

Nationalised industry policies and the destruction of communities: Some evidence from North East England

● The central question around which the 1984/5 miners' strike revolved was that of 'uneconomic' pits and, related to it, the criteria for deciding the future of collieries. For the National Coal Board (NCB) the issue was, and is, a simple one. If the costs of winning coal outweigh the proceeds generated by its sale, then a pit is 'uneconomic' and should be closed. The National Union of Mineworkers (NUM) at national level initially placed more emphasis on coal reserves but as the strike proceeded and subsequent to its ending came increasingly to rely on Glyn's (1984) redefinition of the viability of collieries in terms of a social cost-benefit analysis. Glyn's contribution was undoubtedly a useful one in pointing to alternatives to the NCB's accounting procedures – the credibility of which was further undermined by the criticisms of a group of accountants (Berry *et al*, 1985). But as O'Donnell (1985) has pointed out, making a positive case for coal requires more than this sort of critique of the NCB's simplistic approach. The ongoing campaign to defend jobs and communities in the coalfields needs a more solid grounding in terms of an analysis of state policies towards the nationalised industries and the ways in which they are managed and operated. This is important if questions to do with the 'viability' of a particular colliery are to be rescued from a terrain where (even if only implicitly) a campaign for one colliery's salvation is the kiss of death for another.

The key question of *why* there are so many collieries that the

This article examines the operation of three nationalised industries – coal, steel and water – in the North East of England. It looks at the links between them and assesses the impact of their policies on the economy and the environment of the local communities.

In addition, it explores the relationship between the private and public sectors by examining the effects of private sector open cast coal production upon the National Coal Board's deep-mined output. The authors conclude by pointing to a 'new politics of production'.

NCB can choose to define as 'loss-making' has to be placed at the forefront of any agenda of issues concerning the future of coal. This is crucial, because the NCB can, via its own management practices, deliberately or inadvertently place a colliery in a position where it can be defined as loss-making (Beynon *et al*, 1985). This raises further questions about the relationships between the NCB's internal management decisions and the wider environment within which it operates, the connections between these decisions and government economic policies, and the operating constraints imposed upon nationalised industries as deliberate choices by governments. It also raises a series of questions about the links between the operations of the various nationalised industries. Clearly the decisions of the Central Electricity Generating Board (CEGB) and the British Steel Corporation (BSC) have profound implications for those of the NCB, and in turn can only be understood in the context of governments' conceptions about appropriate national policies for energy and for the manufacturing sector. To speak of more appropriate policies begs an important prior question however – that of whose interests these policies are furthering, both in intention and in practice.

Even the most cursory examination of 'state-managed' regions like North East England, or South Wales, reveals an enormous gap between the intentions and outcomes of implementing nationalised industry policies and the related 'plans' of local authorities. Conceived at one time as a way of furthering working-class interests, nationalisation has in practice become a mechanism to destroy jobs and communities. While we could all agree with a call for more progressive state policies, a necessary first step surely is to examine, in rather more detail, just what the past effects of nationalised industry policies have been. Here it is important to ask how and why these policies have been developed and implemented, and which interests they have served – both between and within the classes of capital and labour. It is clear that the policies pursued by nationalised industries have caused a crisis in 'traditional' forms of trades union organisation – witness for example the collapse of the Triple Alliance. However, the implementation of those policies can also be seen to create new political *possibilities*, not least in the area of energy and the environment. Clearly the issue of an 'appropriate' energy policy and the links between energy and environmental politics must loom large in any discussion about the future of coal. From such a redefinition of political choices new directions for policy may emerge, and in this it is vital that many of the past mistakes are not repeated.

What we seek to do in this paper is explore the issue of the mode of operation of nationalised industries and the links between

them and broader government policies. We do this through an example drawn from North East England (Map 1 indicates the location of the region and the main population centres). We begin by examining the operation of BSC and locate it as a purchaser of primary materials such as water and coking coal; commodities produced by other state-owned industries – the Northumbrian Water Authority (NWA) and the NCB. In this way the NWA's policies in response to the planned – then abandoned – expansion of steel and chemicals production on Teesside and the environmental costs that these brought are considered. Also important is the impact of these BSC policies for the fate of the coking coal collieries such as Horden in County Durham. We show how these became 'uneconomic' as the result of a deliberate series of policy choices by the NCB, BSC and central government. Furthermore, we seek to broaden the debate over coal production by examining the links between the run-down of deep mined coking coal and the expansion of private sector open cast production, and the implications of this redefinition of the private-public sector boundary for the rural environment as well as the remaining collieries within the NCB and the communities built up around them. In doing this, we hope to demonstrate the problems that would be inherent in any attempt to construct a more rational socialist policy, not only for coal but more generally for the public sector. At the same time we point to some of the possibilities that arise from new political alliances that might develop around specific issues in this new context.

Following nationalisation in 1967, BSC embarked on a series of corporate planning exercises, intended to produce a technically sophisticated, internationally competitive and profitable nationalised industry, culminating in the *Ten Year Development Programme* (HMSO, 1973, Cmnd 5226). This proposed a massive programme of fixed capital investment, capacity expansion, employment cuts and a marked increase in labour productivity. Investment was to be focused on further increasing the scale of production at BSC's existing five coastal complexes, mimicking the Japanese model of developing very large integrated works and individual production units.

Of these five complexes, that on Teesside was singled out for special attention. No less than £1,000 million (1972 prices), one-third of the total investment programme, was allocated to it with the intention of producing 'the largest and most up-to-date steel plant in the UK' (Northern Region Strategy Team, 1976, p. 43). Redcar was chosen as the location for new iron ore unloading and processing facilities (later also to be used for

BSC's investment and disinvestment policies and their local impacts

importing coking coal), two (maybe more) blast furnaces with an annual capacity of four million tonnes each, and a new Basic Oxygen steel (BOS) plant of seven million tonnes annual capacity. Together with the expansion of the existing Lackenby BOS plant, the South Teesside complex would therefore have an annual liquid steel capacity of twelve million tonnes by the early 1980s.

At the same time, partly because of these developments, there would be capacity closures and job losses elsewhere. Within Teesside, iron and steel making (though not rolling) was to end at Hartlepool with a loss of 2,850 jobs. Although this closure was delayed following the 1975 'Beswick Review', there was no such reprieve for the three Clay Lane blast furnaces at South Bank in Middlesbrough which closed with the lighting of the Redcar No. 1 furnace in November 1979. Nor was the question mark placed over the future of BSC's Consett works lifted.

Modernisation plans had their costs, and these grew enormously as an international recession, deepened by the oil price rises of November 1973 (see Mandel, 1978), and the accelerating decline of the manufacturing sector in the UK, rapidly rendered the Ten Year Development Programme redundant. Sir Charles Villiers, then BSC's Chairman, was to remark with considerable understatement in 1977, '... I have to say that the 1973 Plan has been overtaken by events' (HMSO, 1978a, p. 517). Rather than expand, BSC's output *fell* from an annual level of around 24 million tonnes in the early 1970s to one in the range 11-13 million tonnes over the period 1979-84. Moreover, the renewed drive to cut public expenditure initiated by IMF pressure in 1976 (Coates, 1980, p. 44) led to BSC being forced to consider ways of cutting its burgeoning losses through government restrictions on its external financing limit. Its approach was to abandon a policy of expansion for one of savage retrenchment. Although formally announced in 1978 (HMSO, 1978b, Cmnd 7149), this switch had in fact begun in March 1976 (Bryer *et al.*, 1982, p. 171). This not only put the final nail in Consett's coffin (the works was eventually closed in September 1980 with the loss of 3,700 jobs), but also it led BSC to restrict the extent of the development of the Redcar/South Teesside complex. Only *one* blast furnace was completed (a second lies rusting peacefully on an adjacent site), plans for new steel making capacity were abandoned and there was considerable closure of existing rolling mill capacity. Capacity closures, along with reorganisation of work practices to increase labour productivity, resulted in a very sharp fall in numbers employed by BSC. By June 1984, BSC employed marginally more than 7,000 at its Redcar/South Teesside complex and 374 at Hartlepool. This represented a loss of over 13,000 jobs in the iron and steel industry in six years and one of over 17,000 since 1971. More-

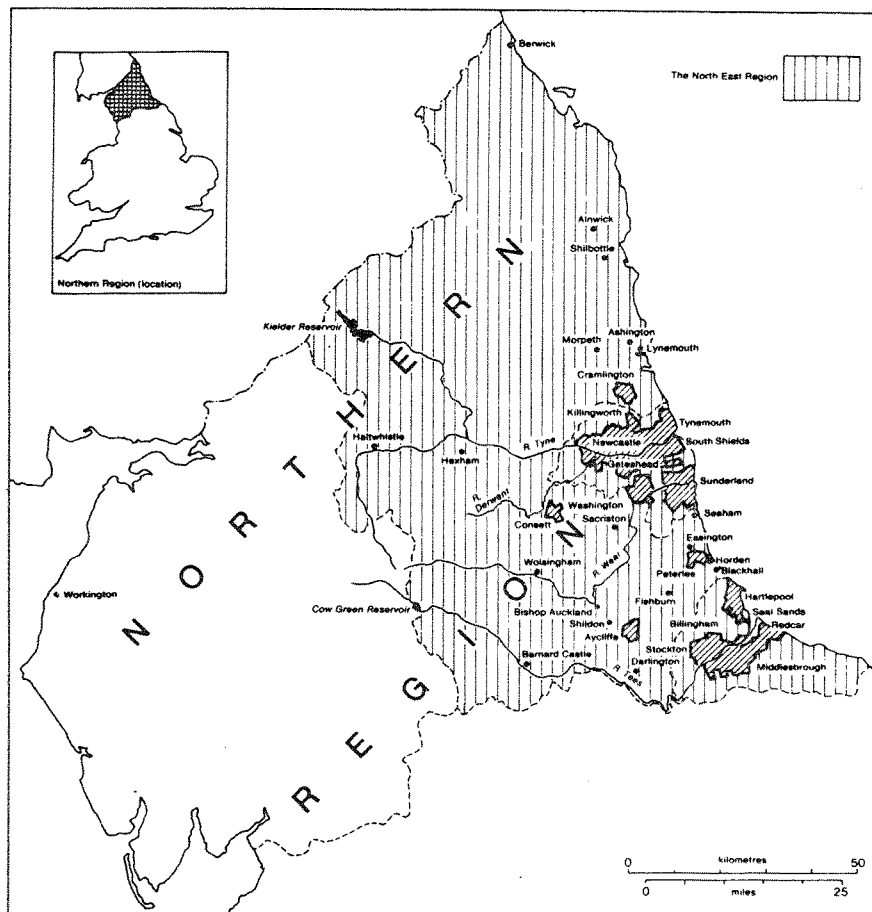
over, because of the uncertainty as to BSC's intentions with respect to strip mill capacity and the necessity to reline the Redcar No. 1 blast furnace (virtually the only source of hot iron in the entire complex), a considerable question mark now hangs over the future of BSC's Redcar/South Teesside operations and the jobs associated with them (see Hudson and Sadler, 1984).

Prior to BSC announcing its major investment programme for Teesside in 1973, there had already been considerable fixed capital investment in the region, particularly in chemicals production associated with ICI's linked complexes at Billingham and Wilton. For this reason, Teesside had been recognised as a key location in the 1963 plan for the North East initiated by Lord Hailsham (HMSO, 1963) and was designated as a location where further investment in these industries would be concentrated. This plan for further expansion necessitated considerable local and national government involvement in Teesside itself via regional development aid to the investing companies, land use planning and infrastructure provision (for example, see Etherington, 1983; Hudson, 1983).

The question of infrastructure provision was not limited to Teesside and its immediate surroundings but extended into the North East's rural hinterland. This was particularly true as regards water supply. Chemicals and steel, the 'basic industries' around which Teesside's modernised economy was to be constructed, required massive quantities of water. In the 1960s this led to the controversial decision to build Cow Green reservoir in upper Teesdale to meet Teesside's projected demands for industrial water. This decision was fiercely contested by environmental groups as the area to be flooded contained a unique assemblage of Arctic Flora (see Gregory, 1975). In the end the interests of economic growth prevailed over those of environmental conservation and the reservoir was built.

By the 1970s, particularly after BSC's expansion plans were announced, projections of industrial water demand on Teesside were outstripping those of available supply. In response to the seemingly serious threat of water shortages constraining future industrial growth on Teesside, it was proposed to build a massive new reservoir in South West Northumberland in Kielder (see Map 1) and an associated transfer scheme to move water from the river Tyne to the Tees. The reservoir was completed in 1982, but not without controversy as farms and a village were flooded in the process. The reservoir and associated transfer scheme represented an investment of £167 million, financed with the help of grants and low interest loans from the European Community (NWA, 1984a, para 2.3).

**The implications
of BSC policies for
NWA investment
and its local
impacts**



At the Public Inquiry into the proposed reservoir in 1972, water demand was forecast to grow to 228 million gallons a day. This never materialised. Current consumption in the NWA area is running at 138 million gallons per day, so that 'demand for water is approximately one half of that made to construct the Kielder Water Scheme' (NWA, 1984b, p. 17). BSC's Redcar/South Teesside works takes just one-tenth of the water that it once consumed (*Financial Times*, 4 June 1984) and overall 'potable water mainly for industrialists supplied by meters, dropped to 156 million litres per day (Mld) by 1983/4 from a peak of 201 Mld in 1979/80' (NWA, 1984b, p. 17). The 257 million gallons available daily from the area's rivers are more than adequate to cope with this level of demand. Consequently, the 44 billion gallon capacity Kielder reservoir, offering the possibility of 200 million gallons of

water per day, has been and for the foreseeable future will remain an expensive white elephant.

This is a situation that has serious implications for the NWA and for all domestic water consumers in its area. In 1983 the NWA's Chairman, Sir Michael Straker, commented:

A daunting task faces us, however. The recession which affects our prime customers, steel and petrochemicals, more seriously than most industries, has led to a drop of 12% in our sales of water to industry, *leading to a £6 million shortfall in income*. Uniquely we make available two thirds of our total consumption to industry and only one third to domestic consumers, turning on its head the pattern in the rest of the country. *So a drop in industrial demand inevitably increases the share of costs falling on domestic consumers.* (NWA, *Annual Report and Accounts*, 1982-83, p. 1 – emphasis added)

The following year, as industrial demand fell by a further 5%, the Chairman noted that:

However gloomy and cautious our forecasts of industrial demand for water may have seemed a year ago, the reality has outstripped them. We now have massive and costly assets, built in pursuit of national aims to satisfy water-hungry industries, principally on Teesside, or to create a regional infrastructure designed to make the North East attractive to industrial newcomers, lying only partially used, as a result of major changes in the national and international economic scene. (NWA, *Annual Report and Accounts* 1983-84, p. 3 – emphasis added)

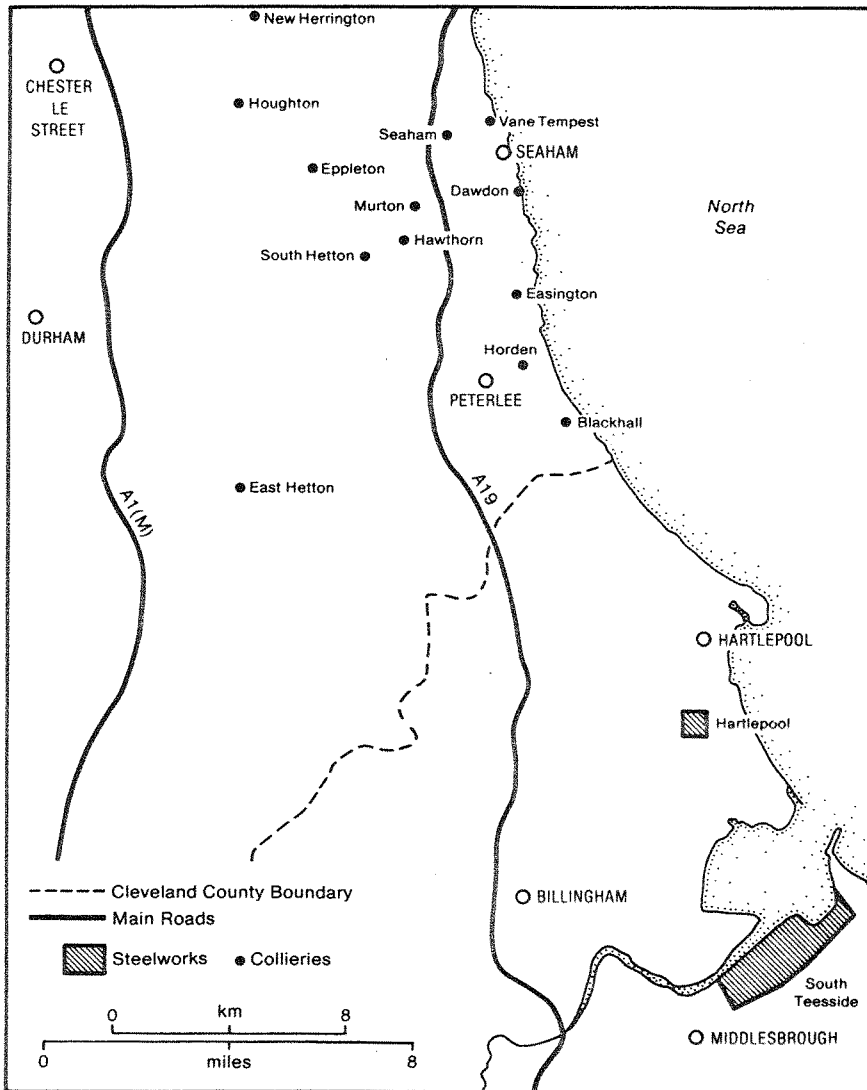
The effects on domestic users of this drop in industrial demand will begin to be felt from 1984/85, following a decision to increase water rates markedly, especially for household supplies (NWA, 1984b, p. 17).

If the effect of BSC's policies upon the water authority was acute, the impact upon the NCB and the future of employment in the deep mining industry verged on the catastrophic. Maps 2 and 3 indicate the scale of the colliery closures and the destruction of the steel industry in the North East between 1980 and 1986. The 1974 Plan for Coal investment programme on the Durham coal-field was based upon the expansion of coking coal production for the Teesside market. Under this Plan, Durham was to be re-developed as a coking coal producer. As the NCB put it:

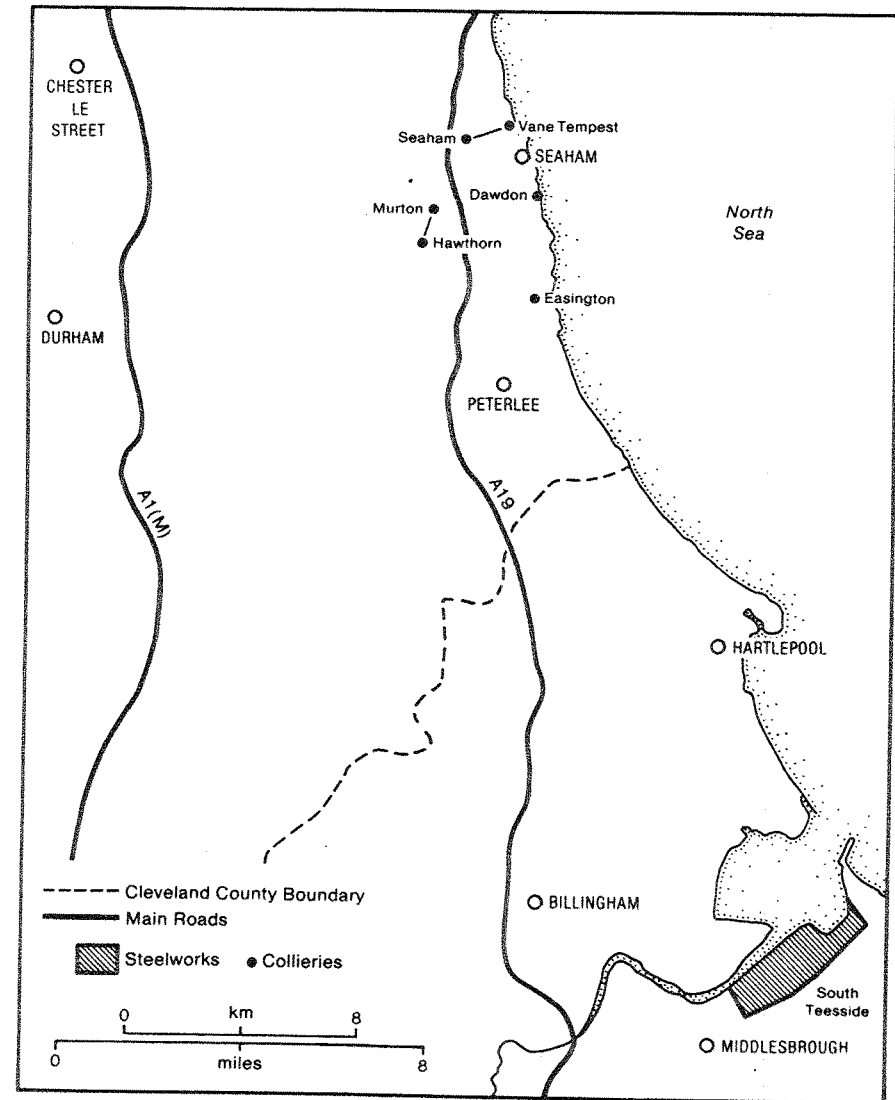
After BSC had confirmed that their long-term plans were still based upon 35/36 million tonnes of steel by 1980, the NCB

BSC and the collapse of deep mined coking coal production in Durham

East Durham and Teesside: Collieries and steelworks, 1980



East Durham and Teesside: Collieries and steelworks, 1986



consulted them about the exploitation of reserves of coking coal off the Durham coast. On receiving assurances from BSC that a blend of Durham 501 coal and Kent rank 204 coal was acceptable for the new Redcar works, the NCB approved capital expenditure on the coastal pits . . . the total expenditure committed in Durham and Kent on this new capacity, preparation and loading facilities was about £40 million.¹

In Durham this investment was made in the Horden, Blackhall and Easington coastal complex of collieries. This would provide the basic supply of rank 501, high volatile coal for Redcar with the higher quality, medium volatile rank 301 coals to be provided by an expanded programme of open cast mining in the west of the county. In spite of the downturn in steel demand which became noticeable in 1975, and in spite of BSC's decision of that year to move toward importing 1 million tonnes of coking coal a year into Redcar, NCB management remained optimistic. In August 1978, for example, the Area's Marketing Director wrote to the General Secretary of the Durham Miners Association informing him that there were no technical problems involved in supplying coal of sufficient quality and strength to BSC:

A joint working party with BSC has been set up at Headquarters level to determine the true facts of the technical suitability of Durham and other indigenous coals. We have worked out a number of blends using Rank 301b and 501 coals together with Kent rank 204 coals. These blends have been carbonised in our small ovens and the resultant cokes tested under the normal parameters . . . have been of high class quality. In addition we have had the full cooperation of BSC South Teesside in carrying out the Japanese tests on their apparatus and the tests have been extremely encouraging.²

Moreover, BSC's technical specifications for the two new coke oven batteries at Redcar, which were commissioned in 1978/79, incorporated new technological developments. The reasons for the choice of technology were described in 1979 in *Steel Times*:

It was stated at the outset that the plants had to be designed to produce coke using indigenous UK coals . . . Meeting the specification for the quality using indigenous UK coals was a fundamental problem in the design of this coke making plant . . . Redcar coal blends were tested in the USA and it was proved that by preheating the coal, a suitable quality of coke would be produced for the Redcar blast furnace. As a result it was decided that the Redcar cokemaking plant would employ preheating of coal.

These points are important to bear in mind given the decision by BSC to alter its purchasing policy for coal in 1979. On 29 October of that year, BSC announced that it intended importing about 25% of its coking coal requirement in 1980. This would involve a national figure of 2.8 million tonnes, with every expectation that it would be increased. In the North East it involved a dramatic downward revision of demand for Durham coking coal.

One view, which has gained powerful public support of late, is that the shift toward imports was a matter of technical necessity. Mr Mate, ex-BSC Teesside works director, has put it like this: 'We had *no choice* if we were going to have the coke quality we needed for such a large furnace' (our emphasis).³

Oddly, the NCB have also been inclined to go along with this version of things. In 1984 the North East Area Marketing Manager, Mr Bradley, wrote of these events in a way which suggests that BSC had never seriously considered using Durham rank 301 coal, and that the cutback in the use of rank 501 coals was determined by technical considerations alone. The blend he said was:

selected Durham rank 501 coals, rank 204 coals from Kent and South Wales plus coke breeze . . . In 1975 in order to achieve the required coke quality for the new large blast furnace BSC revised their view of the best coal blend and later, in 1977 BSC decided, after consultation with their Japanese advisers for the 10,000 tonne per day furnace at Redcar, to revise their coal blend to produce a coke that met the Japanese criteria on performance of the coke in the blast furnace . . . The outcome of these changes was that BSC imported rank 301 coals and did not accept all of the rank 501 coals from the NCB's coastal pits.⁴ (our emphasis)

The problem with this account is that it masks the other, and far more important, consideration which pressed upon BSC's decision-making processes – that of price. At the time, this was clearly seen as a central consideration. BSC had been pressed by government to break even by the spring of 1980, and in this context the presence of coking coal in the international market which could severely undercut domestic supplies was of critical importance. In October 1979, BSC claimed that it was losing £135m a year by buying UK coking coal rather than foreign coal, due at least in part to a £10 per tonne cost disadvantage. The price of the NCB 'superblend' offered for the Redcar coke ovens was specifically quoted as £18 per tonne dearer than Australian coking coal of the same quality (*Financial Times*, 30 October 1979).

In short, the NCB was being squeezed by the international coking market. As two BSC managers have written:

There is no longer any *commercial* advantage to be gained by Teesside works by maximising the quantity of local, high-volatile coals used; *additionally* the quality of the coal has deteriorated. (Guerin and Bowness, 1984; our emphasis)

This combination of factors was clearly at work from 1978 onwards, and it was exacerbated by the downturn in the demand for steel (see Table 1).

Table 1
Coking coal supplies to BSC

NCB supplies to BSC Redcar

<i>Year</i>	<i>Tonnes</i>
1976/77	56,000
1977/78	36,000
1978/79	134,000
1979/80	244,000
1980/81	199,000
1981/82	318,000
1982/83	32,000
1983/84	48,955

Source: NCB

Imports into BSC Redcar

<i>Year</i>	<i>Tonnes</i>
1975	92,150
1976	164,045
1977	239,991
1978	486,697
1979	1,025,226
1980	1,252,850
1981	1,127,130
1982	1,131,464
1983	1,441,102
1984	2,105,000

Source: Tees and Hartlepool Port Authority Annual Reports

Against this background, Mr Tom Callan, when President of the Durham Miners Association, raised the question of Durham coking coal pits at a meeting of the Joint Coal Industry Consultation Committee in 1978. Sir Derek Ezra was reassuring in his reply. The Board, he said:

had no intention of cutting back coking coal capacity (except in cases of exhaustion of economic reserves), the day would come when they would be needed again.⁵

But Ezra's view did not prevail in the years after 1979 when coking pit after coking pit closed on the Durham coalfield. Blackhall closed in 1981 and was quickly followed by Houghton, Boldon, and Marley Hill; South Hetton and East Hetton were not long after. All closed in the space of three years.

Numerous reasons were given at the time – exhaustion, safety, problems of ash or sulphur content – but perhaps the clearest and most conclusive reasons for these closures has been given by the NCB in Brussels. There, in its submission to the European Coal and Steel Community for readaption aid (under Article 56 2(b) of the Treaty of Paris) to facilitate the rundown and closure of collieries producing coking coal in County Durham, it stated that:

Blackhall colliery . . . A partial closure of the pit was carried out towards the end of the year. *The colliery produces high quality coking coal which is an essential component for the blend being supplied to Redcar.* The requirements of BSC have become more demanding and *the competition from imported cheap coal more acute*, so that the coal being worked in the 'J' section of the Low Main Seam could not satisfy market requirements. (our emphasis)

The following year's submission included the following:

Blackhall Colliery . . . *The pit was basically a high quality coking coal supplier.* With the drastic reduction in BSC requirements, attempts to reduce the size of the pit, then to find alternative markets failed.

Houghton Colliery . . . The pit was a supplier of coking coal from the Busty Seam. Its main reserves were in the Harvey Seam, which *were not considered to be viable in a situation where there was an excess of coking coal available for the reduced market requirement.*

Marley Hill Colliery . . . The Busty Seam was closed with a consequential reduction of output at the pit *consistent with a reduced demand from the market.* (our emphasis)

As these statements, from the NCB itself, make very clear, there was no question here of pits being run down or closed because of exhaustion of high quality coking coal but rather because of competition from cheaper imported coals. It was this loss of a market (described by Tom Callan as a 'stab in the back') which moved the South East Durham pits into an economic crisis and

which culminated in the closure of the giant Horden Colliery in 1986. In this year two other, smaller coking coal mines at Sacriston and Herrington, were closed, leaving the area with almost no deep-mined coking coal capacity.

As in Durham, so too in South Wales, Yorkshire and Scotland. Far from adhering to Ezra's promise and warning ('they will be needed in the future'), the NCB has ridden hard along the line toward overkill in its run-down of coking coal capacity. The extent of this was made clear by the International Coal Report (ICR) when it assessed the *potential* of the British coking coal mines to deliver in the export market. It pointed to the fact that the NCB was 'increasingly hard-pressed to supply even half of the British Steel Corporation's coking coal demand' and concluded that 'only with the opening of new coking coal capacity . . . will supplies expand and even then the logical market for this coal is local BSC blast furnace capacity' (ICR, 7 June 1985).

Market strategies and new sources of coal supply

In examining the decision by the NCB to close Horden, BSC's purchasing policies figure supreme. But they do so in the context of available alternative supplies. By far the most significant of these are the coking coals widely distributed on the international market. Equally significant has been the way in which open cast mining has emerged as a major source of supply in the north.

After the oil price increases of the early 1970s, coal once again became a prized commodity. In spite of its bulk and high handling and transport costs in relation to its value, the prospect for an increase in its international trading seemed immense. To this end the giant oil companies purchased coal reserves in the USA, Australia, South Africa and Latin America. The main push in this process was for steam coal – the direct competitor to oil. But this push affected coking coal also. As the prestigious UK *Coal Year Review* 1984 put it:

It has been one of the oddities of the 1980s that in parallel with the opening of steam coal mines as a counter to rising oil prices, coking coal deposits have been developed at an equal pace. The only spur was an inexplicably optimistic set of forecasts from the Japanese steel industry . . .⁶

As a consequence there has been an enormous increase in coking coal capacity and in its presence within the international coal trade. In May 1985, for example, the US coal industry exported 5,582,000 tonnes of coking coal, while in the same month Australian exports of coking coal totalled 3,722,205 tonnes. To make use of this increased availability of coal, major dock and handling facilities have been developed. The exporting facilities on the East coast of the USA were transformed, as were the

importing facilities in Europe – most significantly in Rotterdam. These developments continue, and estimates are that world tide-water coal trading capacity will increase by 56% by 1990 and 130% by 2000 if all plans materialise. This enormous increase in international coal capacity took place in a decade when the demand for coal (and energy generally) failed to develop at anything like the rates anticipated at the time of Plan for Coal. What was created was a situation of chronic over-production of coal. In Rotterdam stock piles increased at an enormous rate. This situation applied to both steam raising coals and to coking coals. In the UK, as argued above, it saw both the BSC and the CEEB exerting pressure upon the NCB to cut capacity and reduce its price. Also both corporations wanted freedom to purchase on the international market. BSC, with its lower tonnage requirement and deep harbour locations, was able to do this most successfully. In the first quarter of 1985 over 2 million tonnes of coking coal was imported into the UK and in the year total coal supplies reached 12 million tonnes – half as much again as was imported during the strike.

This is a situation of some national importance. For it reflects upon how a once dominant coal and steel producing nation has declined into the minor league. It also points to a process whereby through the 'morality' of a market rhetoric ('we have to buy the cheapest') key sectors of the British economy have been reworked in a way which reflects a deep and fundamental change in industrial *policy*. Yet so powerful is this market rhetoric that no serious discussion has accompanied this change. It is ironic that in an industry that was once so clearly held up as the example of an alternative way, there has been so little opposition from within the ranks of its technical and managerial staff. If this is clear in relation to the international market, it is more glaring (but seemingly less obvious) in relation to domestic open cast mining.

Another part of the Plan for Coal related to the expansion of open cast mining operations. This policy affected the Durham coalfield quite profoundly. Because of the supposed need for adequate supplies of 30lb coking coal for the Redcar blend a great push took place substantially to increase the open cast output in the Area. This push was supported by the mining unions. Of late, however, and in the face of drastically altered circumstances, they have changed their view. Both the Durham Miners Association and the Durham Mechanics Association are now strongly committed to cutting back open cast production. This is a view shared by Durham County Council. The leader of the Labour Group – Mr Mick Terrans, an ex-miner – remembers how he was

always suspicious of opencast mining. They wanted it increased to 900,000 tonnes and I was Chairman of the Planning Committee at the time. I wasn't happy about it but the NUM supported it because of the blend for Redcar. And we went along with it. But they're closing deep-mines now and they won't cut back the opencast.

The NCB recognises that deep mines are closing, but they refuse to give the trade unions or the County Council any assurance that open cast mining will be reduced in scale in the North. In fact the opposite is hinted at, and at meetings and public enquiries the NCB and private open cast operators have testified to the 'need' for open cast coal. Currently the NCB's Opencast Executive is pushing its plan to open a 1.9 million tonne mine at Plenneller near Haltwhistle, Northumberland, which will produce coking coal for Redcar. The paradox here is an enduring one and it needs to be located against the background of open cast mining both in Durham and nationally.

Open cast coal mining began on an organised basis in 1942 as part of the war-time effort to maximise coal production. Its role was clearly established as an important *supplement* to deep mined production. This role was confirmed in 1959 when, in a period of recession in coal demand, open cast production was deliberately curtailed. A similar cutback occurred in 1968-69. Under the *Plan for Coal* (1974) and *Coal for the Future* (1977), investment in deep mined production was supported by an expansion in open cast capacity. Production in open cast mines was projected to increase from 9 million tonnes (1973/4) to 15 million tonnes. This expansion did take place and in Durham, as Mick Terrans has noted, the local authority established a forward programme to ensure that the County produced its 'fair share' of open cast coal. This figure was seen to be 900,000 tonnes, and an overall figure of 3 million tonnes applied to the North East generally.⁷ In Durham (as Table 2 shows) open cast output has kept up with these planning forecasts and often exceeded them.

Section 36 of the 1946 Coal Industry Nationalisation Act (amended by the Opencast Coal Act, 1950) made provision for the NCB to issue licences to private open cast operators but made it clear that such operations 'should not be likely to exceed or greatly to exceed 25,000 tonnes'. Private open cast workings should only be small, isolated concerns providing marginal tonnages. In the late 1970s, however, the North East Association of Licensed Operators – which in 1980 became the National Association of Licensed Opencast Operators with its Chairman and Secretary, Messrs H.J. Banks and S.K. Nicholson, both prominent private operators and distributors in the North East –

Table 2

Open cast coal production (tonnes), County Durham 1974-85

Year	NCB sites	Licensed sites	Overall production
1974-75	537,000	164,000	701,000
1975-76	477,000	95,000	572,000
1976-77	451,000	97,000	548,000
1977-78	1,190,000	115,000	1,305,000
1978-79	874,000	138,000	1,012,000
1979-80	496,000	110,000	606,000
1980-81	724,000	154,000	878,000
1981-82	917,000	179,000	1,096,000
1982-83	723,000	178,000	901,000
1983-84	651,000	178,000	829,000
1984-85	717,000	287,000	1,004,000

Source: Durham County Council

Table 3

The main open cast contractors in UK

Firm	Total		Parent
	No. of sites	tonnes at sites (m)	
French Kier Construction	2	6.13	Amec Plc
Fairclough Parkinson Mining	3	7.08	Amec Plc
Northern Strip Mining	1	2.70	Burnett Hallamshire Holdings Plc
McKerlain Plant Ltd	2	2.96	Burnett Hallamshire Holdings Plc
Taylor Woodrow Construction	2	13.61	Taylor Woodrow
Wimpey Construction Ltd	6	6.74	George Wimpey Plc
Lehane, Mackenzie & Shand Ltd	4	12.03	Charter Consolidated Plc
Derek Crouch (Contractors) Ltd	5	12.47	Derek Crouch Plc
Murphy Brothers Ltd	3	6.45	BET Group
WJ Simms, Sons & Cooke Ltd	2	0.90	Trafalgar House
ARC Ltd	1	0.75	Consolidated Goldfields Plc
Lomount Construction	2	2.01	SGH Group Plc
AF Budge (Contractors) Ltd	5	7.86	(parent)
James Miller & Partners Ltd	5	10.74	(parent)

began to lobby against these limits on licences and tonnages. The Association raised a series of complaints with the Department of Energy on these matters. In response to these, in March 1981 the Department produced a 'five point schedule' which included an undertaking that the NCB would:

. . . license open cast sites with up to 35,000 tonnes of workable reserves and resume the practice of considering a second licence for adjacent sites bringing the total tonnage of continuous reserves under licence to 50,000.

Moreover, the schedule also rescinded the practice of requiring licences to deliver coal to the NCB making ' . . . all new licences free from any delivery requirements.'

Furthermore, it gave an undertaking that the NCB would . . . set royalties at levels which would permit efficiently managed operators to develop their business profitably . . . and would be prepared . . . to reduce royalties for new licences in any case where accounting evidence is provided which demonstrates that profit expectations would otherwise be cut to unreasonably low levels.

The 1981 schedule, therefore, clearly tilted the balance considerably in the direction of the private open cast operators. Table 3 lists the main private sector open cast contractors in the UK and identifies their parent companies. Yet the expansion of private open cast mining in Durham has been achieved only by a flagrant disregard of these tonnage targets (see Beynon, 1984).

In contrast to the expansion in open cast, deep mined output in the North East declined from 14.1 million tonnes (mt) in 1980 to 12 mt in 1983 and 11.9 in 1984. A statement from the NCB in March 1984 indicated a further 1.4 million tonnes reduction in output from the deep mines to a level of 10.5 million in 1985. This period of contraction in deep mining has therefore been a protracted one, and during it there has been no cutback in open cast output or capacity, nor has there been any indication that such a cutback is likely. In 1960, 7.7 million tonnes of open cast coal represented just 4% of national coal production; the current output of 14 million tonnes is 13% of national production. Open cast coal production is being established in a new role and one which is at odds with its historical role within the mining industry. Rather than supplementing deep mined production, it can now be seen as an alternative and competing source of supply within a static (or declining) market. Locally open cast production (at 20% of the North East's total output) has established this role most clearly. In the North East the ratio of open cast to deep mined is 1:4; nationally the ratio is 1:7. This tendency is a worrying one, not least in terms of its employment consequences.

A central feature of the County's Structure Plan relates to the question of employment. The Structure Plan Written Statement (1978) makes clear that 'the numbers of people and jobs within the County are fundamental to most of the decisions to be taken' (para 4.1) and that 'it is essential to the strategy of the plan to make up employment losses, to seek to reduce present unemployment rates and to provide jobs for an increasing number of people of working age' (para 6.2) and that it is 'vital to pursue measures which help conserve existing jobs and stimulate the creation of new jobs' (para 6.3). Open cast production can appear to be compatible with those aims of the Structure Plan, and the NCB and private operators often allude to this. In their evidence to a recent Inquiry, the planning consultants F.J. and J. Davis argue that:

The proposed mine would directly create 16 jobs on site. In addition the mine would require drivers for an average of 5/6 20 tonne lorries per day

and

In addition to the employment created directly by the mine, other jobs are initially created and local industries supported.⁸

Any evaluation of the impact of open cast mining upon employment in the County needs to balance direct job creation against potential job losses in the deep mining sector. In a period of market saturation and overall capacity reduction, new capacity (and employment) in the open cast sector involves little more than the transfer of employment (or unemployment) from one part of the County to another. In terms of jobs, this transfer is an unfavourable one.

In 1984-85 1,004,000 tonnes of coal was produced on the open cast sites in County Durham by a combined total (private and NCB Opencast Executive) of 577 workers. Using a comparison of the least productive deep mined million tonnes in Co. Durham, the employment ratio of open cast to deep mined on this basis is 1:5. Put another way, the reduction in capacity of 1.4 million tonnes in the deep mines (calculated at the Hawthorne output per man shift figure of 1.82) would produce a direct job loss for the area of 3,111. Were the cutback to be divided equally between open cast and deep mined production the job losses would be cut to 2,045: a direct 'saving' of 1,011 jobs. To put it yet another way, it is arguable that if, in 1978 the NCB and the local authority had produced a plan to scale down open cast output to (say) 400,000 tonnes per annum, output since then would have been cut by 3 million tonnes. There would be very little stockpiling in the County and a significant proportion of the 5,587 jobs lost in deep

mining in County Durham since that date would have been saved. The argument becomes stronger if we consider the additional ancillary jobs created by deep mining in contrast to open cast. On this basis the ratio would be nearer 1:7.

In the face of this evidence it is important to ask why open cast output has been allowed to continue at its present level, and what effects it has had upon collieries like Horden. Here, it is important to realise that both *Plan for Coal* (1974) and *Coal for the Future* (1977) were documents drawn up on the basis of the assumed expansion in energy demand. The expansion was assumed to take place at 2% per annum. This expansion did not take place. In fact energy consumption in 1980 was below the 1973 figure. This 'lack of fit' between the demand estimates of the plan and the reality is not entirely surprising: all plans need adjustments. What is surprising perhaps is the response of the NCB to the developments, especially in the open cast area.

By 1979 (and as early as 1975 perhaps) it was clear that the BSC would not be taking up its options on Durham medium volatile coal – the 301bs from the West of the County. By that date, it was also clear that too much coal was being produced nationally. Yet in one planning Inquiry after another the NCB insisted upon the need for an expansion in open cast workings. In its defence the Board made slavish reference to the 15 million tonne target of the Plan for Coal.

As a consequence, open cast mining has continued unabated. Alongside it has gone the expansion of *private* open cast sites selling their coal on the open market. In its public statements the Board insists that open cast and deep mined output complement each other. There is strong support for an argument which would suggest the opposite.

It has been suggested that deep mined coals require 'sweetening' by higher quality coals to make them more attractive to the buyer (this normally means the CEEB). However, Durham coals are of a calorific value high enough for them to require no sweetening whatever and Durham coal that sells to the CEEB market probably goes there without any open cast proportion. Northumberland coals do benefit from mixing with coals of higher calorific value and lower ash content. Here, though, there is a case for mixing deep mined Durham and Northumberland coal. Durham coal required West Durham open cast coal for blending for the Teesside coking market. In the absence of BSC's order the necessity for such production declined enormously. Here, however, the NCB switches its tack and refers to the 'revenue' brought to the Area by the profitable sales of cheaply mined coals. This was the NCB's main line of attack in a recent meeting with Durham County Council. In its view open cast

output – with an annual profit of £42 million in 1983-84 – helps 'balance the books' for the area.

The NCB's bookkeeping arguments are, however, often of the most primitive form. Certainly open cast output attracts higher revenue but if this increased revenue (in the short term) is at the expense of running down capital assets (deep mines) the long-term situation could be one of high profits (from open cast) but greatly reduced production, and limited potential for development. Furthermore, 'revenue' from the open cast sector is one part of a bookkeeping exercise. Another part is the NCB's accounting assessment of its coal stocks. Between 1978 and 1984 coal stocks increased dramatically, and national *open cast* stocks themselves rose from 2.6 to 5.2 million tonnes. The NCB imputes a stocking charge of £5 a tonne to such coal. In the context of over-production additional stocking charges severely affect the Board's assessment of the financial advantages of open cast output. Most important, however, is the way in which the relative cheapness of open cast production has been brought to bear, in a competitive way, upon the production of deep mined coal. This is most clear in the case of the South East Durham pits.

We have argued that the technical problems associated with Durham coking coals have been emphasised to the neglect of the price differential between domestic and imported coals. BSC, through its purchasing policies, has established clearly the predominance of market forces as determining the relationship between two nationalised industries. Within this logic, for domestic coking coal to compete with the imports, it would need to be open cast. In this way the recent NCB application to open an open cast mine at Plenmeller in Northumberland was explicitly linked with Redcar and with the replacement of imports.

Here the NCB has argued that Plenmeller production will not replace deep mined production. The site is scheduled to produce 200,000 tonnes a year for the Redcar steel works. The NCB puts it like this:

Plenmeller coking coal is compatible with the blend of coal required for BSC to produce coke for their Redcar blast furnace, and BSC wish to be sure of its availability in order to fit it in with their purchasing plans. The objective of the NCB is to maximise sales of coking coal to BSC and the Plenmeller coals will not displace local deep-mined supplies . . . The Executive have confirmed that the coking coal from the Plenmeller site is not produced by the NCB anywhere in the North East coalfield, and cannot be produced by developing new areas in existing pits.⁹

In spite of the NCB's claim that 'coking coal prices for sale to

BSC are negotiated on a national basis' and that 'no distinction is made between open cast and deep mined coals', the fact remains that in the current depressed state of the coking coal market, open cast output (with its low costs) also effectively competes with deep mined production in relation to BSC's purchasing policies.

This situation of competition between deep mined production and a combination of imports and open cast coal, although most clear in the case of BSC and the coking coal market generally, is also apparent in the market for steam raising coals for the CEBG. The CEBG's recent use of BSC's Hunterston terminal to import coals to be delivered to Fidlers Ferry power station is one telling example of this. Another is the pattern which has emerged in the Durham coalfield whereby the private open cast operators have established a supply contract with the CEBG for 400,000 tonnes per annum. Much of this coal is delivered to the power stations of North Yorkshire.

These tendencies within the way in which coal is produced and sold indicate a major change of policy. They are made clear in government statements which indicate that there will no longer be a planned output level for open cast mining in the UK. Once regulated within a planning ceiling, open cast must now find its own level. This has been spelled out (somewhat ambiguously perhaps) in the much-quoted clause 15 of the highly significant Circular 3/84 produced by the Department of the Environment in February 1984. The government, it said:

sees no case for continuing to endorse a target for open cast output. Each project should therefore be considered in terms of the market requirement for its planned output. . . . The overall level of output will in practice be determined by the market subject to the availability of individual projects as determined by the planning system.¹⁰

Concurrent with this is the growing pressure by private open cast operators for the tonnage limitations on their operations to be lifted and for the general privatisation of open cast output. There is little doubt that their interests will be catered for in the forthcoming Opencast Mines Bill.

All this marks an important shift in policy from that recommended by the widely respected Flowers Commission in its report on Coal and the Environment. It argued that 'as older, more costly and less environmentally acceptable pits are closed, and more efficient and profitable operations take their place, the volume of open cast mining should be allowed to decline.'¹¹ (Since that date, 10 pits have closed on the Durham Coalfield but there has been no commensurate decline in open cast output.)

Furthermore it suggested that open cast production could be justified in the future if there was a 'demonstrable need for a certain grade of coking coal' or if there was a need to fulfil 'short-term increases in demand'. In his report on the Woodhead Inquiry in the Derwent Valley, the Inspector wrote of environmentally damaging open cast production being justified only in the face of 'strong', 'certain' and 'urgent' needs. In the recent report from the Inspector at the Barcus Close Inquiry it was stated that:

Production of coal from deep mines is much more labour intensive than open cast mining and this is a very important consideration in this area which has lost so many mining and industrial jobs over the past few years. The structure plan records the limited percentage of the national workforce now employed in industry, and the retention of such employment in an area traditionally heavily reliant on this sector of the economy is highly relevant.

Against such a background – particularly given references to 'alternative sources of supply', and 'need' – there is a strong feeling within local government (amongst councillors and officials) that its policy of planning output targets for open cast mining requires revision. There is certainly a case now for examining the details of this policy – openly – in relation to the future of deep mine production and employment.

This strength of feeling on employment is enforced by the effects of open cast mining upon the countryside. The Council for the Protection of Rural England views the removal of an upper limit on open cast tonnage with great alarm, and now considers open cast mining to be potentially the single greatest risk to the countryside. In relation to the Plenneller site (from which the NCB hope to supply the Redcar market) the Northumberland and Newcastle branch wrote this:

We would wish to express our concern that if permission is granted to the NCB for the Plenneller site, it could increase pressure to work sites lying to the west of Plenneller. Once the infrastructure of conveyor belt and railhead facilities is in place it will be much harder to prevent Opencast Coal Mining progressing into the very attractive landscape to the west.

To this it added its 'concern for the general area and the consequential damage to it resulting from a start being made at Plenneller'. The area is described as being of 'great visual interest' and the Plenneller site and the general activities surrounding it

will be seen over great distances because the land is high; mining activities, spoil heaps and noise will be perceived from the A69 route.

The land to the West is considered to be 'very attractive within which no open cast mining should be allowed'.

The landscape and the countryside is one aspect of the environmental costs of open cast mining and colliery closures. Another relates to the usage of natural resources. While the NCB may stress the economic advantages of open cast mining others (and this includes energy experts like Professor Ian Fells at the University of Newcastle) stress the strategic waste of utilising these resources at this time. Open cast mining has the *strategic* advantage of having a very short development line. Unlike deep mining, open cast sites can move from conception to coaling in a matter of months. Viewed in this way they present an ideal base for dealing with short-term fluctuations in supply with any major instability in the international energy markets. But this is one side of the picture. The other has to do with the extent of deep mined reserves and the NCB's attitude toward the sterilisation of coal.

One of the more remarkable aspects of the inquiry by the House of Lords Select Committee into the state of the British coal industry was found in the discussion of British coal reserves.¹² The NCB has for some time blithely operated as if these reserves were virtually inexhaustible. Passing reference to '300 years of coal reserves' are a commonplace, and when pressed on this (as Ezra was by Kearton on this occasion) the official view is that no one can look further ahead than 50 years.

The British Geological Society (and many ex-colliery managers) disagree however. They point to the rate of sterilisation associated with modern mining methods and seam selection and the push on productivity indices as the sole guide to performance.

Advances in technology while leading to greater productivity will also lead to lower recovery. (As such) the constraints of geology and economics will be matters of concern long before hypothetical exhaustion.¹³

In the view of the British Geological Society, the '300 years of coal' is a pure chimera. Some prominent geologists (like Durham University's Emeritus Professor Sir Kingsley Dunham) see 30 years to be a more likely figure given current trends.

Against this background the 12 mt of coal in Durham through the closure of collieries since the end of the mining dispute is a matter of genuine public concern and relates to a wider, and equally public issue.

A major problem facing industrial nations is that of acid rain. As a UK Special Report of the ICR on the subject put it; 'Acid rain is like sin. Everyone is against it but no-one knows how to eradicate it. It has horrible effects: it damages vegetation, 'kills' lakes and erodes buildings. It may – directly or indirectly – damage health' (ICR, 24 May 1985). What is clear is that acid rain is caused by the preservation in the atmosphere of sulphur dioxide (SO₂) and nitrogen oxides (NO_x). These substances exist naturally in the atmosphere, but in the industrial states factory and power plant emissions have increased their presence substantially. To quote the ICR once again:

Human activities add an estimated 75m-100m tonnes of sulphur yearly to the atmosphere, equal to all that generated from natural sources.¹⁴

In looking for culprits, coal undoubtedly takes first place alongside the motor car. A tonne of coal can, on burning, release anything from three to sixty kilogrammes of sulphur into the atmosphere. There is little doubt that the rate of these emissions needs to be curbed and in Germany there have been strong moves toward regulating coal-fired power stations to this end. Nineteen Western and East European nations have joined with Canada in a pledge to reduce sulphur dioxide by 30% by 1997. These emissions can be controlled by technical modifications to power stations (most especially the use of fluidised bed technology), and also by the burning of coal with a low sulphur content. This latter option is rather limited in relation to power plants (it would require coal with a sulphur content of 0.25% of which there is minimal tonnage in the UK) but with industrial boilers it represents a realistic option. Coal with a sulphur content of between 1% and 1.2% makes a substantial difference to the sulphur dioxide emissions from these boilers. Coal from South East Durham could make a real contribution to such a development. While the Minister of the Environment Patrick Jenkin is on the record as supporting the aims of the 'Thirty Percent Club', he has been rather reluctant to push either for controls or clear directives.

A major tension exists between the Ministries of State (notably the Treasury and Energy) responsible for pushing a market strategy for coal, and the main Ministry concerned with the Environment. On issues such as open cast mining, acid rain and the sterilisation of coal reserves there is a strong case for a more telling environmental strategy. Certainly in the context of acid rain, the preservation of low sulphur reserves in pits like Horden and a directive which linked them with the slowly expanding industrial boiler market would make a lot of sense. To do otherwise is to run the risk of environmental costs which may not be as

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easily calculable in the short term, but which in the long term could be dire in their consequences.

It is clear that the corporate decisions made within both BSC and the NCB have had effects which (directly and indirectly) have cut deeply into the social fabric of the North East. They have (through colliery closures) had a major impact upon the lives of people in the coal mining communities and upon the District and County Councils which serve them. In the way mining has extended, through open cast, into rural locations the effect has been equally dramatic in the non-mining parts of the area. The question of the relationship between the rural (open cast) districts and the deep mining districts is most often understood as an antagonistic one. Here the competition for jobs is seen to be compounded by antipathy between urbanised/unionised working-class labour areas and more rural/non-union areas, with a higher proportion of middle-class people and Tory voters. While there is something in this polarised model (and we shall return to it in a moment) it is, in fact, a highly exaggerated assessment of these political and economic differences.

For example, while the rural areas *have* gained jobs from the decisions of BSC and NCB, they have also borne considerable costs. These costs have been 'environmental'. Valleys have been flooded and fields overturned and badly restored. Transportation from open cast sites is invariably by heavy lorries which often run through narrow roads and lanes. Given this, there has been considerable local objection to the manner and scale of open cast development in the North East.

It is important to point out that it was environmental groups and not the miners' union or the Labour-controlled councils which first organised a response to the chaotic developments which 'market requirements' were wreaking upon the region's coal economy. Repeatedly throughout the 1970s, as coking coal status rose, the NCB Opencast Executive attempted to open huge open cast sites in the Derwent Valley. There, the Derwent Valley Protection Society, in association with the Council for the Protection of Rural England, raised deep and serious questions about the logic which underpinned the extension of this form of coal supply. Increasingly they raised the question of 'need'. Why was this coking coal needed? For which markets? How certain was the NCB of the long-term stability of these markets?

These objections were outlined (and sustained) at major planning inquiries in the valley (Horsegate, Medomsley, Whittonstall, Woodhead) and beyond (Redbarns, Daisy Hill) and Inspectors from the Department of the Environment found logic in the argument and in the County Council's attempt to

create a 'no-go' area in the West. These inspectors also accepted – albeit implicitly – that the nature of coking coal reserves was such that they should be handled and used with far greater concern and foresight than was apparent in the Marketing Department of the NCB. Particularly worrying was the growing tendency to sell high grade coals to the CEBG in the form of Durham Opencast Untreated Small (DOUS). As one inspector put it:

I am not persuaded that the power station use of DOUS is necessary or warranted. On the contrary, I conclude that the use of coal whose heat-energy rating is considerably in excess of what is called for by the CEBG specification is wasteful, especially when valuable indigenous energy resources ought to be sparingly used.

It was against this background that the NUM withdrew its support for open cast mining. This support was obtained under the 1974 Plan for Coal and continued beyond 1980. Today the national union has argued that, in line with the recommendation of the Flowers Commission, open cast tonnage should be cut back from 15 million to nearer 5 million tonnes. In Durham and Northumberland the miners' unions are committed to the contraction of open cast coal mining in both counties and a negotiated reduction of output from the current level of 3 million tonnes. In this context, the Durham unions have, for the first time, attended planning inquiries and presented evidence which argued the case for deep mined coal and a more rational approach to coal production in the North. Their arguments have made an impact, and they point to the possibility of a political alliance between the union, environmental groups and, occasionally, tenant farmers. Certainly the prospect of such an alliance has emerged as a major consideration in the North given that further expansion of open cast mining is dependent upon *political* decisions within local government and beyond.

The prospect of an alliance was accentuated in the summer of 1984. Then, during the strike, miners became aware (many of them for the first time) of the scale of open cast production in the area. As one young miner from Murton put it:

We knew a bit about open cast, but we never knew the scale of it. We were amazed when we came over here and saw what was going on.

In part their understanding of the developments was couched directly in terms of economic interests – 'this mining is taking our jobs'. This understanding was assisted in Durham by the scale of the *private* sites, out of the control of the NCB. This became increasingly obvious during the dispute as the private operators

increased their output and sold coal directly to the power stations. It was those coal movements which brought the striking miners to the open cast areas. Banks' operation at Inkerman in Tow Law was a major scene for picketing in the first months of the dispute. Eventually the company took out an injunction against the Durham NUM and the court ruled that picketing of all of Banks' sites should cease. All this increased the feeling of antagonism between the striking miners, their union and the private operators.

They are just out to make as much profit as they can, and they'll do anything to make more profit. Anything. They're just private capitalists. Ruthless capitalists.

These words – uttered by the erstwhile moderate Durham miners' leader Tom Callan – carry all the more significance against the background of the nationalisation of coal in 1947 and with it the clear understanding that the private coalowners were to be removed from the industry.

This clear political sense of historical change is added to by the reaction of many of the young miners to the physical nature of the open cast sites. Those who visited the large sites around Buckhead and Wam were often deeply affected by the scenes of rural devastation which accompanied open cast mining:

I was brought up in the Bishop Auckland area and I remember the valleys and the countryside around there. To see it now. It's like being on the moon down there. What a bloody mess. It's complete devastation. It's terrible.

Many of them commented upon the way in which the quest for profit (often referred to as 'greed') adversely affected both the countryside *and* deep mined employment. A man from the threatened Herrington pit put it like this:

It's cheap coal. That's what those people and this government is after. Cheap coal and big profits. We can produce this type of coal – good quality coking coal – at Herrington. But they'd rather come out here and let those cowboys dig up the countryside because it makes more money. I don't think it makes much sense that.

Against this background the more assertive response by the NUM toward open cast expansion is understandable. It was this which initially led the union to oppose the NCB's plan for open cast mining in the Plenneller Basin. Before the announced closure of Horden, the union argued that the high volatile coals from the Plenneller site could be used to substitute for deep mined coals. On the announcement of the NCB's intention to proceed, the NUM strongly opposed the granting of planning permission and met

with the planning committee of the Northumberland County Council to press home their point of view. More interesting (or at least less orthodox) was their decision to send representatives to a public meeting called by the Parish Council of Bardon Mill, a picturesque village near the proposed site. The people there had been informed that the bunker and rapid loading system at the rail head would be virtually noiseless – 'like cornflakes falling into a bowl'. To this the Easington Lodge secretary explained how such a system operated, and the level of noise associated with it in his colliery. One local manual worker commented: 'This is the first time we've felt that we've been getting anywhere. You lads coming over.' This view was endorsed by the leading conservative lady in the village:

It's so good to sit and listen. You see, these NUM chaps are the experts – they know about the NCB; they know how it operates.

This was in September 1984, at the height of the conflict in the coalfields. It was one pointer of the potential for a new radical political initiative which could grow out of the disastrous experiences of public ownership in this country. The coal and steel industries gave expression to a demand for the abolition of private ownership of industrial capital and a more rational approach toward the planning of production. Both industries, in their different ways, were hijacked by the political appointment of MacGregor. His appointment made acerbic a reality which had long since existed. In the British experience 'nationalisation' has been a form of 'state capitalism', and in their world of operations these publicly-owned trusts have danced to the tune of the market. In this process what has been lost is an important critical sense of the *purpose* of production and the nature of a socialist or communistic *alternative* to capitalist forms of organisation and life. This – in the face of a rampant privatising tendency in the Tory government – is a major requirement for progressive forces in Britain. And the starting point for such a programme and a rethink is an open and honest appraisal of the experiences to date of the state sector industries. In such an appraisal the nagging reality from the North of England is that it is just these industries (state-owned coal, steel, railways, shipyards) and *not* the multinationals which have heaped most havoc upon the local economy. *This* is the fact which socialists need to come to grips with and go beyond.

56 Notes

1. *Coking coal: statement by the coal industry*, Mimeo, November 1979, p. 2.
2. Letter from Mr Milburn, Marketing Director NCB (NE) to Mr T. Callan, General Secretary, Durham Area NUM, 10 August 1978.
3. Letter from Mr D. Mate, BSC Teesside Works Director, 6 July 1984.
4. Letter from Mr M.E. Bradley, Marketing Manager NCB (NE), 21 August 1984.
5. Joint Coal Industry Consultative Committee, *Minutes*, November 1978.
6. *Coal Year Review*, *Financial Times*, 1985.
7. *County Structure Plan*, Durham County Council, 1982.
8. F.J. and J. Davies, *Evidence* to Witton-le-Wear inquiry, August 1984.
9. *NCB Statement to Northumberland County Council* over Plennmeller, 1984.
10. *Opencast Coal Mining*, Circular 3/84, Department of the Environment, February 1984, p. 3.
11. Royal Commission on 'Coal and the Environment', HMSO, 1982.
12. House of Lords Select Committee on Energy, 1984.
13. For a summary of this discussion see Fred Pearce, 'Geologists doubt the extent of British coal reserves', *New Scientist*, 3 May 1984.
14. 'Acid Rain - Coal's Unsolved Conundrum', *International Coal Report*, 24 May 1985.

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