

# 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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