

# A nationalised industry and pit closures – a past take on an old story

JANUARY 25, 2008 10 COMMENTS

When I was Secretary of State for Wales, the National Coal Board was embarked on a substantial pits closure programme. In each case they reported to the Energy Minister and Secretary of State (DTI) that the particular pit was worked out. They claimed to have surveyed it accurately, and discovered either that there was no more coal to be extracted, or that whatever coal remained could not be worked for a sensible cost.

One of the pits they decided to close was Tower Colliery in South Wales. I was suspicious of the Coal Board's view. Experience had taught me that they were not great managers of our national resource. They had a glittering legacy of losses, subsidy demands, closures, redundancies and poor employee relations to their credit. Their safety, productivity, profitability and social records were far from perfect. I was not inclined to believe them that so many pits had suddenly become uneconomic. Looking at their accounts, the high overheads they imposed on their mines was a striking feature.

I was therefore delighted when I was told by my private office that miners representatives from Tower Colliery wished to come to see me to put the case for keeping open the mine. I was even more delighted to learn that they believed their case so strongly that they were prepared to take the pit over and mine it themselves, if the Coal Board would give them the chance. The bad news was the Coal Board refused consent, and the Energy Ministry backed the Coal Board's judgement.

When the miners arrived in my office, I think they were surprised by my enthusiasm for their cause, and by my explanation that their task was not to persuade me, but to work with me on our joint case to the Energy department and Coal Board to give them the opportunity to run the mine. As it meant being allowed to prove the Coal Board wrong it was not going to be easy, but I felt that between us we could do it.

So was forged a partnership in British politics that none had predicted. I joined forces with Tyrone O Sullivan, the charismatic Lodge Secretary and leader of the buy out team to persuade Coal Board and government they should give the miners a chance. I was the only person who saw nothing strange in the alliance. I had always believed in workers participation and employee ownership. Here was a chance to show its magic in an industry that had been gravely damaged by the them and us mentality of the large nationalised corporation.

After correspondence and conversations tackling the obduracy of the Coal Board position as retailed by the government, our view finally prevailed. What harm could there be, I argued, in letting the men have a try. If they were right the community would be saved and jobs would remain. If the Coal Board were right and the coal was not plentiful a valiant attempt would have

to be abandoned. Nothing was lost other than some Coal Board pride – by letting them have a go. I was always supremely confident that they would succeed, because they had impressed me by their enthusiasm for the cause and I was sure the cost structure of the Coal Board was wrong for their pit.

It was joyous day when I learned our view had won. The announcement was made to the Conservative Conference in the autumn, and the miners became the preferred bidders to buy the pit. Much of the consideration was to be deferred, to be payable if they were right and the pit had a future, which seemed fair. The leading miners still had to put up £8000 each for the down payment, which was a substantial sum for them. Their wish to do so was further proof of their belief. I accepted that only because I shared the miners' confidence. By the end of December 1994 the deal was done.

I was delighted for them when they took possession of their mine, improved conditions and wages, and set about demonstrating that there were 13 years of profitable workings left. Today I will be sad that this great enterprise has come to an end, but pleased that they made some better paid jobs and shared in some profits over the later years of that mine.

I like to think it will be a model for the future. One day I hope and expect more mines will be opened again in our country, to produce the coal for clean coal technology uses. I want those mines to be ones where there is more machinery, more safety protection and a share in the profits for all who venture underground. If that turns out to be the case, I hope people will remember the pioneering work of the Tower miners. They showed grit and determination. They took a personal and financial risk. They proved the Coal Board wrong. They showed you can mine successfully, with miners playing a leading role in the management of their pit.

After the miners' strike, I tried to persuade Margaret Thatcher to allow the sale of pits more generally with substantial free shares for miners so they became co-owners in the project. Whilst I got the support of John Moore, an early leak of the scheme unfortunately led to its demise. Had we gone ahead with co-owned pits in the eighties I think we would have had a much bigger and more successful mining industry.

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## [Many pit closures under Labour in the 1960s and 1970s.](#)

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The third of the commanding heights of the 1940s economy to be nationalised alongside steel and rail was the coal industry. It employed 700,000 employees in the later 1940s, producing around 200 million tonnes of coal a year. The number of employees slumped to just 235,000 by 1979 on the first election of

Margaret Thatcher. Many of the employees lost their jobs under Labour governments, who accepted a large number of pit closures as the industry struggled with costs and falling demand. More job losses followed in the 1980s and 1990s, along with a bitter strike about whether individual pits could be economic or were exhausted.

Today there is no deep mined coal produced in the UK, and a very small opencast coal industry. We now import most of the reduced amount of coal we do need. An industry employing well over 700,000 at peak has all but disappeared. It was nationalised for most of the post war period, but this did nothing to arrest the long term decline. Indeed, there were occasions when the nationalised management took too pessimistic a view of the economic prospects for individual pits. I remember helping the miners at Tower Colliery take over their mine from the NCB when the NCB said it had to shut for economic reasons, and go on to make a success of mining more coal from it for many years.

The nationalised concern did have substantial investment programmes from time to time, developing a range of new super pits with better machinery and operating at larger scale. None of this arrested the long term decline in coal use and coal output. More recently governments have turned anti coal on environmental grounds.

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## Why do some Councils set out to annoy the people who pay for them?

I recently received a demand for £10 to keep open my Congestion Charge account from Transport for London. I have to pay an annual charge of £10 to maintain an electronic account to pay them money should I dare to drive on London's roads which I have helped pay for. Why? there is no cost to them in leaving my account on their computer.

This week I received a letter from Westminster Council demanding I fill in a form to confirm my little flat is still a second home. I have had to fill in such a form every year. It makes no difference to the amount of Council Tax I pay anyway. Why don't they just tell residents they have a duty to inform should a second home become a prime or only residence or vice versa?

Many Councils treat car parking as a means to threaten tax paying residents with fines. They make you play the game of guess how long it will take to hold a meeting or have a coffee or do some shopping. If you guess wrongly and do not pay enough in advance they slap a fine on you. Why not say if you have gone a few minutes over you can pay for the extra time without it being an offence, up to some suitable overrun limit? Better still why not pay on exit for the time you used? There could be a penalty for anyone trying to park all day in a 2-4 hour limit park. It does not help a shopping centre to have

people rushing round afraid they will be fined if they linger too long.

Highways authorities delight in making it more and more difficult to drive around. They seem to want to cut the productivity and raise the costs of all the businesses which deliver us goods, or come to our homes to provide services. They prefer lights over roundabouts, want to mix cycle lanes with main roads instead of keeping them safely separate, and are regularly narrowing or closing routes. They allow long periods of road closure to carry out works, and are happy to see main utilities put under the tarmac down the centre of main roads to maximise the disruption every time they need repair, maintenance or replacement.

Councillors should look at all Council services and charges from the viewpoint of the long suffering Council Tax payer and insist on it all being more customer friendly.

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## Climate realism

Allegra Stratton, the official Climate change spokeswoman, has been struggling to find things we could all do to advance their chosen cause of heading to net zero carbon dioxide emissions. She has suggested not rinsing crockery before putting it in the dishwasher, and freezing surplus bread for use on another day. Some think these ideas will not go very far.

She has also presided over a welcome delay to introducing expensive heat pumps and ripping out perfectly good gas boilers . She has said she prefers to run an older diesel car to buying an electric vehicle which she should be able to afford because of the diesel's range on longer trips.

Meanwhile the Leader of the Opposition has demanded a more taxing target for getting emissions down, without pausing to tell us exactly how this could be done. Is he suggesting earlier elimination of internal combustion engine cars? Will car travel be slanted to the better off who can afford electric vehicles? Is he thinking of making foreign travel dearer to stop mass jet travel? Does he think long haul planes should be reserved for the elite attending climate conferences? Does he want to accelerate heat pumps and get people to trash the boiler? Does he want to make us all vegetarians?

All these behaviour changes would require a wide range of laws, subsidies and taxes to direct and nudge or bludgeon us into the lifestyle he wants us to follow. Time to ask the Leader of the Opposition what he is doing about his personal heating, travel and diet if he wants the rest of us to change.

I do pass the Stratton test. I scrape dishes into the waste before the dishwasher, and do freeze part of a larger loaf until I need it. Job done?

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## Reviewing quangos

Today I refresh my suggestion that the government during its spending review improves its financial and policy controls over quangos. The long trend to hive off more and more activities into so called independent bodies should be halted. In practice the public expects the government to shoulder the blame for anything in the public sector that goes wrong, so Ministers need to review policy and resources of the quangos that report to them and ensure value for money and fitness for purpose.

Ministers should be appointed by each Secretary of State to review the annual budgets, to review the annual reports and accounts and undertake any other meetings with quango heads where things are going wrong or where a change of direction is needed. This should all be reported to Parliament in the usual way. The review should decide which of these bodies are a needless overhead or a function the relevant department could carry out, and where a quasi judicial role or some other function warrants specialist management and a quango format under a policy and law determined by Ministers in Parliament.

If we take the case of Homes England it had assets of £21 bn and receives grant in aid of almost £5bn a year. It would be good to have a more open debate about the need to hold all these assets in such a body and to find out how much value taxpayers get for the grant in aid, given the substantial private sector money available to provide housing of all kinds.

Hollowing out government responsibility by giving it to so called unelected bodies does not succeed in shifting blame if things visibly go wrong. It can however shield these activities from proper scrutiny and criticism allowing waste and poor performance to persist. Some quango bosses come to think of the Quango assets as some independent fiefdom., when they are just part of the huge state balance sheet. The Treasury should review how much insurance individual quangos need as they are all backed by the state, and be critical of any independent financings which occur at higher costs than the general government. Network Rail, for example, has substantial index linked borrowings and foreign currency borrowings (c. £20bn) which increase public sector debt risk.