

Miners must not be allowed to succeed, says CBI chief

No government and no business could surrender to the tactics used by the National Union of Mineworkers over the past seven months, Sir James Cleminson, president of the CBI, said.

In his opening address to the conference, Sir James reiterated the CBI's full support for the policy of the National Coal Board.

Mr Scargill was "proud of the fact that he hasn't budged one inch. As a result he is not only putting the jobs of his own members at peril he has put more jobs in the energy intensive industries at risk," Sir James said.

"Let the message go out from this conference today that we too stand firm."

Sir James said the emphasis should be on low-cost pits with more money being spent creating new business opportunities in areas affected by closures.

The average cost of British coal was £46 a tonne. But this concealed the wide range of deep-mined production costs from under £30 a tonne at the most economic pits up to £100 a tonne at the other extreme.

It was because the nation had persisted in maintaining the highly uneconomic pits that they were all paying too much for every tonne of coal bought, in addition to the £875m paid last year by the Government.

"This has to be reflected in the cost of energy to every company in this country," said Sir James. "It is one of the reasons why our energy intensive industries - steel, chemical, paper - have been non-competitive. It's all very well for Mr Scargill to say that we have the cheapest deep-mined coal in the world - yes, some of it is, for instance Selby - but an awful lot isn't."

The CBI president linked the violence on miners' picket lines with the IRA bomb attack at Brighton and the assassination of Mrs Indira Gandhi.

"For those of us who have



**Sir James Cleminson:
Backed coal board's policy.**

lived through times of war, it is particularly shocking to see the spread of violence in a so-called time of peace," he said. "In this I refer not only to India and the extremism of the IRA, as so recently exposed at Brighton, but also to the acceptance of violence as a means of escalating industrial disputes."

Turning to the state of the economy, Sir James said there was a significant improvement in it, greater than most other members of the EEC. Now there was a need for increased output and increased exports. Liquidity was at a record level and productivity had increased sufficiently to make a big turnaround in profitability.

Profits of manufacturing industry had reached an 8 per cent return in real terms on achieving increased profit were turning to new investment. The CBI was forecasting an increase of investment of at least 15 per cent this year over 1983 and was expecting a further increase in investment in 1985.

The small dark cloud hanging over the past two CBI industrial surveys was a reduction in business confidence. As the dence should exist. What was surprising was that the effect had not been more marked.

However, the reality was that

by 1985 industrialists would get back to the levels of return on their investments only of the 1960s and even those were low by international comparison. What they must do was to initiate action which resulted in of this year, that share would have fallen to about 7.5 per cent. Britain's wages bill had increased four times while their competitors had only doubled theirs and Britain had increased productivity by 25 per cent while competitors had increased theirs by twice as much.

The Gallup survey published the previous day demonstrated that, particularly in small and medium-size firms, there was an expectation of increased employment in the next year, as well as in the service sector.

The Youth Training Scheme needed to develop into a part of the normal process of youth training with a redefinition of what was meant by apprenticeship and acceptance of that by trades unions. He pledged that if the unions would move on this, the CBI would respond.

Buildin

The prospect of a £600m cut in public spending on housing construction and improvement grants in 1985-86 was vigorously condemned by Mr Michael Millwood, president of the Building Employer's Confederation.

"Any such cut would cause a catastrophic decline in housing standards well before the end of this decade as well as throwing a further 75,000 workers on to social security", he said. He was speaking during discussion of a motion which expressed the CBI's concern at "the continuing very high level of unemployment".

He told the conference that 3.5 million dwellings were in serious disrepair. Britain was scandalously underinvesting in building.

"There are massive building

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