencast from Wentworth Woodhouse in Yorkshire.

It was the domestic consumer in this country who paid the price to enable these requirements to be met. For the real burden of the S.H.A.E.F. commitments lay in making available coal qualities, such as large coal, which were already scarce in the home market. If the Minister could say, in October 1944, that he 'could look forward with reasonable confidence to the domestic coal position in the winter', the situation in January began to look rather different. There was no great difficulty in the producing regions, apart from Edinburgh, but elsewhere, particularly in London and the Eastern Region, the position was more serious.

The first cause of these difficulties lay in the unsatisfactory domestic stock level at the end of the autumn. Merchants' reserve stocks of house coal, although near target level overall, were unevenly distributed and were materially lower than in the previous year. They would probably have been lower still if disposals during the summer had not been markedly below estimate, but this in turn meant that increased provision had to be made for winter disposals. The second cause of difficulty was the reduction in supplies coming into merchants' depots during the winter months because of the fall in output and S.H.A.E.F. demands. Heavy withdrawals had to be made from merchant and Government stocks to supplement colliery supplies. Stocklifting places a greater strain on transport and labour than handling of supplies direct from railway wagons; it aggravated the third and most difficult problem to be faced, the shortage of labour and vehicles to distribute the coal to consumers from the depots.

Hardship for the domestic consumer during this last winter of the war was general throughout the country, but a crisis developed in London. Disposals of house coal in the summer had been low owing to flying bomb attacks which led to evacuation and interfered with handling operations at the depots. A large proportion of the evacuees had now returned to London and coal had to be supplied to a large number of premises which did not hold their usual stocks against the winter. Many houses had been bomb-damaged and their occupants needed relief in the shape of extra supplies of fuel. Thus, London required not only a greater tonnage of coal than usual during the winter months but the delivery of coal to a greater number of premises.

The London retail coal distributive trade had to do the job with only three-quarters of its pre-war number of male manual workers.<sup>1</sup> It proved impossible to recruit additional labour, although the highest priority was given to the trade by the Ministry of Labour. The original application had been for 1,400 men, and the only way of meeting any part of it was by Army or prisoner-of-war labour. Some

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<sup>1</sup> H. of C. Deb., Vol. 407, No. 19, Col. 653, 23rd January 1945.

600 members of the Pioneer Corps were already at work on coal distribution. On 23rd January, the Minister announced in the House that arrangements had been made for the services of 400 soldiers.<sup>1</sup> These had to be released by the end of February. After that Italian prisoners were working in London, but there was difficulty in billeting them and in persuading the merchants to accept them, for there was a limit to their usefulness on door-to-door deliveries.

Vehicles were also short. Some help was obtained from the Army, but was quite inadequate in January when, moreover, the condition of the roads in icy weather made it impossible to use horse-drawn vehicles. The result of the labour and vehicles shortages combined was that deliveries in London were weeks behind. If coal could not be delivered it could, as a last resort, sometimes be fetched. During this winter the Ministry instituted the 'cash and carry' scheme whereby consumers authorised by the Local Fuel Overseer could obtain small quantities from certain Government dumps both in London and elsewhere where deliveries were difficult. At a meeting on 21st February, the Regional Controller for the London and South-Eastern Region announced that in his region 234 centres were open and some 1,400,000 tickets had already been issued. The quantity thus obtained amounted to only three per cent. of what the merchants delivered, 12,396 tons in all, sold in lots of 14 and 28 lb., but it indicated the large number of people furnished only with baskets or perambulators who were sufficiently desperate to take advantage of it. Several local authorities in London undertook or arranged, at the Ministry's expense, the delivery of coal from Government dumps to priority consumers and small shops.

Merchants had been instructed to give priority to consumers without stocking facilities and to those who had suffered special hardship through bomb damage.<sup>2</sup> Many people, however, who had been unable to stock and were dependent on regular week-to-week deliveries suffered severe hardship. They were in the main the poorer class of consumer. Working-class flats and tenements were never designed to store satisfactory or economic quantities of coal, nor were they equipped with lifts. Inhabitants above the second floor were very much at the mercy of their merchants. The over-worked and older labour force was not easily persuaded to carry coal up flights of stairs unless it was coaxed to do so, and the extent to which additional payments had to be made to the coalman was an everlasting cause of resentment amongst this type of consumer. The more wealthy consumer was, generally speaking, better off. He depended less on solid fuel and was equipped with more gas and electricity appliances. If he lived in a flat, it was often centrally heated, or if he depended on

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<sup>1</sup> H. of C. Deb., Vol. 407, No. 19, Col. 653.

<sup>2</sup> H. of C. Deb., Vol. 407, No. 19, Col. 655.

solid fuel, it could usually be carried to higher floors by lift. The fact that the burden of the shortage was borne mainly by the poorer classes led to much bitterness. The difficulties of this winter were a further example of the immense obstacles in the way of ensuring fair shares of coal. It does not, however, follow that rationing should have been introduced, either then or earlier; for any scheme such as that proposed in the summer of 1942 would have broken down under the circumstances of distribution in the winter of 1944-45.

Certain lessons were learnt from the experience of that winter and spring. The most important of these was the need to relate the maximum allocation of coal more closely to available supplies. The maximum allocation was only a permissive quantity and many consumers received a good deal less. The arrangement left the consumer too much at his merchant's mercy in sharing out supplies, while many people viewed the maximum as a ration to which they were entitled, and both merchants and Local Fuel Overseers had to spend much time in placating consumers who insisted on having it. If the maximum were reduced, consumers with large families and houses or who depended wholly on coal for cooking and space heating would have to obtain extra quantities by special licences from the Local Fuel Overseer, so giving much extra work at the Local Fuel Office. But if coal was to be more generally provided for those who needed it, the task had to be faced. The maximum allocation was accordingly reduced to 34 cwt. in the South of England and 50 cwt. in the North, for the coal year 1945-46.<sup>1</sup>

Another change in policy in the spring of 1945 was the decision to do away with the limit on consumers' stocks and to replace it by a restriction on the quantity which could be delivered over the whole year. Thus, instead of month-to-month restrictions on deliveries depending on consumers' stocks, a direction issued in April 1945 specified that no consumer in the South of England could obtain more than 34 cwt. during the year. A consumer could obtain 1 ton of this during the six summer months and the rest during the winter, provided that no more than 8 cwt. was taken in each of the periods November to December, January to February, March to April. This arrangement had considerable advantages. The consumer's stock limit had always been difficult to enforce; a consumer determined to outwit authority could temporarily move his coal. An agitation against official inspection was such that the Ministry was forced to relinquish its right of access to domestic premises for the purpose of seeing what stocks were held. Both the coalman and the consumer found it hard to estimate the contents of a cellar, but deliberate collusion between the consumer and his merchant was perhaps more common. There were cases where excessive coal stocks were justified by the consumer on

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<sup>1</sup> S.R. & O. 1945, No. 477, Coal Distribution; General Direction, 25th April 1945.

the ground that they had been acquired before 1939, and there was no ready means of disproving this. The new arrangement encouraged the thrifty, whereas the stock limit favoured the dishonest and extravagant. The consumer now knew how much he could receive over the whole year, and if he had the facilities to do so, he was encouraged to stock the bulk of it during the summer and keep off the market as far as possible during the winter. The careless consumer might, of course, burn the full permitted quantity before the end of the winter and then go to the Local Fuel Office to ask for more, but if he did he was likely to find little sympathy and considerable difficulty in getting a special licence.

The Ministry's Local Fuel Overseers stood the test of the winter very well. They had to deal with complaints and queries of all kinds, issue licences in special cases to consumers for purchasing coal over and above the quantity allowed by the restrictions,<sup>1</sup> and request merchants to make priority deliveries in urgent cases such as illness. These priority requests were normally met within forty-eight hours. If a merchant failed to comply, the Local Fuel Overseer had power to issue statutory directions, although this was rarely necessary.<sup>2</sup> Relations between merchants and Local Fuel Overseers were generally satisfactory, but with a machine that depended so much on the personality and co-operation of individuals some conflicts were unavoidable. There was a very large number of Local Fuel Overseers, some 1,600 in all, and not all of them were capable of exercising their powers with discretion or of winning the confidence of the merchants. Their relationship with the general public was on the whole very good. This last winter of the war illustrated particularly the advantages of leaving the appointment of these officers to the local authority. They were not only able to call upon extra staff more easily when the need arose, but because of their responsibility to the local council tended to take a greater interest in local needs than officers appointed by a Government department.

The problems of distributing supplies to domestic consumers at the beginning of 1945 had thus indicated possible improvements in the policy of delivery restrictions. It also raised the question whether some of the difficulties might have been avoided altogether if more had been done to reorganise distribution. For in theory the block distribution of coal and the pooling of the resources of the merchants at their depots might have economised the men and vehicles available for distribution and so have helped the country to turn an awkward corner. What, if anything, had been done in this way?

Something has been said in earlier chapters about the attempts which were made without any great success to secure economy in the

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<sup>1</sup> S.R. & O. 1943, No. 1138, articles 6 and 7.

<sup>2</sup> *Ibid.* Article 13.

use of transport, labour and other resources in the carriage of coal between the collieries and the merchants' depots. We may consider now the last stage in distribution, that is, between the depots and the consumers. The House Coal Distribution (Emergency) Scheme, which was the war-time organisation of the coal merchants, was concerned, since it was one of the original purposes of that organisation to help to secure economies which would assist the war effort over the whole field of coal merchanting. It will be necessary to see what had happened since that organisation was founded in 1940.

In spite of the growing shortage of petrol and labour, very little was done to change the system of retail deliveries in 1941. In January 1942, the Lord President's Committee returned to the charge as it had done in February of the previous year, and demanded a more vigorous attempt to economise the country's resources. The House Coal Scheme, with the approval of the Mines Department, then issued a circular to all merchants calling for the elimination of un-economic deliveries by transferring consumers, either completely or on an agency basis, to another merchant. The circular, which merely repeated what had been said dozens of times before, warned the trade that unless local arrangements were made voluntarily by the end of February more drastic steps might be taken by the Mines Department. From 12th January 1942, the Department had power under the Fuel and Lighting (Coal) Order 1941 to arrange, through the Local Fuel Overseers, compulsory transfers of consumers from one merchant to another in the interests of economic distribution.<sup>1</sup>

In December 1942, the Minister reopened the question and told the merchants that the results of their efforts were disappointing. As a first step it was now agreed that a system of rationing petrol on the basis of tonnage handled instead of mileage run should be introduced throughout the country. This petrol formula was already operating in the north-eastern and north-western regions. During 1943, it was applied to all regions except London and Scotland, and contributed to the saving of twenty-five per cent. in the petrol used for coal distribution in 1943 compared with 1941.

The second step was the regulation of distribution from the depot. This could either be achieved by dividing up an area into blocks and allowing only one or a limited number of merchants to deliver in that block, or it could be done by drawing a ring round a depot and prohibiting deliveries outside that area.

There was the further alternative of rationalising deliveries by operating merchants' transport or labour, or even organising the whole depot, as a centralised unit. But by the end of 1942 this had ceased to be considered seriously. A year or two earlier the merchants

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<sup>1</sup> S.R. & O. 1941, No. 1920, para. 9.

had feared they might be forced to adopt some such system, but the Government had picked at the question of unification so long that they were unlikely to make a determined move at the end of 1942.

Block-zoning had proved effective in the Ministry of Food milk distribution scheme, wherein each retailer, apart from the Co-operative Societies, had a monopoly of deliveries in a particular street or group of streets. Similar economies were theoretically possible in coal distribution, for the large number of merchants serving one street has always been one of the most striking features of the retail coal trade. Inquiries made in 1941 showed wide variations, but in Kettering, for example, it was found that streets of seventy houses were being served by twelve different merchants. In Scunthorpe about sixteen merchants served streets averaging 136 houses.

However, any attempt to change this state of affairs involved considerable disturbance to trade interests. The merchants preferred depot-zoning. They argued that full economy could be effected provided each vehicle left the depot fully loaded and all premises were served from the nearest suitable depot. Coal, they pointed out, is delivered, unlike milk, infrequently and in large quantities. The economy to be achieved by the reduction in the number of deliveries through block-zoning was consequently small. The merchants further argued that the widespread transfer of registrations involved in block distribution was likely to add to their difficulties. It would mean considerable clerical work both for them and for the Local Fuel Overseer, and would largely deprive them of what they felt to be the considerable benefit of the coalman's personal knowledge of his round, particularly in industrial areas where many houses are left empty during the day.

The Ministry gave an attentive ear and agreed that depot-zoning, whereby merchants were left free to deliver within a restricted radius from the depot, should be the basis of future policy. A few block-zoning and unification schemes were to be tried as experiments. By the end of 1943 depot-zoning schemes were operating in most of the larger industrial centres. The zones fixed, however, showed considerable variation from one district to another. In general they did not involve serious dislocation of existing trade practice. In Birmingham, for instance, the radius of delivery was fixed at five miles from the depot. This did not satisfy the Ministry of Labour, and in April 1943 it suggested that rationalisation in Birmingham could effect large savings in manpower. As a result, a form of block-zoning was agreed by the merchants and the two Ministries. Depot-zoning was not dropped, however, in that city and the radius of delivery was later reduced to two miles. But this was never put into effect, mainly owing to the time taken to work out the detailed arrangements, and in July 1945 it was finally dropped. Estimates showed that had it been

implemented over 30,000 transfers of customers would have been required.

Zoning schemes elsewhere were more effective. Progress was reasonably good in the south-western and London and south-eastern regions. London restricted deliveries from its depots to a radius, in most cases, of some  $2\frac{1}{2}$  miles. Estimates prepared by the Ministry of War Transport showed that petrol consumption in 1943 was some twenty per cent. less than in 1942. On the other hand, some large towns, such as Cardiff and Swansea, did not introduce depot-zoning at all.

There were a few towns where more far reaching schemes were introduced. In Edinburgh, after a letter from the Ministry to the House Coal Officers on 16th September 1942 had requested positive action, a plan was rapidly worked out, approved by the merchants on 3rd November and put into operation on 1st January 1943, dividing the city into zones and resulting in appreciable economies. In Plymouth, which received most of its coal by sea and where the depots were concentrated in the dock area, a modified block distribution scheme was introduced in December 1942, dividing the city into sixteen districts to which merchants and dealers were allocated according to the number of registered customers they had within the district. The average size of the zones in the built-up areas was 1 mile  $\times$   $\frac{3}{4}$  mile, and each was served on an average by eight merchants. Some 1,415 compulsory transfers were made out of a total of some 53,000 registered customers, not a high percentage. In Keynsham, in the south-western region, which was little more than a large village, where there was only one local depot, more or less complete block-zoning was introduced in September 1942, and deliveries from outside depots or from the local depot to outside areas eliminated. It involved 1,219 changes of registration or over half the registered consumers, and a reduction in the number of merchants operating in the town from thirty-five to thirteen. In Scunthorpe two similar schemes were introduced, one covering the Co-operative Society and two large clubs, and the other the remaining merchants. The resulting economies in manpower and petrol from May-September 1943, compared with the same period the previous year, were thirteen per cent. and eleven per cent. respectively.

The schemes which were introduced in this way on local initiative were, generally speaking, too few in number and on too small a scale to give conclusive evidence of the advantages of changed delivery systems. It was impossible to give precise figures of the savings in manpower and transport since many merchants were engaged in carrying other materials as well as coal. Neither could the economies arising from specific schemes be dissociated from the economies which were taking place generally as a result of increasing restrictions on



petrol and labour. The Ministry was thus unable at any time to confront the merchants with concrete evidence of the successful operation of block-zoning at a number of representative towns throughout the country.

The want of evidence on the working both of block-zoning and depot rationalisation makes it difficult to say how far a wide reorganisation of coal distribution on these lines might have helped to avoid the troubles of the last winter of the war. Rationalisation or pooling at the depots might have improved the manpower scarcity a little if it had reduced the administrative and clerical staff engaged in taking orders and book-keeping, although the men set free would not necessarily have been of the type who were most wanted for the business of delivery. Vehicles and petrol might have been economised more than they were. Many small merchants employed the lorry driver and his mate both on delivery and in handling coal at the depots so that vehicles were kept idle while coal was being discharged from the wagons and bagged. Pooling at depots might have permitted some division of labour so that the coal was ready for loading on the lorry immediately it returned to the depot. Block distribution might have speeded up deliveries so that, even if the same men could not deliver more coal, lorries could be double-shifted, though black-out conditions would have restricted this to a short period of the year.

Much of the trouble arose, however, from the extreme shortage of men engaged in coal delivery, and it is difficult to believe that at this stage of the war, especially under the conditions of that winter in London, considerable hardship could have been avoided even by the most ingenious economy of men and vehicles. The case for that economy is to be found, not in the special circumstances of the London coal deliveries in the last winter of the war, but in the general needs of the national war economy at any time after 1940.

(iii)

## The End of the Year and of the War

The success of coal programming and the fuel efficiency drive in reducing consumption during the later war years was certainly no mean achievement, although mild winters also helped. As shown by the table overleaf (Table VI), total inland consumption was reduced by nearly ten per cent. from a peak of 195·6 million tons in 1942 to 177·2 million tons in 1945. Much greater economies proportionately were made by some groups of consumers to allow for the expanding needs of others. In 1945, industry consumed over eleven per cent. less coal than in 1940, and in the domestic consumption of house coal an

TABLE VI  
Availability and Consumption of Coal

	Coal Years										Million Tons								
	1939-40		1940-41		1941-42		1942-43		1943-44		1944-45								
(1)	Summer period (2)	Winter period (3)	Coal year period (4)	Summer period (5)	Winter period (6)	Coal year period (7)	Summer period (8)	Winter period (9)	Coal year period (10)	Summer period (11)	Winter period (12)	Coal year period (13)	Summer period (14)	Winter period (15)	Coal year period (16)	Summer period (17)	Winter period (18)	Coal year period (19)	
Mined Coal:—																			
Production . . . . .	112.7	115.7	228.4	112.5	100.3	212.8	103.4	102.7	206.1	100.6	101.0	201.6	95.8	93.1	188.9	91.2	91.3	182.5	
Changes in colliery stocks . . . . .	-1.6	-2.0	-3.8	+1.0	-0.4	+0.0	-0.5	-0.1	-0.6	-0.3	+0.1	-0.2	+0.1	-0.3	-0.2	-0.1	-0.1	-0.2	
Tonnage available	114.5	117.7	232.2	111.5	100.7	212.2	103.9	102.8	206.7	100.9	100.9	201.8	95.7	93.4	189.1	91.3	91.4	182.7	
Open-cast coal disposals . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
TOTAL . . . . .	114.5	117.7	232.2	111.5	100.7	212.2	103.9	102.8	206.7	100.9	102.7	203.6	97.1	96.1	193.2	95.6	94.9	190.3	
Consumption:—																			
Gasworks . . . . .	8.5	10.3	18.8	8.2	10.2	18.4	8.8	11.2	20.0	9.1	10.8	19.0	9.4	11.4	20.8	9.2	11.7	20.9	
Electricity . . . . .	7.3	9.5	16.8	8.2	10.6	18.8	9.3	12.3	21.6	10.0	11.7	21.7	10.4	13.2	23.6	10.7	13.3	24.0	
Waterworks . . . . .	0.2	0.2	0.4	0.2	0.2	0.4	0.2	0.2	0.4	0.2	0.2	0.4	0.2	0.2	0.4	0.2	0.2	0.4	
Railways . . . . .	6.3	6.7	13.0	6.6	7.0	13.6	6.7	7.5	14.2	7.1	7.6	14.7	7.2	7.6	15.2	7.2	7.8	15.4	
Coke ovens . . . . .	10.7	11.0	21.7	11.1	10.5	21.6	10.9	10.9	21.8	10.7	10.9	21.6	10.9	10.9	21.8	10.9	10.9	21.8	
Collieries . . . . .	5.9	6.2	12.1	6.1	6.1	12.2	6.0	6.2	12.2	5.9	6.0	11.9	5.7	5.7	11.4	5.7	5.6	11.2	
Iron and steel industry } Engineering industry } Other industry } Disposals to domestic consumers:—	20.4	23.3	43.7	6.6	7.8	14.4	5.5	2.8	8.3	3.3	3.2	6.5	3.8	3.8	7.6	4.4	5.8	10.0	
(i) House coal	—	—	—	14.7	16.6	31.3	14.5	16.0	30.5	13.6	14.8	28.4	13.0	14.7	27.7	12.3	14.2	26.5	
(ii) Anthracite & boiler fuel	19.9	23.8	43.7	21.4	24.1	45.5	20.1	22.6	42.7	18.6	19.5	38.1	17.6	17.7	35.3	16.5	17.1	33.6	
Miners' coal . . . . .	0.7	1.0	1.7	0.9	1.0	1.9	0.9	1.2	2.1	2.0	1.1	3.1	2.1	1.0	1.1	2.1	1.2	2.2	
Other . . . . .	2.2	2.5	4.7	2.2	2.5	4.9	2.2	2.6	4.8	2.2	2.5	4.7	2.0	2.5	4.5	2.1	2.6	4.7	
TOTAL: Great Britain	85.2	99.6	184.8	89.1	101.5	190.6	91.4	104.1	195.5	89.9	99.5	189.4	88.1	98.2	186.3	86.1	98.5	184.6	
Shipments to Northern Ireland	1.2	1.1	2.3	1.4	1.1	2.5	1.3	1.2	2.5	1.2	1.3	2.5	1.3	1.4	2.7	1.2	1.5	2.4	
Overseas shipments and bunkers	24.6	20.5	45.1	11.9	4.2	16.1	4.3	3.9	8.2	4.0	3.3	7.3	4.0	4.1	8.7	2.5	3.5	6.0	
Total consumption and shipments	111.0	121.2	232.2	102.4	106.8	209.2	97.0	109.2	206.2	95.1	104.1	199.2	94.0	103.7	197.7	89.8	103.2	193.9	
Changes in distributed stocks . . . . .	+3.5	-3.5	—	+9.1	-6.1	+3.0	+6.9	-6.4	+0.5	+5.8	-1.4	+4.4	+3.1	-7.6	-4.5	+5.8	-8.3	-2.5	
TOTAL . . . . .	114.5	117.7	232.2	111.5	100.7	212.2	103.9	102.8	206.7	100.9	102.7	203.6	97.1	96.1	193.2	95.6	94.9	190.3	

NOTE: (1) Ministry of Fuel and Power Statistical Digest, 1945, Table 42. The coal year covers a period of fifty-two weeks, approximately from 1st May (when stocks are at their lowest and restocking for the winter begins) to 30th April. (Summer period = twenty-six weeks ended 31st October approximately; and winter period = twenty-six weeks ended 30th April approximately.)

(2) Figures for 1939-40 estimated by Statistics Branch, Ministry of Fuel and Power.

almost unbelievable saving of one-third was achieved. Public utilities consumption, on the other hand, increased by nearly a quarter and railways by over eleven per cent.

The flexible decentralised control over distribution which made possible this drastic yet equitable re-allocation of the country's reduced coal resources was, as the United States Coal Mission stated in their report in the summer of 1944, 'the most complete form of distribution control obtainable', and one member likened it to the Chicago stock-yards where everything was used except the squeal. They believed it to be working so efficiently that there could be no hope of saving more coal by an intensification of the controls, without endangering industrial production. The coal year 1944-45, however, had seen a still greater reduction in inland consumption. The additional saving of coal was not enough to balance the budget by enabling the Minister to meet all the commitments he had accepted for the year. At great cost in shipping, the United States had to supply nearly a million tons of Europe's coal requirements. The extra economy in home consumption was nevertheless an achievement by the consumer and the officials which was indispensable to the business of keeping the British economy on an even keel in this last stage of the war.

In almost every other respect, the coal situation was unsatisfactory and threatening. National coal stocks had been run down to what was beginning to appear a dangerous level in order to make the coal budget for the year balance. On April 30th 1945, at the end of the coal year, total distributed stocks amounted to 10·1 million tons compared with 12·7 million tons on the same day in the previous year. But for the mild weather in March, when average temperatures were higher than usual, stocks might well have been lower. Coal production had not come up even to the revised estimates prepared in December. The output had been some 182 million tons of deep-mined coal and some eight million tons of opencast, compared with estimates of 185 million tons and 10 million tons respectively.

The outlook for the coming year was very disquieting. Prospective output was estimated at 175 million tons for deep-mined and 11 million tons for opencast coal. If transport became available for this and for some two million tons of opencast stocks, available supplies might reach 188 million tons. But the Minister estimated in March 1945 that requirements would amount to 192 million tons, thus leaving a deficit of four million tons. The shortage was not spread equally over all kinds of coal. Gas, coking and large coal were each short of requirements by some 1½ million tons. If all experienced workers were returned from the Forces in time to begin work on 1st August the deficit might be avoided. The Lord President's Committee recommended their release as soon as possible, but the War

Cabinet held that such a step might undermine the demobilisation scheme. This decision was regarded as serious in that, while the decline in the manpower of the industry in the early summer of 1945 was less rapid than had been expected, production was below estimate. Unless experienced miners in the prime of life could be returned to the industry, little improvement, it was felt, could be expected from the existing labour force or from untrained recruits. During the rest of the summer—even when account has been taken of annual and VJ holidays—output was exceptionally low, both for deep-mined and opencast coal. Absenteeism was high and during August, at the height of the summer stockbuilding<sup>1</sup> season, total distributed stocks actually decreased by over half a million tons. At the end of the stocking season in October stocks were only 13 $\frac{3}{4}$  million tons, nearly two million tons less than estimate and some five million tons below the previous year.

The war finished with gloomy prospects. In former years output deficiencies had been partly met by drawing on stocks. Now the Minister decided, in drawing up his budget for the year 1945-46, that—although there was no longer need to maintain additional reserves for invasion purposes or against dislocation from bombing—no further drawing on stocks could safely be contemplated. The improved distribution brought about by programming had reduced what had once been considered the national minimum safety level for stocks; but it was considered unlikely that any further reduction would be practicable. Moreover, economies in fuel utilisation, which had also helped to mask the decreasing supply of coal, were now approaching their limit; it would be unwise to count on further savings.

So the war ended in the coal trade. The course of the war had forced a vast change of official policy in this department of the national economy. The Government refused at all times to take responsibility for the coal industry and there were no State-run mines: nor did it take over any branch of the business of coal distribution. But it had ended by intervening much, having begun by interfering too little. When the war closed, the coal industry was directed, coal supplies were carefully allocated, coal consumption was discouraged and prevented wherever it did not appear to help the war effort.

This transformation of official policy was naturally of the very greatest importance to the officials who had to carry it out. It also had political effects which occasionally rose to the dignity of a minor embarrassment for the War Cabinet. But there is good ground for believing that the errors and the correction of official policy do not on a general view form the most interesting side of the history of British coal production and distribution during the war.

The most difficult problem was found in the unsatisfactory state of coal output. An uncritical estimate of the technical and economic

strength of the coal industry in official quarters before the war and during its early years formed a serious weakness in British industrial preparations. Hence the adoption during the war itself of short-run palliatives, miscalled solutions, for what was in its nature a long-term problem. Yet it may be doubted whether the mass of public or political opinion was wiser than the officials. An important change of public attitude towards the coal industry took place between 1939 and 1945, largely as a result of the experiences of the nation in this matter of coal supplies. Before the war, the coal industry was a sick industry, the coal-mining community a sick society. The indifference and therefore the ignorance of the country on both points had been profound. This ignorance and indifference, extending deep into political and official circles, was the main underlying cause of the adoption of mistaken policies. The inadequate staffing and organisation of the Mines Department when war broke out was one result of the lack of current understanding of the problems involved.

By 1945, the mood of public and political opinion had begun to change. This confused national awakening to the true magnitude of the questions arising out of the state of the coal industry gives to the war history of this industry its main significance. The bishop of a famous coal-mining diocese in the North of England once designated the coal industry 'the least picturesque and the most interesting' of all industries. Its interest and importance before, during and after the war lay in its being so close to the heart of many of the chief economic and social difficulties of the nation. But while the change in public opinion must be recorded, it should also be noted that the war aggravated rather than improved the condition of the industry. No other major British industry carried so many unsolved problems into the war; none brought more out.



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*The suffix letter "n" denotes a footnote*

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