University
of Glasgow

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JIM PHILLIPS

Oceanspan: Deindustrialisation and Devolution in Scotland, c. 1960-1974

ABSTRACT

Oceanspan was a grand design for Scotland's economic, industrial and social regeneration. It attempted to position Scotland as a land bridge between the Atlantic Ocean and Continental Europe: raw materials would flow in from the west, utilising the deep water of the Firth of Clyde, and be converted into finished goods for export across the North Sea.

The chief architect of the plan was William Lithgow, the Port Glasgow shipbuilder, and it was publicised by the Scottish Council for Development and Industry, an organisation that encompassed representatives of local authorities and trade unions but was dominated by business interests. The plans were geared to assisting new industries notably electronics, but implied special privileges for the older heavy industries with which Lithgow and Lord Clydesmuir, chairman of the Scottish Council, were associated. Substantial public investment was required, which was resisted by both Labour and Conservative governments. Only the political sympathies of the Scottish council leaders, nurtured further by the various social and industrial difficulties facing the Conservative government in 1971 and 1972, notably the miners' strike and the work-in at Upper Clyde Shipbuilders, averted a substantial public row. *Oceanspan* nevertheless represents an important episode in the longer history of the emergence of devolutionary or nationalist impulses in modern Scotland, for the plans linked Scotland's apparent economic and industrial stagnation with the alleged problem of remote administration of policy in Scotland from Whitehall, and incorporated demands for enhanced policy powers for the Scottish Office.

In 1969 the Scottish Council for Development and Industry, a planning body dominated by business leaders although also comprising local authority representatives and trade union officials,¹ published details of a scheme, entitled *Oceanspan*, to promote the long-term regeneration of central Scotland's industrial belt. This was to involve substantial capital investment in cargo transport links, particularly in the Clyde and Forth

¹ The Council was the product of a merger in 1946 of the Scottish Development Council and the Scottish Council on Industry, the former established in 1931 and the latter in 1941, both established in the context of depression-era debates about industrial rationalisation and planning of economic development. The Council enjoyed some funding from local authorities and trade unions but owed its real strength to private sector industrial and commercial sponsorship; G. T. Murray, *Scotland: the new future* (Bishopbriggs, 1973), 28.

ports, to facilitate the rapid west to east processing of raw materials from the oceanic trades, landed on the Clyde, to finished goods, manufactured in central Scotland, and exported from the Forth, mainly to continental Europe. The Scottish Council emphasised that this entailed a central change in the country's economic orientation. The established north to south axes that connected greater Glasgow and greater Edinburgh separately with England should give way to a new west to east axis, integrating the economies of western and eastern central Scotland, and positioning this Scottish economy as an off-shore conduit for trade with Europe, which was to provide Scotland with a much larger 'home market' than was accessible in the UK alone. Such a configuration would necessitate an important change in the administration of port transport policy, with the establishment of an integrated Scottish Ports Authority. This would be 'autonomous', free to develop outwith the constraints of the UK Labour government's planned nationalisation of port transport, and operating under the direction of the Scottish Office rather than the Ministry of Transport.²

The chief architect of the scheme was William Lithgow, head of the Clyde shipbuilding dynasty, and immersed at this point in a range of crises – mergers, takeovers, government rescues and serial minor labour disputes – that were located essentially in industrial decline.³ He was also a trenchant business critic of Harold Wilson's Labour government, arguing that 'socialist' economic and social policies had 'destroyed' vital and once characteristic elements of public life in Scotland, including capital formation from low incomes and corresponding 'self-respect, self-discipline and the vital spark of self-determination'.⁴ *Oceanspan* – inspired by Lithgow's ideological foundations as well as his industrial concerns – duly brings into focus two linked historical processes that characterised Scotland's development towards the end of the twentieth century, devolution and deindustrialisation. 'Devolution' is, of course, very strongly associated with the 1979 referendum and the politics of the 1980s and 1990s, which were characterised by debates about the legitimacy of Conservative governance in Scotland.⁵ 'The key reason', writes Lindsay Paterson, explaining the emergence in the 1980s of more broad-ranging electoral support for political devolution than had been evident in 1979, and which was the basis of the establishment of the Scottish Parliament in 1999, 'was Margaret Thatcher'.⁶ Of particular

² W. Lithgow and Scottish Council for Development and Industry, *Oceanspan: a maritime-based development strategy for a European Scotland, 1970-2000* (Edinburgh, 1970), 1, 8-9, 24-6; Lithgow was assisted by Professor Ronald Nicoll of Strathclyde University.

³ L. Johnman and H. Murphy, *Shipbuilding in Britain since 1914: a political economy of decline* (Exeter, 2002), 163-97.

⁴ W. Lithgow, 'Taxes of the Rich', Letter to the *Times*, 28 Mar. 1968.

⁵ H. Young, *One of Us: a biography of Margaret Thatcher* (London, 1990), 528; J. Mitchell, 'Scotland in the Union, 1945-95: the Changing Nature of the Union State', in T. M. Devine and R. J. Finlay (eds), *Scotland in the Twentieth Century* (Edinburgh, 1996), 97-100.

⁶ L. Paterson, *A Diverse Assembly: the debate on a Scottish Parliament* (Edinburgh, 1998), 143.

importance here was the adoption by her governments of economic policies that contributed to extremely rapid economic restructuring. The impact of what Christopher Harvie called 'instant post-industrialisation' was more severe in Scotland as a whole than in England as a whole; more robust financial and service sectors in the South of England thrived, to an extent, on Thatcher's policies.⁷ Anti-inflationary fiscal mechanisms, designed by Thatcher's Chancellors to dampen roaring growth in the south, were experienced as crudely deflationary instruments in industrial Scotland, further speeding the contraction of primary production. Hence political devolution in Scotland came to be viewed as mitigating economic decline by providing the means of matching economic and industrial management to Scotland's particular needs.⁸

This article examines an important earlier episode in debates about the linkage between industrial stagnation and the institutions of policy-making, although the politics of *Oceanspan* in the late 1960s and early 1970s were roughly the inverse of the position in the 1980s and 1990s when various anti-Conservative opposition strands saw Home Rule as an escape from Thatcherism. Lithgow and other Scottish business leaders, many of whom were Tory supporters, members and office bearers, saw greater devolution of economic, industrial and transport policy as the means of evading the socialism of Harold Wilson's UK government. This points to a central but arguably unexplored aspect of the recent political, economic and social history of Scotland. In the 1960s and in the first half of the 1970s there was an observable 'anti-socialist' – or anti-Labour government – dimension to the growth of support for devolution in Scotland. Initially, through *Oceanspan*, the Scottish Council focused on the possible enhancement of Scottish economic and administrative – although not, at this stage, political – autonomy, with ports policy to be shaped by the Scottish Office in conjunction with Scottish port authorities, port employers and users. This would secure a powerful role for private enterprise and cut across the Labour government's planned nationalisation of the ports, with policy directed from the Ministry of Transport in Whitehall. Here the Scottish Council drew on support from the Conservative Party in Parliament, with Tory MPs – led by Teddy Taylor – drafting amendments to the government's nationalisation bill 'to seek separate and autonomous port authorities for Scotland and England'.⁹ Hence *Oceanspan* marks a significant episode in the trend towards greater autonomy in Scotland, with industrialists leading demands for devolution on administrative and economic matters.

In this, of course, Lithgow and the Scottish Council reflected wider historical forces, with devolutionist pressure on the 1964-70 Labour government coming not just from the Scottish National Party after the 1967 Hamilton by-election, but also from the Conservative opposition, particularly after the party leader, Edward Heath, delivered his 1968

⁷ C. Harvie, *No Gods and Precious Few Heroes* (Edinburgh, 1993), 164-73.

⁸ See Robin Cook's comments in Paterson, *Diverse Assembly*, 147-8.

⁹ *Glasgow Herald*, 23 Jan. 1970.

'Declaration of Perth', offering the possibility of constitutional change under a future Conservative government.¹⁰ Wilson duly initiated several devolutionary measures, including a Royal Commission into the future governance of Scotland, to which the Scottish Council gave evidence in November 1969.¹¹ After the election of Heath's Conservative government in 1970 the Scottish Council, steered by Lord Clydesmuir, of the Colvilles steel dynasty, initially maintained pressure for greater administrative devolution. Although Heath stalled on Home Rule, awaiting the report of Wilson's Royal Commission, the apparatus of policy-making in Scotland was overhauled. Here earlier impetus had come from the report of the inquiry appointed by the Scottish Council into the Scottish economy, chaired by John Toothill, Managing Director of Ferranti, and published in November 1961. Toothill recommended a new economic affairs department within the Scottish Office, to co-ordinate industrial and planning development and so facilitate faster economic growth.¹² In 1964 the Scottish Office duly established the Economic Planning Board to co-ordinate the 'Scottish' work of the various Whitehall ministries involved in economic and industrial questions. This was replaced by Heath's government with a new Scottish Economic Policy Department, responsible for industrial and regional policy, and buttressed by an additional Scottish Office Minister of State for North Sea Oil development.¹³

These were significant initiatives, but short of the Scottish Council's demands for Scottish oversight of Scottish ports and no government commitment to their redevelopment was forthcoming. Yet from May 1972 until the fall of Heath's government in February 1974 the Scottish Council discontinued its devolutionist and ports campaigns. But, in lieu of unambiguous evidence, and while respecting Alec Cairncross' warning about the danger of translating 'high correlative coefficients' into causal relationships,¹⁴ it should be noted that the Council's turn away from devolution coincided with a significant upsurge in industrial protest. This was accompanied, arguably, by sharpening social tension, with a collision of class and industrial conflict evident in the 'work in' at Upper Clyde Shipbuilders (UCS) from July 1971 to February 1972 and the national strike by UK coal miners early in 1972.¹⁵ These conflicts developed from Heath's initial emphasis on economic restructuring, withdrawing support for 'lame duck' companies and industries. A change of approach was adopted, however, in March 1972, with an

¹⁰ Heath's speech is in Paterson, *Diverse Assembly*, 26-30.

¹¹ A. Marr, *The Battle for Scotland* (Harmondsworth, 1992), 115-31.

¹² Committee of Inquiry appointed by the Scottish Council (Development and Industry) under the Chairmanship of J. N. Toothill, *Report on the Scottish Economy* (Edinburgh, 1961), 176-7.

¹³ C. H. Lee, *Scotland and the United Kingdom. The economy and the union in the twentieth century* (Manchester, 1999), 160.

¹⁴ A. K. Cairncross, 'In Praise of Economic History', *Economic History Review* 42 (1989) 178.

¹⁵ W. Thompson and F. Hart, *The UCS Work-In* (London, 1972), 85-90.

expansionist budget and Industry Act – reintroducing significant public subsidy of manufacturing industry – designed to alleviate industrial and social tension.¹⁶ These measures quite possibly persuaded the Scottish Council that economic and social stabilisation could be achieved within existing administrative and political frameworks, short of additional devolutionary developments.

This article duly situates the dispersal of Scottish business enthusiasm for enhanced administrative and economic devolution in proximity to the growth of class and industrial tension and the Scottish Council's clear desire to support the Heath government as it confronted various economic, social and political difficulties. On the re-election of a Labour government in 1974 the Scottish Council briefly revived and even extended its devolutionary campaigning to *political* matters. Further administrative and economic autonomy, through transferring the Department of Energy and other industrial agencies to Scotland, was to be strengthened by a Scottish 'assembly with discretionary control of taxation'. This would create 'a secondary centre of industrial, political and administrative power' to 'break the present London monopoly'.¹⁷ Such might be interpreted as an attempt – like *Oceanspan* – to place free enterprise brakes on a Labour government with manifesto plans for selected nationalisation of industry and redistribution of wealth from capital to labour.¹⁸ Yet even these anti-Labour devolutionary impulses were gradually diminishing as Scottish business leadership changed in the 1970s, with foreign ownership gradually eclipsing 'old-fashioned tycoons' like Lithgow and Clydesmuir, whose model of Tory reformism – 'social capitalism' was Lithgow's phrase – was decreasingly present. Scotland's business and Tory leaders duly adjusted – even in the rapid deindustrialisation in the 1980s – to the decidedly anti-devolutionary force of Thatcherism, which was itself unambiguously rooted in the class and industrial conflicts of the 1970s.¹⁹

The discussion proceeds chronologically, in two parts. First, port developments from roughly 1960 until and including the publication of *Oceanspan* in 1969 are examined. These demonstrate that Scottish port interests were dissatisfied with Whitehall's conduct of policy in the early 1960s, before the Scottish Council's later criticism of the Ministry of Transport. Second, the inter-play of ports policy and wider industrial and class tensions during the early 1970s are examined, illuminating the extent to which *Oceanspan* was modified to represent a means of mitigating the growing economic and social difficulties associated with Scotland's deindustrialisation, encapsulated in the rapid increase of unemployment in the winter of 1971-2. These difficulties provided the *Oceanspan* proposals with greater urgency but also diminished the likelihood of their coming into being, for the Scottish Council's industrial

¹⁶ K. Jefferys, *Finest and Darkest Hours. The Decisive Events in British Politics from Churchill to Blair* (London, 2002), 162-85.

¹⁷ 'Scottish plea for more say in industrial decisions', the *Times*, 4 Jul. 1974.

¹⁸ B. Pimlott, *Harold Wilson* (London, 1992), 618-25, 634-47.

¹⁹ Lithgow, 'Taxes of the Rich'; Harvie, *No Gods*, 151, 164.

leaders – apparently anxious on party political and possibly social class grounds to protect the Heath government – seemed to relax their campaign for economic regeneration based on autonomous Scottish port development.

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Plans for port development in the early 1960s highlight dissatisfaction among Scottish business leaders with Whitehall's administration of investment through the Ministry of Transport and the Treasury. This was especially so at Leith, where the Dock Corporation's planned expansion from 1959 onwards, to facilitate bulk grain imports, was resisted by Whitehall officials. The Dock Corporation argued that without investment to accommodate larger vessels the major trading concern in the port, Joseph Rank Ltd, would downgrade or abandon its Leith operations, developing business in Antwerp and Rotterdam instead. Bulk cargo would be landed in these ports and trans-shipped in smaller vessels to Britain. But with a developed Leith trans-shipment would proceed *from* rather than *to* the Forth and Scotland would capture a share of the growing trade with continental Europe and Scandinavia.²⁰ This latter point was linked to Britain's membership of the European Free Trade Association. With support from other grain traders and general shipping firms too, the Leith Dock Corporation claimed national British significance for the plans. On this Scottish Office officials agreed but were opposed by Sir James Dunnett, Permanent Secretary at the Ministry of Transport, who enlisted support from Sir John Winnifrith, his counterpart at the Ministry of Agriculture, Fisheries and Food. Winnifrith advised that Leith's plans were not required to maintain grain supplies on a UK basis and so Exchequer funding could not be recommended.²¹

At this point, early in 1961, the Ministry of Transport curtailed further discussion because Lord Rochdale had been appointed to examine the efficiency of operations across ports throughout the UK. Any single inquiry or development might compromise this larger investigation.²² The Conservative government's motives in establishing Rochdale's inquiry were mixed and not transparent. It is likely that Ministers, including the Chancellor, Selwyn Lloyd, and the Prime Minister, Harold Macmillan, were principally concerned about 'restrictive' labour practices.²³ But Ministry of Labour officials opposed this narrow focus,

²⁰ Edinburgh, National Archives of Scotland [NAS], Scottish Economic Planning Department, SEP 5/38, Memo from Joseph Rank Ltd, 27 Sept. 1960, addressed to General Manager, Leith Dock Corporation, 27 September 1960; General Manager, Leith Dock Corporation, 'Supplementary Memo', Oct. 1960.

²¹ NAS, SEP 5/38, Johnson of the Scottish Office to Pearson of the Ministry of Transport, 17 Mar. 1960; correspondence between Dunnett and Winnifrith, 6 Jan. and 6 Feb. 1961; Scottish Home Department note for the Secretary of State, 16 Dec. 1960.

²² NAS, SEP 5/38, Note to Scottish Secretary of State from Scottish Home Department, 16 Dec. 1960, SEP 5/38.

²³ London, The National Archive: Public Record Office [TNA: PRO], Ministry of Transport, Port Transport Series, MT 81/536, Selwyn Lloyd to Harold Macmillan, 22 Dec. 1960; minute by J R Madge, Private Secretary to Minister of Transport, 30 Dec. 1960.

and Ministers were unwilling to confront unions and workers openly.²⁴ Hence the inquiry was broadly devised but port employers and users were still able to complain about labour practices and behaviour.²⁵ On a more positive note, although without urgency, Rochdale initiated the longer-term restructuring that gradually realised investment in ports, including on the Forth and Clyde estuaries.

Rochdale urged the establishment of a National Ports Authority to advise on investment in capital projects; and, to secure the necessary economies of scale and minimise 'wasteful' competition or duplication of services, the estuarial or other regional grouping of port and harbour authorities was recommended.²⁶ A National Ports Council (NPC) – rather than Authority – was duly established and the first estuarial grouping formed was the Clyde Port Authority (CPA) in 1966, a merger of four bodies, the largest being Greenock and Glasgow Dock Corporations.²⁷ This was a considerable accomplishment, given the competing interests involved, especially between Greenock and Glasgow and, according to Alistair G. McCrae, the CPA's first chairman and a member of the NPC, it enabled the establishment of the deep-water container terminal at Greenock, opened for business by Labour's Minister of Transport, Richard Marsh, on 26 June 1969.²⁸

The NPC was also involved in developing Leith, along lines envisaged in 1959, with a major lock to establish permanent, deeper water eventually completed in 1969 at a cost of £7 million. The port was now administered by a greater Forth Ports Authority (FPA), which emerged shortly after the CPA. As one of the first NPC-approved schemes this was presented by the Department of the Environment (DOE), the Ministry of Transport's administrative successor in 1970, as a response to Scottish criticism of Whitehall-controlled policy.²⁹ Yet there was dissatisfaction about the scale and very slow delivery of UK government support. The Leith project, for instance, was roughly ten years in the making, from initial campaign to final completion. These reservations in Scotland about ports policy were advanced to a new level, however, by the Labour government's plans for nationalisation, which figured in the party's 1966 General Election manifesto, and were published in a White Paper in January 1969. This – proposing nationalisation and a UK-wide National Ports Authority to oversee subsequent investment and development – aroused more open criticism of the Ministry

²⁴ TNA: PRO, Ministry of Labour, Industrial Relations Series, LAB 10/1605, Note of meeting of officials at the Ministry of Labour, 18 Nov. 1960.

²⁵ TNA: PRO, MT 81/484, See the Verbatim Evidence of the Rochdale Committee, 1961-2.

²⁶ *Report into the Major Ports of Great Britain (Rochdale) 1962*, Cd. 1824, pp. 40-1, 53-9.

²⁷ Murray, *Scotland*, 161.

²⁸ NAS, SEP 5/45, Alistair G. McCrae, 'Estuarial Grouping of Ports', paper submitted to the Scottish Office, March 1969; note for Scottish Economic Planning Council, Sept. 1969.

²⁹ TNA: PRO, National Ports Council, Port Development Series, DK 1/36, various materials.

of Transport and the Labour government by Scottish port users and business leaders.³⁰

Scottish criticism of Whitehall policy was, indeed, an explicit component of *Oceanspan*, launched by the Scottish Council in June 1969. In 'Turning Scotland Sideways', as *The Economist* described the reconfiguration of Scotland's established north-south trade links, *Oceanspan* envisaged closer integration of the interests of Glasgow and Edinburgh. Trade would be conducted primarily on a west-east axis. A Clyde ocean terminal would 'pump' raw materials from the Atlantic to central belt industry; finished goods would journey eastwards to the expanding continental European market through the Forth. This was not entirely novel, noted *The Economist*, given the eighteenth century precedent of the Forth and Clyde canal, but the possibilities opening with expanding inter-European trade, enhanced by likely future UK membership of the European Economic Community, certainly inflated the potential of these trading links. Scotland, it was suggested, could represent a lucrative 'off-shore platform, strategically placed between the Atlantic Ocean and Europe'.³¹

In *Oceanspan* these possibilities were interpreted as a counter to de-industrialisation. The terminal points of the proposed 'linear port area' would be Greenock and Hunterston in the west and Grangemouth and Leith to the east; these could be linked by an inland gathering and clearance depot at Gartsherrie in Lanarkshire. Hunterston, utilising one of the Clyde's deeper but relatively sheltered stretches, would be the site of an iron ore terminal and related steel works. There were shades here of the 1929 Brassert report, with its recommendation that Scottish steel production be concentrated in a single combined import terminal and works at Erskine on the Clyde.³² More immediate inspiration, however, came from the Scottish and North-Western Group of the British Steel Corporation, established to administer the industry nationalised by the Labour government in 1967. In August 1968 the Scottish and North-Western group had announced a proposal for an integrated ore terminal and iron works at Hunterston.³³ This, wrote Peter Payne, with slight but nevertheless uncharacteristic oversight, given the leadership role in *Oceanspan* of the Tory Lithgow, 'was seized upon by Scottish nationalists and by leading theoretical planners to become the centrepiece of a new grand strategy for the industrial renewal of Central Scotland'.³⁴

With the focus on iron and steel, and perhaps because of Lithgow's involvement, Christopher Harvie saw *Oceanspan* as turning away from the Scottish Council's earlier emphasis on new industries, encapsulated

³⁰ Ministry of Transport, *The Reorganisation of the Ports* (HMSO, 1969), Cmnd. 3903, 5-6.

³¹ 'Turning Scotland Sideways', *The Economist*, 21 Jun. 1969, 60.

³² P. L. Payne, *Colvilles and the Scottish Steel Industry* (Oxford, 1979), 170-80.

³³ C. Baur, 'BSC to start talks on £26 million ore terminal at Hunterston', *Scotsman*, 1 Feb. 1972.

³⁴ Payne, *Colvilles*, 421.

in the 1961 Toothill report,³⁵ with its conclusion that industrial diversification – achievable *inter alia* through improved investment, communications, transportation, regional development, housing and education – was the means to more rapid economic growth.³⁶ Yet there was much in *Oceanspan* that actually reprised this earlier analysis; this was not surprising, given that Toothill remained a central figure in the Scottish Council in 1969. There was, for instance, continued emphasis in *Oceanspan* on the need to enhance central Scotland's social and environmental infrastructure, with the possibilities noted of housing a population of hundreds of thousands in new towns in the 'industrial corridor' that would be developed.³⁷ This clearly echoed Toothill's discussion of 'Overspill' and new towns.³⁸ Furthermore, *Oceanspan* also affirmed the importance of younger manufacturing enterprise as well as the heavy staples, envisaging enhanced European access as beneficial especially to those industries developed by US companies since 1945. These ranged geographically from IBM in Greenock across central Scotland to NCR and Timex in Dundee.³⁹ Responsible for 12.3% of Scottish manufacturing turnover in 1968, these companies exported 40% of their output; further inward investment – and export activity – would be encouraged through *Oceanspan*. Perhaps even the Hunterston proposal reinforced Toothill's call for diversification, for it was also to include an oil terminal.

This grand design could not, however, be realised within existing political and administrative frameworks, as the 'linear port area' could only be achieved through an 'effectively autonomous Scottish Ports Authority'. Here was the point at which *Oceanspan* drew upon the explicitly anti-socialist elements of Scottish devolutionary sentiment in the 1960s, with the proposed Scottish Ports Authority to operate unhindered by the Labour government's projected nationalisation of port transport under a National Ports Authority. *Oceanspan*'s Scottish Ports Authority would be accountable to the Secretary of State for Scotland rather than the Minister of Transport.⁴⁰ It is worth re-emphasising here that in Parliamentary debates Conservative MPs adopted an identical position on these issues to the Scottish Council.⁴¹

Scottish businessmen had already been pressing for devolved administration of ports policy. In August 1969, through Alistair McCrae, chairman of Clyde Port Authority, Lithgow conveyed to the Scottish Office his advocacy of a 'Clyde/Forth axis' and expressed concern that improvements to the Clyde's infrastructure would be delayed by the Labour government's nationalisation plans. This would scupper the Clyde's chance

³⁵ Harvie, *No Gods*, 62-3.

³⁶ Toothill, *Scottish Economy*; see 181-91 for the main conclusions.

³⁷ *Oceanspan*, 40-7.

³⁸ Toothill, *Scottish Economy*, 129-44.

³⁹ A. McKinlay and B. Knox, 'Working for the Yankee Dollar. US Inward Investment and Scottish Labour, 1945-1970', *Historical Studies in Industrial Relations* 7 (1999) 1-26.

⁴⁰ *Oceanspan*, 1, 9, 17, 24, 26.

⁴¹ *Glasgow Herald*, 23 Jan. 1970.

of a major contract with the Overseas Containers Ltd (OCL) shipping company for a second container terminal at Greenock. Lithgow had recently discussed this with Sir Andrew Crichton, chairman of OCL, which operated routes to South America, Africa, Australasia, India and the Far East.⁴² This pressure was maintained early in 1970, when McCrae and John McWilliam, chairman of FPA, met Willie Ross, Labour's Secretary of State for Scotland, and complained that nationalisation would divert investment to London and Liverpool and thwart Scottish initiatives such as the second Greenock container terminal. Scottish ventures could only succeed if 'London control' were tempered by enhanced Scottish Office involvement. James Mitchell has asserted that under Ross the Scottish Office in the 1960s enjoyed an unprecedented degree of 'autonomy from Westminster',⁴³ and the Clyde and Forth chairmen perhaps felt Ross would support the isolation of Scottish port transport from Whitehall's nationalisation plans. But Ross also has a reputation as a champion of non-devolved, UK-wide statism,⁴⁴ and this shaped his approach to ports policy. While admitting an initial attraction to 'decentralisation', government colleagues had persuaded him that the 'current position' was right on several grounds. First, the development of Scottish ports was contingent on shipping from outside Scotland, and the Ministry of Transport could better judge this than the Scottish Office. Second, if Scotland went its own way then England and Wales would develop without reference to Scottish needs. Third, it was 'naïve' to 'suppose' that access to the Scottish Secretary alone would secure favourable treatment for Scottish ports. Reasonably enough, perhaps, Ross observed that the Treasury would retain control over expenditure and insist that Scottish developments conform to UK national priorities. At this point Ross drew attention to the government's emphasis on regional policy, framed in the 1966 Plan for Scotland, which – along lines similar to the Toothill report – outlined various indicative improvements designed to generate additional employment and faster economic growth. The Plan highlighted the 'natural advantages' that Scotland offered to shipping, with the narrowest distance anywhere in the UK between Atlantic and North Sea ports, but restated the benefits to Scotland of Whitehall administration of port development, citing as evidence the NPC-approved investment schemes on the Forth and the Clyde.⁴⁵ The Whitehall approach, Ross insisted, was the 'real hope' for Scottish ports. McCrae and McWilliam accepted that the Scottish Secretary would have some influence in the 'new machinery' but were 'apprehensive' given that 'centralisation' was the government's aim and that 'devolutionary aspects were insecurely based and still to be proved'. There was, they

⁴² NAS, SEP 5/45, McCrae to McGuinness of the Scottish Office, 25 Aug. 1969; *The Economist*, 14 Sept. 1968, xiv.

⁴³ Mitchell, 'Scotland in the Union', 96.

⁴⁴ Harvie, *No Gods*, 146.

⁴⁵ *The Scottish Economy, 1965 to 1970. A Plan for Expansion* (HMSO, January 1966), Cmnd. 2864, ix, xii, 73.

added, too much riding on the personal determination, temperament and inclination of the Secretary of State.⁴⁶

Ross was, of course, involved in a running internal Labour argument about the means of containing the growth of nationalist sentiment in Scotland, encapsulated in the SNP's victory at the Hamilton by-election in 1967. Labour's 'response' to nationalism was complicated and – within the party – contested. Richard Crossman, Leader of the House of Commons, saw possibilities in extending administrative devolution, and established the Select Committee on Scottish Affairs in 1968.⁴⁷ Much of the Select Committee's deliberations in 1968-9 were on the related questions of transport and economic development. The Ministry of Transport, presenting evidence to the Committee, restated the defence of the Whitehall ports policy, noting that the NPC's first major investment scheme had been at Leith. The Ministry also emphasised that 'on all aspects of Scottish port development and organisation' it liaised closely with the Scottish Office.⁴⁸

Crossman's approach was an attempt to mediate between Scottish Labour's opposing impulses on nationalism, which pitted the old guard, led by Ross, against mainly younger figures, including John Pitcairn Macintosh, a firm advocate of Home Rule. The Select Committee was supplemented in 1969 by the Royal Commission on the Constitution, a 'Wilsonian device', according to Andrew Marr, that allowed the Prime Minister, Harold Wilson, to remain neutral in this internal Labour conflict. The Royal Commission, chaired by Lord Crowther and then after his death by Lord Kilbrandon, eventually reported in November 1973, recommending a Scottish Senate, elected by proportional representation, and a Scottish Cabinet and Prime Minister, with a corresponding reduction in the number of MPs at Westminster and the abolition of the position of Secretary of State for Scotland.⁴⁹

The processes of deindustrialisation and devolution intersected in the work of the Royal Commission when it received evidence from the Scottish Council in November 1969. This propounded a business case for Home Rule, advocating an increase in the number of Scottish Office Ministers of State to bolster the Secretary of State and 'exert an important moderating influence' on other departments and public bodies operating in Scotland. This suggestion was subsequently met with the reorganisation of the Scottish Office's economic powers in 1973.⁵⁰ The Council's other main proposal was resisted: namely, that the Scottish Office could be strengthened further, and devolution usefully advanced, by investing

⁴⁶ NAS, SEP 5/45, Note of meeting between Secretary of State and the chairmen of the Forth and Clyde Port Authorities, 23 Jan. 1970.

⁴⁷ For Crossman's reasoning see R. Crossman, *The Diaries of a Cabinet Minister, Volume Two: Lord President of the Council and Leader of the House of Commons, 1966-68* (London, 1976), 736, 739, 759.

⁴⁸ *Select Committee on Scottish Affairs, Session 1968-69. Minutes of Evidence, 23 April to 16 July 1969* (HMSO, 1969), 301-11.

⁴⁹ Marr, *Battle for Scotland*, 129-30, 136-7.

⁵⁰ Lee, *Scotland and the United Kingdom*, 160.

it with responsibility for a Scottish Ports Authority. This reprise of business opposition to Labour's nationalisation plans proposed that the Scottish Ports Authority be accountable to the Secretary of State in the same way as the South and North of Scotland Electricity Boards. The Scottish Council linked these arrangements to the crucial nature of exports in Scotland's economy, particularly in the engineering and electronics sectors that had been developed since 1945 with inward investment. These firms – and the sectors they represented – were chiefly located in the Clyde-Forth corridor that *Oceanspan* was designed to develop.⁵¹

The Scottish Council's presentation of evidence to the Royal Commission in November 1969 coincided roughly with the publication of the Ports Bill containing nationalisation measures originally spelt out in a White Paper published in January 1969, and not especially contentious in England and Wales. In 1966, shortly after Labour's re-election, Keith Joseph, Conservative spokesman on Transport, had complained that nationalisation would inhibit enterprise and investment in the sector.⁵² But *The Economist* noted that the 1969 plans had scarcely raised 'a few ripples', given that public authorities already owned all major ports, except Manchester. A National Ports Authority would now link these authorities, including those on the Forth and the Clyde. Controversy was also muted because the Minister of Transport, Dick Marsh, had excluded from the takeover all docks handling less than 5 million tons of cargo per annum, omitting 'vigorous enterprises' such as Felixstowe and Shoreham. This was a concession to business critics of plans framed by Marsh's predecessor, Barbara Castle, meaning that nationalisation was really intended only for ports that, frankly, were declining.⁵³ Set against this relative absence of controversy in England, the opposition of the Clyde and Forth port authorities and the position adopted in Parliament by Scottish Conservative MPs was particularly significant, and certainly when considered alongside the Scottish Council's argument that control of policy should be passed from the Ministry of Transport to the Scottish Office. So there would have been relief in Scottish port and business circles when the Ports Bill remained in the legislative queue at the House of Lords on the dissolution of Parliament in June 1970. Nationalisation was duly ruled out altogether by the Conservative Party's surprise victory in the subsequent election.

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'Three issues', writes Andrew Marr, 'in the early 1970s nudged the Scottish debate along – oil, jobs and Europe'.⁵⁴ Under-pinned by the twin

⁵¹ TNA: PRO, Home Office Files, Royal Commission on the Constitution Series, HO 221/59, Submission by the Scottish Council: Development and Industry to the Royal Commission on the Constitution, 'Administration and Constitutional Arrangements As They Affect Industry', Nov. 1969.

⁵² *Parliamentary Debates, Commons*, 5th Series, 729, 58-68, 23 May 1966.

⁵³ B. Castle, *The Castle Diaries, 1964-76* (London, 1990), 133; 'Docks. Rational reorganisation', *The Economist*, 1 Feb. 1969, 67.

⁵⁴ Marr, *Battle for Scotland*, 131.

processes of deindustrialisation and devolution, these issues were central to a revised *Oceanspan 2*, published in October 1971 and used by the Scottish Council to negotiate directly with the Conservative Prime Minister, Edward Heath, on Scottish industrial and ports policy in the difficult winter of 1971-2.⁵⁵ Here the Scottish Council continued to press for the transfer of ports policy to the Scottish Office, despite the passing of the Labour government and its nationalisation proposals. The motivation now was twofold: the longer running dissatisfaction with Whitehall administration of the ports; and the escalation of economic difficulties and social, class and industrial tensions in 1971 and 1972.

Leading the campaign for *Oceanspan 2* was Lord Clydesmuir, Chairman of the Scottish Council. Tony Benn, Minister of Technology in Wilson's government, had in 1968 identified Clydesmuir as embodying Britain's lamentable business and industrial reliance on amateurish 'Tory Hereditary Peers'.⁵⁶ Clydesmuir's business career at Colvilles, the family firm where he was a director until steel nationalisation in 1967, had, admittedly, been hampered by exogenous difficulties beyond his control, chiefly the imposition by Macmillan's government of the financially disastrous but politically expedient Ravenscraig strip mill in 1958.⁵⁷ Yet it would be difficult to counter fully Benn's implied criticism that positions of influence in economic and public life were shaped as much by political and dynastic place as personal qualification or competence. In this connection it seems significant that Peter Payne's analysis of Colvilles makes much of the career and qualities of John Colville, the first Lord Clydesmuir, but says nothing at all about the son who inherited the title in 1954.⁵⁸ The second Clydesmuir certainly had connections, combining his Scottish Council chairmanship with the Deputy Governorship and then the Governorship of the Bank of Scotland; until the end of 1971 he was also Governor of the British Linen Bank, where Sir William McEwen Younger, industrial brewer and chairman of the Scottish Conservative Party, was also a Director.⁵⁹

Clydesmuir's political and personal connections at least ensured, however, that *Oceanspan 2* received a Prime Ministerial hearing. The key difference from the earlier design – consistent with Marr's characterisation of the 'Scottish debate' in this period – was the greater emphasis on oil, to generate demand for indigenous Scottish manufacturing and as a revenue source for capital investment. An amplification of the European context was evident too. Speaking about EEC membership at a conference organised by the Scottish Committee of the United Europe Association in January 1970, Toothill had said that, 'unless we get in we have

⁵⁵ Scottish Council for Development and Industry, *Oceanspan 2: A Study of Port and Industrial Development in Western Europe* (Edinburgh, October 1971).

⁵⁶ T. Benn, *Office Without Power. Diaries, 1968-72* (London, 1988), 124.

⁵⁷ Lee, *Scotland and the United Kingdom*, 93-6.

⁵⁸ Payne, *Colvilles*, 354-5.

⁵⁹ See Clydesmuir's entry in *Who's Who in Scotland*, 2nd edition, 1988-89 (Ayr, 1988); Marr, *Battle for Scotland*, 125.

had our chips'.⁶⁰ So the revised plans were in tune with both North Sea developments and the new government's drive to Common Market entry. But the established concerns with employment and industrial regeneration were even more important in the early 1970s than they had been in the late 1960s. In September 1970 a delegation from the Scottish Trades Union Congress met John Davies, Heath's new Minister of Technology and shortly to become Secretary of State for Trade and Industry.⁶¹ The Trades Unionists lobbied for policies to reverse rising unemployment in Scotland following job losses in the West of Scotland at Singers, Burroughs, UCS and at Leyland in West Lothian. Although Clydesmuir optimistically observed that Scotland's 'share' of UK unemployment had fallen to 16% at this point from 24% – of a much smaller aggregate – in 1954,⁶² the employment position progressively deteriorated. By the winter of 1971-2, partly because of Heath's continuing determination to loosen support for declining industry in pursuit of rapid economic restructuring, unemployment in the UK and especially central Scotland was escalating rapidly.⁶³

The growing economic and social difficulties in Scotland were encapsulated, arguably, with the Upper Clyde Shipbuilders entering receivership in June 1971 and stimulating the famous 'work-in' of roughly 8,000 workers that commenced on 30 July.⁶⁴ This ended only when Heath's government, fearing civil disorder in the event of closure, announced late in February 1972 the provision of subsidies to keep three of the four UCS yards open. Cabinet Ministers noted with regret that state support 'on this scale would not be likely to commend itself to the Government's supporters',⁶⁵ and this was indeed Heath's first economic and industrial about-turn.⁶⁶ Others followed, as industrial, economic and social pressures mounted. On 20 January 1972 UK unemployment exceeded one million for the first time since 1947;⁶⁷ this coincided with the successful 6-week strike in January and February by the National Union of Mineworkers (NUM), which was supported by workers in numerous industries.

In Scotland – as elsewhere – the miners' strike was characterised by serious social tension. At Longannet power station on 14 February 1972 a picket of some 2,000 miners, comprising men from Fife, Clackmannan, Stirlingshire, Lanarkshire and Ayrshire, clashed with around 400 police officers (three of whom were treated in hospital for injuries sustained in

⁶⁰ *Glasgow Herald*, 23 Jan. 1970.

⁶¹ J. Campbell, *Edward Heath. A Biography* (London, 1993), 303-5.

⁶² 'Scotland's jobless fears may bring a winter of discontent', (by Chris Baur of *The Scotsman*), *Times*, 22 Sept. 1970.

⁶³ Lee, *Scotland and the United Kingdom*, 184-5.

⁶⁴ J. Foster and C. Woolfson, 'How Workers on the Clyde Gained the Capacity for Class Struggle: the Upper Clyde Shipbuilders' Work-In, 1971-2', in John McIlroy, Nina Fishman, Alan Campbell (eds), *British Trade Unions and Industrial Politics. The High Tide of Trade Unionism, 1964-79* (Aldershot, 1999), 297-325.

⁶⁵ TNA: PRO, CAB 128, Cabinet Minutes and Conclusions, 24 Feb. 1972.

⁶⁶ Campbell, *Edward Heath*, 442-3.

⁶⁷ *Ibid.*, 406.

the exchange); thirteen men – eleven miners plus an unemployed draughtsman and a chemistry research student – were charged with ‘mobbing and rioting’ and taken into custody.⁶⁸ Ewen Cameron has suggested that this charge was extremely serious, of a qualitatively higher degree than the standard charge in cases of social unrest of breaching public order.⁶⁹ Hence, perhaps, the pronounced anger of the day’s other casualty, Mick McGahey, President of the Scottish Area of the NUM, whose leg was encased in plaster after an ‘accidental’ – his word – kick from a policeman. McGahey described the charges against the thirteen as ‘scurrilous’ but unsurprising given, as he saw it, ‘that there is no such thing as neutrality in society and the law is not neutral’. The clear inference that the law contained significant anti-labour and anti-working class biases was resented by the Lord Advocate, Norman Wylie, who warned McGahey and the NUM that the robust picketing – six men were charged with breaching the peace and two of these also with ‘assault on the police’ at Longannet on 17 February – together with their public pronouncements on the charges against those arrested, constituted an unacceptable degree of interference in the operation of the law.⁷⁰

These uproarious events at Longannet recalled the rumbustious character of miners’ protests from an earlier era, where in workplace disputes whole communities exerted physical pressure on employers or judicial authorities. Largely making way for more ‘ordered’ and bureaucratic protests from the 1910s onwards,⁷¹ these earlier quasi-rebellions were themselves an echo of the ‘moral economy’ riots of pre- and earlier-industrial Scotland.⁷² But the authorities in 1972 were more worried by the resemblance between Longannet and pickets at other energy establishments in the UK, with the famous blockade of Saltley coke depot in Birmingham coming to a head days earlier on 10 February.⁷³ Nevertheless, given the scale of the protest, and to dampen the atmosphere of crisis, the government – through Wylie – engaged, according to the *Glasgow Herald*, in ‘intensive activity’ to secure the early release of the men on bail at £20 per man at a private hearing at Dunfermline Sheriff Court. Home Office officials noted with relief that despite the presence outside of roughly 1,000 supporters, ‘there were no incidents’.⁷⁴ Nevertheless, the Dunfermline crowd was revealingly described by the *Glasgow Herald*’s Court of Session Correspondent, George Watt, as a disturbing feature of the episode, deepening the impression that the

⁶⁸ *Times*, 15 Feb. 1972; *Glasgow Herald*, 18 Feb. 1972.

⁶⁹ E. A. Cameron, ‘“They Will Listen to no Remonstrance”: Land Raids and Land Raiders in the Scottish Highlands, 1886 to 1914’, *Scottish Economic and Social History* 17 (1997) 43–64.

⁷⁰ *Glasgow Herald*, 22 and 23 Feb. 1972.

⁷¹ A. Campbell, *The Scottish Miners, 1874–1939. Volume One: Work, Industry and Community* (Aldershot, 2000), 276–95.

⁷² Christopher J. Whatley, *Scottish Politics and Society, 1707–1830. Beyond Jacobitism, towards industrialisation* (Manchester, 2000), 184–218.

⁷³ P. Routledge, *Scargill. The unauthorized biography* (London, 1993), 70–7.

⁷⁴ TNA: PRO, Prime Minister’s Files, PREM 15/986, Home Office Report, ‘Miners’ Strike’, 18 Feb. 1972.

authorities had relaxed normal legal measures to avert unexpected and potentially uncontrollable social tension.⁷⁵ The ‘Longannet thirteen’ were subsequently found not guilty by a jury at Dunfermline in June 1972,⁷⁶ and the miners’ victorious strike was followed by a ‘Glorious Summer’ of industrial unrest encompassing several economic sectors, although Scotland was not so directly affected by these events as it had been by the miners’ strike. The outcome was another significant defeat for Heath, with the demise of the 1971 Industrial Relations Act, a core element of his original ‘modernisation’ strategy.⁷⁷

So *Oceanspan 2* was launched during a substantial economic, social and political crisis; perhaps this induced the editor of the *Scotsman* to welcome this ‘Vision splendid’ and to envisage that the scheme would be ‘painlessly financed’ from oil revenues.’ In framing its package in the conjunction of oil revenues and EEC membership, the Scottish Council recommended a development fund for the expansion of roads and ports, likening the possibilities to those suggested in the Tothill Report, when Macmillan had been pressed, eventually, to an interventionist regional policy shaped by various industrial incentives in 1963. Lord Clydesmuir, *The Scotsman* suggested, was articulating a ‘Scottish consensus’, based on economic devolution but ignored by both Labour and Tory parties in London, with the Scottish Council now restored to relevance after the alleged stagnation of the mid- to late-1960s – the period, in other words, between Tothill and the first *Oceanspan*.⁷⁸

Oceanspan 2’s oil-based development fund is worth emphasising, given the subsequent history of the North Sea’s ‘wasted windfall’. Christopher Harvie has dwelt on the missed opportunities of the 1970s and 1980s, with successive Labour and Conservative governments dissipating oil revenues on tax cuts for the fortunate and welfare support for the unfortunate.⁷⁹ Meanwhile, both oil and indeed Scotland are topics virtually absent from John Campbell’s standard biography of Edward Heath.⁸⁰ This may, of course, accurately reflect the Prime Minister’s broad priorities, although in January 1972 Heath did give favourable consideration to a development fund, separate from regular Exchequer revenue and expenditure. Political expediency was involved; at a lunch in January 1972 with Younger, Davies and Gordon Campbell, the Secretary of State for Scotland, Heath argued that oil revenues might, with ‘advantage’, to the Conservative Party perhaps as well as Scotland, be

⁷⁵ *Glasgow Herald*, 18, 22 and 23 Feb. 1972.

⁷⁶ *Glasgow Herald*, 17 Jun. 1972.

⁷⁷ Dave Lyddon, ‘“Glorious Summer”, 1972: the High Tide of Rank and File Militancy’, in McIlroy, Fishman, Campbell, *British Trade Unions and Industrial Politics*, 326–52; the Longannet episode is discussed on p. 332.

⁷⁸ *Scotsman*, 21 Dec. 1971; clipping in TNA: PRO, PREM 15/1190.

⁷⁹ C. Harvie, *Fool’s Gold. The Story of North Sea Oil* (Harmondsworth, 1994).

⁸⁰ Campbell, *Edward Heath*; the index contains no references to the North Sea and there is no discussion of Heath’s involvement – in opposition or government – in debates about Scottish devolution. Campbell, it might be noted, was educated at the University of Edinburgh.

'labelled as Scottish, and used for Scottish development, instead of English money'.⁸¹

Heath's lunch preceded a meeting with Scottish Council representatives, led by Clydesmuir, to discuss *Oceanspan 2*, which divided the Prime Minister's guests. Younger had devised the Conservative Party's response to Scottish Nationalism by drafting limited devolution proposals. These were quietly shelved following the 1970 General Election, principally because the nationalists' forward march appeared to have halted, but the distaste for devolution among Conservative Party activists was also significant.⁸² Younger was, nevertheless, enthusiastic about *Oceanspan 2*, writing a paper in December 1971, 'Regional Policy: Scotland', read by Heath, Davies and Gordon Campbell in advance of this lunch. The paper examined the political disadvantages to the Conservative Party of rising unemployment and falling business confidence in western Scotland, and the need for dramatic public investment to engineer rapid industrial restructuring. Younger was especially concerned – hence the oil-based development fund – about the 'disastrous' implications of viewing North Sea Oil as 'a purely extractive industry'. So Younger saw *Oceanspan 2* as bolstering the Tories in west Scotland. It would also transform Regional Policy, going beyond the 'modest' achievement of inward investment in electronics and subsidising 'non-viable' undertakings or the unsustainably imbalanced industrial structure.⁸³

Younger – and the Scottish Council – enjoyed private support at the Scottish Office from Campbell, thought by Department of Trade and Industry (DTI) officials to favour government support for *Oceanspan 2*. The DTI opposed the plans as insufficiently costed: they covered industrial plants, installations for oil, alumina, petrochemicals and steel; but they contained no estimates for port and other transport developments, acquisition of land, housing or other linked aspects on the Forth. These would be significant and ultimately the government's responsibility, so no 'firm commitment' could be given to the Scottish Council.⁸⁴ Hence no decisive government view emerged from Heath's lunch. The Prime Minister seemed more interested in Scotland's general political and economic condition, as he understood it. An official noted:

the Prime Minister expressed general pessimism about the political and economic good sense of the Scots. Sir William said that he should not be misled by the neurotic state of a few businessmen in the West of Scotland. It was true that there was a dearth of enterprising business talent in Scotland, but he was not too gloomy about the chance of the political holding

⁸¹ TNA: PRO, PREM 15/1190, Official Note of Lunch given by Prime Minister for Secretary of State for Trade and Industry and Secretary of State for Scotland and Sir William McEwan Younger, 12 Jan. 1972.

⁸² Marr, *Battle for Scotland*, 125.

⁸³ TNA: PRO, PREM 15/1190, 'Regional Policy: Scotland', 8 Dec. 1971.

⁸⁴ TNA: PRO, PREM 15/1190, Notes for Secretary of State for Trade and Industry in advance of meeting with Scottish Council, 12 Jan. 1972.

operation which as Chairman of the Party in Scotland he was now conducting.⁸⁵

Younger conceded that this would require a 'bold step', which Heath ruled out, recalling that a 'dramatic move of this kind' had been made by Macmillan 'when the Colvilles steel mill had been sent to Scotland'. This had been a mistake, 'unrewarding from every point of view. It was important to work with the grain and not against it'. Heath then added his observation about the potential of the proposed oil-based development fund, before *Oceanspan 2* was examined. This Davies diplomatically praised in principle but damned in practice as requiring 'a great deal of public investment long before any return in terms of jobs'.⁸⁶

The meeting with the Scottish Council took place the following day, 13 January 1972, with the *Glasgow Herald* talking up the restraint, moderation and good sense of these Scottish business leaders. 'Unlike some visitors to Whitehall', the paper noted, 'the Scottish Council do not resort to demands for such meetings at every deterioration in a situation which the Government may or may not be in a position to influence'. Despite the disproportionate concentration of unemployment in Scotland, Clydesmuir and his colleagues – Sir John Toothill and Lord Polwarth, Governor of the Bank of Scotland – were not going to 'moan about unemployment' but explore the possibilities of the Hunterston steel plant and a European strategy embracing petrochemicals, oil and steel.⁸⁷ A leader in *The Times*, perhaps surprisingly, was also upbeat about *Oceanspan 2* and government subsidy,⁸⁸ and the meeting was apparently conducted in a positive atmosphere. Clydesmuir summarised *Oceanspan 2*; Heath praised the Scottish Council's ambitions and the emphasis on the EEC context. Clydesmuir then asked that government take full 'cognisance' of *Oceanspan 2* when shaping ports policy, which should be transferred to the Scottish Office. Gordon Campbell said the Scottish Office was examining the report; Davies noted that the ore terminal at Hunterston would be established before too long,⁸⁹ and that the British Steel Corporation (BSC) was still considering both the question and possible location of a new works. At the beginning of February BSC duly agreed to open talks with the Clyde Port Authority about establishing a terminal at Hunterston capable of handling ships up to 250,000 tons initially, with a possible extension later to accommodate vessels of 350,000 tons. This was further encouragement for the Scottish Council and the Secretary of State, who – prematurely, as it happened – described the

⁸⁵ TNA: PRO, PREM 15/1190, Official Note of Lunch given by Prime Minister for Secretary of State for Trade and Industry and Secretary of State for Scotland and Sir William McEwan Younger, 12 Jan. 1972.

⁸⁶ *Ibid.*

⁸⁷ *Glasgow Herald*, 11 Jan. 1972; clipping in TNA: PRO, PREM 15/1190.

⁸⁸ 'Scotland Puts Forward Her Case', *Times* (leader), 13 Jan. 1972.

⁸⁹ There actually remained significant doubts about the prospects of an ore port at Hunterston; for a contemporary summary see the *Glasgow Herald*, 23 Feb. 1972.

Hunterston proposal as a 'first class investment in the future of Scotland'.⁹⁰

Heath wrote to Clydesmuir on 17 January, praising the Scottish Council's 'constructive and forward-looking approach' to Scottish economic problems. The Prime Minister appreciated the European context of the discussions, stating that, 'your determination to take full advantage of our entry into the EEC gave me much encouragement'. The immediate industrial and social pressures were eased by the government's announcement of the 'rescue' of UCS on 28 February. This coincided exactly with the resumption of work that day by the miners after their successful strike;⁹¹ it was followed by the expansionist Budget of 21 March and the Industry Bill, unveiled on 22 March to assist industry through general tax allowances and provisions for specific companies.⁹² The Scottish Council approved these initiatives, which formed the basis of a further meeting – again involving Heath, Davies and Gordon Campbell on the Ministerial side – that took place in Edinburgh on 12 May 1972.⁹³ There was little disagreement now, with the shared approach encapsulated, perhaps, by the presence at this meeting of Polwarth in his new capacity as Minister of State for Scotland.⁹⁴

But cordial relations did not imply compliance on the part of the government. The Prime Minister resisted both of the Scottish Council's two long-standing requests: the Scottish Office would not assume responsibility for the ports; there would be no substantial public investment in *Oceanspan*. Heath communicated this non-negotiable position to Clydesmuir in November 1972, stating that the 'balance of advantage lies in treating ports in the United Kingdom as a whole',⁹⁵ with policy in all parts of the UK to remain the province of the DOE. To answer the long-running criticism that Whitehall administration of ports policy was too remote from Scotland, the DOE established a separate branch of its Ports Directorate in St. Andrew's House to work with Scottish port authorities, the Scottish Office and the National Ports Council to 'advance' the position of Scottish ports, as Heath put it to Clydesmuir. This was at the suggestion of Scottish Office officials, who continued to insist that the future prosperity of west central Scotland especially was contingent on significant port investment and development.⁹⁶

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Heath's establishment of the DOE Edinburgh outpost was, in effect, the end of *Oceanspan*. This was, it should be emphasised, an imaginative

⁹⁰ Chris Baur, 'BSC to start talks on £26 million ore terminal at Hunterston', *Scotsman*, 1 Feb. 1972.

⁹¹ Lyddon, "'Glorious Summer'", 329.

⁹² Campbell, *Edward Heath*, 443-9.

⁹³ *Times*, 12 May 1972.

⁹⁴ TNA: PRO, PREM 15/1190, Note in advance of meeting between the Prime Minister and the Scottish Council; and minute of meeting, 12 May 1972.

⁹⁵ NAS, SEP 10/115, Heath to Clydesmuir, 29 Nov. 1972.

⁹⁶ NAS, SEP 10/115, Heath to Clydesmuir, 29 Nov. 1972; undated DOE commentary.

response to deindustrialisation, but the planned regeneration of older industries and expansion of the new were constrained by Scotland's physical situation and geographical characteristics. *Oceanspan* was based on the premise that these features were in Scotland's favour. Deep water on the Clyde, combined with Scotland's position between the Atlantic Ocean and Continental Europe, would enable large, ocean-going vessels to drop goods on the Clyde for onward shipment to other points in Europe. There was strong support for this optimistic view in Scotland's daily press,⁹⁷ and inter-continental endeavour had, of course, characterised Scottish trading activity during earlier periods of economic development, notably with the colonial-driven growth of the eighteenth century.⁹⁸ Yet the English south coast was closer to large segments of both the UK and European markets; the deep North Sea water near Rotterdam was in any case preferable to the Clyde for ocean-going vessels carrying goods to Continental destinations. The pioneer of containerised transportation, the American firm Sea Land, duly maintained its established practice of calling first at Rotterdam's Europort, and then trans-shipping to British and other European destinations.⁹⁹ Other big container firms followed suit, rather than vice versa, as Lithgow and his colleagues had hoped.¹⁰⁰ The impact of this geography on *Oceanspan*, constraining its potential, recalls the long-term structural environmental factors that Fernand Braudel wrote about in his celebrated history of the Mediterranean. The imperceptibly changing features of land, mountain, river, valley and sea, Braudel emphasised, are the decisive causal factors in shaping historical change, and Lithgow and the Scottish Council could not transcend these profound physical characteristics.¹⁰¹

As a campaigning organisation, it should be noted, the Scottish Council was inhibited from the second half of 1972 not just by the political need to support Heath's government. It was hampered by a severe shortage of cash, chiefly the consequence of mergers and closures affecting its private sector subscribers. This itself was further evidence of the economic insecurities that tied the organisation more closely to government.¹⁰² In any event Heath's likely appetite for 'Scottish' ventures was waning. Just as support for political devolution was abated by the apparent containment of the SNP, at least as indicated by the result of the 1970 General Election, so economic or industrial measures that were designed to respond to the specific threat of Scottish nationalism,

⁹⁷ *Glasgow Herald*, 23 Aug. 1969; *Scotsman*, 27 Jan. 1970; clippings in NAS, SEP 5/45.

⁹⁸ T. M. Devine, *The Tobacco Lords: a study of the tobacco merchants of Glasgow and their activities* (Edinburgh, 1975).

⁹⁹ J. W. Doig, *Empire on the Hudson. Entrepreneurial Vision and Political Power at the Port of New York Authority* (New York, 2001), 375-6.

¹⁰⁰ National Ports Council, *Transshipment in the Seventies. A Study of Container Transport. Report prepared by Arthur D. Little* (London, June 1969), 5, 9-11.

¹⁰¹ F. Braudel, *The Mediterranean and the Mediterranean in the Age of Philip II* (London, 1992).

¹⁰² 'Cash crisis for Scottish Council: no reserves left', *Times*, 10 Oct. 1972.

sentiments and circumstances also appeared superfluous. The early 1970s, in Scotland as elsewhere in the UK, were characterised by an upsurge in industrial unrest and, arguably, class conflict, generated in substantial measure by Heath's attempt to 'reform' industrial relations while withdrawing public subsidies for 'uneconomic' industrial enterprises. There was, of course, a Scottish dimension to this economic, social and political crisis, manifested most visibly in the UCS work-in. This particular difficulty framed Heath's contacts with the Scottish Council in 1971-2, and was at the root, no doubt, of the Scottish business anxieties that Sir William McEwan Younger attributed to the 'neurotic state' of some industrialists in Western Scotland. Yet Heath's economic and industrial difficulties were encountered on much broader sectoral and geographical fronts. The 1971 Industrial Relations Act, overturning 'voluntarist' traditions with state regulation of trade unions to minimise the economic impact of industrial unrest, and related attempts to control pay inflation with incomes policies, met huge resistance from organised labour. Both policies were undermined – fatally, in the case of the Industrial Relations Act – by events in the 'Glorious Summer' of 1972, when major industrial disputes in port transport and construction followed the earlier and successful national strike in coalmining. As the work of the government unravelled, amid mass picketing and the politically damaging and socially divisive imprisonment of workers who were defying the law, Heath and his colleagues were understandably more worried about angry London dockers than neurotic Glasgow businessmen.¹⁰³

What followed was the end – according to Andrew Marr – of the Toothill or 'McButskellite' era: further industrial relations and economic crises across the UK in 1973 and 1974, related to the global oil shock arising from the Israeli-Arab conflict, and subsequent energy shortages and the crumbling authority of Heath's government. The Tories duly abandoned the post-war 'consensus'; Heath was jettisoned and what became known as Thatcherism emerged in the second half of the decade. Firmer emphasis was placed on the politics and society of consumption rather than the politics and society of production; economic 'restructuring' was geared to maximising profits – and to an extent the short-term or immediate material benefits to middle class consumers.¹⁰⁴ This approach was not obviously more sustainable in the long run than the Toothill or Butskellite approach – hence the social and political anxieties in 2003-4 about the 'relocation' of call centre and other forms of service sector employment from Scotland to India or other labour cost-saving countries.¹⁰⁵ It is certainly not the future that

¹⁰³ Lyddon, "Glorious Summer"; 326-52.

¹⁰⁴ Marr, *Battle for Scotland*, 114.

¹⁰⁵ 'Call centre industry at crossroads, says report' [by Phil Taylor of Stirling University and Peter Bain of Strathclyde University], *Scotsman*, 27 Nov. 2003; 'After call centres ... India targets financial sector jobs', *Sunday Herald*, 30 November 2003; 'Off-shoring fans take note: there may be no future in it', *Sunday Herald*, 18 Apr. 2004.

Oceanspan envisaged for Scotland, with sustainable growth and general social well-being thought to be contingent on the continuing primacy of industrial production.¹⁰⁶

At Hunterston there was to be no grand design. Plans for an ore terminal that could accommodate ships of up to 250,000 or even 350,000 tons, with adjoining iron and steel works, were revised downwards, so that an ore and coal terminal for vessels of up to 35,000 tons only was built between 1973 and 1978; proposals for the iron and steel works were developed and work begun but not completed.¹⁰⁷ Yet by the end of the 1970s, and despite the outcome of the 1979 referendum, the dynamics of class and nation were changing again in significant ways. The growth of Thatcherism, rooted in the class and industrial divisions of the early 1970s; the subsequent engineering of 'instant post-industrialisation' and economic hardship in Scotland's central belt; government attacks on the integrity and rights of organised labour; cumulatively these dynamics produced further – and ultimately irresistible – pressure for the devolution to Scotland of administrative and political power.

¹⁰⁶ *Oceanspan*, 40-5.

¹⁰⁷ Lee, *Scotland and the United Kingdom*, 89.