Miners' pension fund 'hazarded by Scargill'

Mr Arthur Scargill and other miners' leaders were accused yesterday of "disregarding their duty of prudence" by blocking investments from the mineworkers' £3,000m pension fund in foreign countries or competing energy interests.

Mr Samuel Stamler, QC, said in the High Court in London that their attitude was inconsistent with their "fiduciary duty" as turstees of the fund, to act in the interests of its beneficiaries, retired miners widows and other dependents.

Mr Stamler said the fund had £200m annually to invest. It paid benefit of £2.24m to pensioners in 1981-82 and annual lump sum payments of £45.2m. About 250,000 pensioners and 100,000 widows and former members received benefits.

Members contributed £84.8m to the scheme and the coal board £151.5m.

Mr Scargill and union nominees on the management committee were misusing investment powers, he contended.

"They are disregarding the duty of prudence and exposing the fund to a hazard – unnecessary risks," Mr Stamler told the judge, Vice-Chancellor Sir Robert Megarry.

"Investments in oil and gas and investment overseas are regarded by the advisers to the scheme, its management and many other experts as necessary to the prudent investment of the funds of the scheme."

Mr Scargill, president of the National Union of Mineworkers, and the other union nominees are being sued over their refusal to approve imvestment strategy formulated in 1982. They had refused to approve investments overseas or in interest which competed with coal.

The action has been taken by the five coal board nominees on the management committee, led by the board's deputy chairman, Mr James Cowan.

The National Coal Board say that Mr Scargill and the other union trustees are giving effect to considerations that should play no part in their duty.

[redacted]