

PLAN FOR COAL

In 1974 Labour's Plan for Coal, which was endorsed by the National Union of Mineworkers, envisaged:-

- i) Demand for coal rising to 150 million tons by 1985.
In 1977 that figure was revised down to 135 million tons.
In fact consumption last year was 111 million tons.
- ii) Investment of £1.4 billion. In 1977 that was revised upwards to £3.1 billion. Even so, under this Government that figure has been exceeded by £650 million.
- iii) Productivity rising by 4% a year. In fact it has risen by 4.7% in 10 years.
- iv) Closures of 3 - 4 million tons a year. In fact only 1 - 2 million tons a year have been achieved.

Despite the failure to reach the agreed productivity target and despite the fact that demand is 40 million tons lower than Plan for Coal envisaged, the Government has invested more than Labour planned and closed less capacity than Labour planned.

Plan for Coal only envisaged closing exhausted capacity?

Plan for Coal envisaged the closure of 3 - 4 million tons of capacity each year. That figure could only have been achieved by the closure of uneconomic as well as exhausted capacity and both the Labour Government and NUM were fully aware of that. Any Government with a commitment to a prosperous coal industry could not accept indefinitely continuing subsidies on a massive scale to a small number of pits where coal costs 3 - 4 times its market price.

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