

NCB crisis erupts as senior executive resigns

● Mr Ned Smith, director-general of industrial relations at the National Coal Board, resigned after several months of disagreement within the NCB
● The appointment was confirmed of Mr Michael Arnold, partner in a City firm of accountants, to replace Mr Herbert Brewer as receiver for the NUM's funds

● Last night it was not clear whether the NUM intended to appeal against the removal of the union's top officers as trustees of its funds
● A High Court judge has given a striking miner permission to challenge the Government's right to cut supplementary benefits paid to strikers' families

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By Paul Routledge, Labour Editor

The long-simmering management crisis within the National Coal Board came to the surface last night when Mr Ned Smith the director-general of industrial relations resigned.

Mr Smith, aged 59, left his job after several months of sharp disagreements at the highest level about the conduct of the 39-week-old pit strike over colliery closures. He said: "I have had enough. I am going."

His resignation was accepted at a full meeting of the coal board, and it will take effect at the end of January. Mr Smith's departure comes at a difficult point in the conflict and is bound to be seized on as political capital by the National Union of Mineworkers.

The board's director-general of industrial relations has spent his entire working life in the coalmining industry and it is an open secret at the board's headquarters in London that he does not agree with the style of management introduced by Mr Ian MacGregor, the American chairman.

His place is almost certain to be taken by Mr Kevin Hunt, aged 47, the deputy industrial relations director, who is regarded as more sympathetic to the MacGregor strategy but who

also clashed sharply with the chairman in private.

Mr Smith's resignation from his £42,000-a-year post brings into the open the conflict within the board that so far has largely been concealed. The dispute is about how to deal with a strike that has closed two thirds of the industry and threatens to go on well into next year.

He was sent on compulsory leave early in October and agreed to take more time off later, just as the coal board was negotiating a deal to avert the strike threatened by the pit deputies' union Nacods.

Those confrontations came after disagreements about the so-called "balance sheet mentality" behind the proposed colliery closures and the use of outside media and policy consultants to shape the board's strategy to end the strike.

Colleagues of Mr Smith argue privately that his resignation is just the tip of an iceberg of discontent at Hobart House, the board's head office in Victoria.

It came to light briefly when Mr Geoffrey Kirk, director of public relations, took early retirement a month ago and strongly criticized the chairman's management style.

"I suppose he has had a long career in the United States and

maybe he is unaccustomed to having people questioning his decisions and pointing out the consequences," said Mr Kirk.

Leaders of the two management unions in the industry, Nacods and the British Association of Colliery Management, are to meet the board next Tuesday, when fresh complaints about the "freezing out" of long-serving managers will be voiced.

● At its meeting yesterday, the coal board recorded its gratitude to Mr Smith for his distinguished services to the industry in different capacities over many years and particularly during the present strike.

● The shadow Secretary of State for Energy, Mr Stanley Orme, urged the Government last night to order the withdrawal of the pit closure programme in the wake of the dispute about the coal board's accounting procedures.

He said in Ipswich that a report by five leading accountants had shown the accounts system to be "a mine of misinformation". Pits described as uneconomic did not in fact lose money.

Mrs Thatcher has described the accountants' report as misleading.

Support by Heffer for Scargill call

By Julian Haviland
Political Editor

Mr Arthur Scargill's latest call, in the Labour Party's newspaper *Labour Weekly*, for the trade union and Labour movement to mobilize in support of the mineworkers' union, was yesterday endorsed by Mr Eric Heffer, Labour MP for Liverpool Walton and former chairman of the party.

Mr Heffer said that in 1972, when five London dockers were imprisoned after defying the Industrial Relations Court, the Government led by Mr Edward Heath climbed down after the TUC General Council decided to call the first general strike since 1926.

Taking up Mr Scargill's statement that the decision of the courts to appoint a receiver to run the affairs of the NUM was a threat to the Labour movement, Mr Heffer said it was agreed at a meeting between leaders of the NUM and Labour's National Executive Committee on Thursday that there should be stronger action to combat the actions of the courts.

High Court confirms receiver for NUM

By David Felton, Labour Correspondent

Working miners yesterday claimed to have made legal history when a High court judge confirmed the appointment of a receiver for the funds of the National Union of Mineworkers. The decision, they argued, could have wide ramifications for the labour movement.

The receiver, Mr Michael Arnold, who is a senior partner in a large City firm and who replaced Mr Herbert Brewer, the Derbyshire solicitor, will have control over the union's funds and assets for several months and could continue for up to two years if the union refuses to purge its contempt of court.

Mr Justice Mervyn Davies, giving judgement in the case brought by 16 working miners, mainly from the Nottinghamshire area, rejected arguments put forward by Mr Arthur Scargill, the NUM president, that the union's senior officials were only acting on instructions from its national executive committee when they sent the £8.9 million funds to foreign banks.

The judge said that he did not

think there was any other course open to him than to confirm the receivership and the removal of Mr Scargill, Mr Michael McGahey, the union's vice-president, and Mr Peter Heathfield, the general secretary, as trustees of the funds. It was not clear last night whether the NUM intended to appeal against the decision.

Mr Colin Clarke, leader of the working miners, said after the hearing that it was not their intention to halt the union's operations. "All we want to do is stop this money gallivanting all over the world so that our membership's funds will not be wasted in the future," he said.

Despite that statement, the combination of the operations of the receiver and the sequestrators will mean that the union will find it very difficult to continue normal business.

A decision on how long the receiver will remain at the NUM will depend on whether the union appeals, or not if it is successful in pressing for an expedited full trial of the issue.

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NUM receiver confirmed

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That could not take place until well into next year at the earliest.

Mr Justice Mervyn Davies based his judgement on five points. First, that the union officials had sought to "frustrate" the sequestors by sending the money abroad and had shown no willingness to repatriate it. Secondly, that the NUM's counsel had been unable to give an assurance that in future the three officials would abide by court orders.

His third point was that while taking full account of Mr Scargill's assertion that the officials were mere nominees, acting on instructions from the union's executive committee

and national delegate conference, rule 22 of its constitution said they could only carry out lawful instructions.

The fourth reason for the order, he said, was that the officials' refusal to promise to obey future court orders suggested that their future actions could bring about further depletions of union funds through fines being imposed on them.

Finally, the officials had caused the funds of the union, at least for the time being, to be unavailable for the benefit of the membership.

The NUM faces the prospect of further legal challenge from working miners next week.

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By Paul Routledge, Labour Editor, By Julian Haviland Political Editor and By David Felton, Labour Correspondent.

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