

Move to private pits suggested

Restrictions on private sector coal mining should be removed and the National Coal Board should be split into autonomous areas which could eventually be sold to miners and private investors.

These are among the recommendations in a critical report on Britain's energy policy published yesterday by the Adam Smith Institute, a right-wing economic "think tank" which seeks to influence government thinking.

The report says that the National Coal Board has failed "disastrously" to fulfil its statutory duties to produce coal efficiently and cheaply. Prolonging the life of uneconomic pits has cost the taxpayer billions of pounds, and domestic coal prices are still usually higher than world coal prices,

despite substantial government grants.

The institute claims that the NCB, in spite of its statutory obligation to "secure the efficient development of the coal mining industry", has "never done anything to encourage the development of the private sector."

Omega Energy Report, (Adam Smith Institute, PO Box 316, London SW1P 3DJ, £7).

● The week-long trend of striking miners drifting back to work continued yesterday, leaving South Wales as the only area with no one working in Scotland, the number crossing picket lines crept up to 223, the highest figure so far.

In the north Derbyshire coalfield the coal board reported that a further 17 men had decided to start work again,

taking the 24-hour total to 885, its highest level.

● The National Union of Mineworkers' refusal to provide full safety cover has put a showpiece pit employing 670 men at risk, the coal board said. The NUM lodge at the Taff Merthyr Colliery in South Wales has stopped members who refuse to pay £3 a week to strike funds from working safety shifts.

● A woman aged 75, who caused a nationwide police hunt told yesterday why she threatened to kill Mr Arthur Scargill. Mrs Florence Cope, of Tamworth, Staffordshire, walked into her local police station on Wednesday after seeing newspaper headlines about the search for a would-be killer. She said: "only did it to make him see sense, not to hurt him."

NCB denies . . . Union says NCB violating coal plan... broke off talks

The following is an extract from the letter sent yesterday by Mr Ned Smith, the coal board's industrial relations director, to Mr Peter Heathfield, the NUM general secretary.

We . . . regard it as important in this letter to reiterate once again that the board's proposals put to all the unions on March 6 for a reduction in output were not in violation of Plan for Coal as the NUM repeatedly assert. The Plan for Coal anticipated that in the decade up to 1985 capacity would be closed at a rate of between three and four million tonnes a year. The plan also envisaged that during the same period, of the order of 40m tonnes of new capacity would be constructed. As you will know, by the end of the year 1983/84 only 14m tonnes of capacity was closed, an average of 1.7m tonnes a year. During that period, however, 19m tonnes of new capacity was constructed and was in operation, and a further 24m tonnes was under construction which will come into operation within the next three or four years.

The great difficulty that beset our industry, in common with many other industries, was that the demand for energy envisaged in the plan fell short by about 100m tonnes of coal equivalent, and despite the fact that our industry maintained, indeed marginally increased, its share of the market, by the end of the last full year of normal operations, i.e. March 1983, there were 56m tonnes of coal in stock on this country including 28m tonnes held by the board. This was an all-time record stock, increasing at the rate of 8m tonnes a year at an annual cost in excess of £350m.

As you know, output was reduced last year by four million tonnes with an associated manpower reduction which was achieved on an entirely voluntary basis. The board's proposals made on March 6 at the request of all the unions in the industry was to achieve a further reduction in output of four million tonnes, bringing supply and demand into balance. Again it was envisaged that the associated manpower reduction would be achieved on a voluntary basis. Given that output and demand could have been brought into balance this year, it was the intention that we would jointly continue to attack the market and from a stable base of 100m tonnes of output begin to expand our sales. We find it difficult to understand how the events briefly outlined above can repeatedly be described by the NUM as a willful breach of the principles of the Plan for Coal.

It has always been our wish to obtain a reasoned settlement to the dispute to end the hardship and division within the industry, and we hope that at our meeting with you on Sunday next you will be prepared to consider this objective based on the movement by the board contained in the attached discussion document last considered in July. We sincerely hope that you will agree to attend the meeting on this basis.

I confirm that the board team will be available for our meeting on Sunday evening.

The following is Mr Heathfield's reply to Mr Smith's letter (left):

I am in receipt of the Coal Board's letter and in replying we must say at the outset that the union is deeply concerned at the way in which the chairman of the Board has jeopardized very serious and delicate negotiations by turning them into a media event.

For the sake of the record, we must reiterate that it was the Board which broke off negotiations on July 18. You will recall that when the NUM requested the talks be reconvened on the following morning, Mr MacGregor said that there was no point in a further meeting and anyway he was too busy.

I would remind you that you did agree verbally to all the points in the union's final draft document with the exception of clause 3 (C) [the point on uneconomic pit closures] represented on July 18.

It is clear from your letter that you are deliberately ignoring the revised 1977 plan for coal which projected an exhaustion rate of between one million and three million tonnes a year.

We would point out that the actual exhaustion rate of 1.7 million tonnes a year is in line with this projection. Furthermore, the 1977 plan for coal envisages 100 million tonnes of new capacity, not 40 million tonnes as you claim.

Your reference to the fall in energy demand is again covered by plan for coal which makes very clear provisions to protect the industry, stating that "it should not be at the mercy of short-term fluctuation in the price of competing fuels."

The Board proposal announced on March 6 planned a four million tonnes reduction in annual output. It was claimed "When this has been done we will have achieved our objective of balancing output with market demands."

Since the dispute began in November, 1983, 34 million tonnes



Mr Ned Smith: Hope for a "reasoned settlement."

of coal production has been lost, equivalent to 14 times the reduction in annual output planned by the Board.

This point was conceded by you in negotiations and in view of this the union is entitled to ask why the Board does not withdraw the planned pit closure programme, keep open the pits currently under threat, and resolve the strike.

The union has always sought to negotiate a settlement of this costly and damaging dispute. We hope that at the meeting on Sunday you will be prepared to consider a settlement based on the submissions of the union detailed in the attached discussion document (which was not disclosed to journalists) presented for your consideration on July 18.

We sincerely hope you will agree to attend the meeting on this basis. I confirm that the union's team will be available for a meeting on Sunday evening.

Perhaps you will be kind enough to contact me as quickly as possible in Brighton so that we may make the necessary arrangements with regard to venue etc."

Belgrano prosecution questioned

By Julian Haviland
Political Editor

The Commons Select Committee on Defence has been asked to examine the decision to prosecute Mr Clive Ponting, a senior defence department official, for allegedly passing official documents to Mr Tam Dalyell, Labour MP for Linlithgow.

Mr Dalyell said yesterday that he had written to Sir Humphrey Atkins, Conservative chairman of the all-party committee, saying that important issues had been raised by an account in the magazine *Private Eye* of how the decision to prosecute was made.

He believed that the Prime Minister had given instructions that Mr Ponting should be



Allies: Mr Kinnock with Mr John McDonnell and

Labour would

By Hugh
Mr Neil Kinnock, Leader of the Opposition, said yesterday

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