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THE FUTURE FOR COAL

As the coal strike edges slowly and painfully towards its inevitable collapse, Mr Ian MacGregor, the Coal Board chairman, has provided a useful reminder that Britain's coal industry will now require a more thoroughgoing reconstruction than seemed likely when the strike began if it is to win the long-term viability, realism and management reforms that Mr MacGregor was originally appointed to achieve. These more drastic changes should be planned if not fully set in motion during the long, agonizing but seemingly unavoidable process of attrition in which the dispute is now stuck.

There seems to have been an informal embargo on discussion of these contentious issues at the Coal Board, at the Energy Department and among ministers generally. It was thankfully broken by questions from members of the audience after an address by Mr MacGregor on wealth-creation in the ironic setting of a City church. Mr MacGregor confessed that he was personally in favour of giving mines to the miners in cases where their future was in dispute, although union attitudes presently rule this out. More significantly, he backed privatization as having a part to play in the industry's future and pointed out that legislation would be required to achieve this.

Long before the strike, the reports on the industry that led to Mr MacGregor's appointment made it clear that state monopoly had failed as a framework for the industry. That should not have come as a surprise to a Cabinet convinced of the inherent drawbacks of monolithic state corporations. It was equally clear that worker ownership should play an important role in the industry's future, given the special conditions and history of British coal mining.

The course of the strike, the damage that continues to build up each day it is prolonged, add powerfully to those arguments. The failure of a monolithic National Coal Board, underwritten by the taxpayer, to provide security of supply has turned away many potential industrial customers and persuaded others to turn to imports as an alternative. Moreover, the deep divisions opened up between different groups of miners, and particularly between different areas, will be hard to heal within the present structure. They can more easily be resolved in the context of more widespread changes and alternative forms of employment and ownership

The Government's and the Coal Board's most pressing priority is still to end the strike as quickly as they possibly can given the continuing distaste of the leadership of the National Union of Mineworkers for a ballot among NUM members or any compromise agreement for a general return to work. Any false optimism that the strike might be over by the end of the year can now be buried. The drift back to work has predictably slowed to a trickle following the expiry of the deadline for the payment of back allowances before Christmas. In the immediate future the approach of Christmas can be expected rather to cement the solidarity of strikers in closeknit mining communities.

The continuing legal squeeze on the NUM, brought by miners rather than the Coal Board or Whitehall is having a gradual effect on opinion among union officials, most of whom at least in private find the tide of violence as repulsive as the public does. The voting in the recent executive meeting and the ensuing special delegate conference was evidence of that. The Coal Board's tactics for the New Year must seek to reinforce that gradual shift of opinion

If a majority remain on strike any longer, it will no longer be feasible to maintain the Coal Board's Government-financed commitment to eschew compulsory redundancies. The loss of coal faces, equipment and long-term markets during the course of the strike mean that many more jobs will be lost, probably more than can be accommodated by moving miners. If that wholly correct principle has to be temporarily set aside, it should be those who refuse to make themselves available for work beyond a certain date who lose the benefit.

If the strike is to dribble on for some time, it also follows that, just as the Government should start working hard on plans for long-term re-structuring, so the Coal Board should set in train the review of its closure programme and possibly even the review of individual pits promised in its definitive agreement with the pit deputies' union. That agreement requires a longer and more cumbersome process for the review of individual closures and the Coal Board will probably need to do some more homework of its own in view of the criticisms of well-informed accountants.

Once the strike is effectively over, the industry will have a breathing space of about two years while pits and human relations are repaired, production builds up and coal stocks are rebuilt. That is not much time. Thereafter, the coal industry is likely to face harsher trading conditions than those assumed in Mr MacGregor's initial closure plans. By the end of those two years, the industry will expect the Coal Board to be well on the way to implementing the five-year plan called for in its agreement with the pit deputies. The public will expect the Government to have started to implement a plan for the fundamental restructuring of the coal industry.

The Future For Coal.
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