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THE POLITICAL ECONOMY OF OPENCAST MINING
IN SCOTLAND AND THE NORTH EAST OF ENGLAND.

by

JAMES M. ELLISON

THESIS SUBMITTED TO THE UNIVERSITY OF DURHAM
FOR THE DEGREE OF DOCTOR OF PHILOSOPHY, Ph.D.,
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DEPARTMENT OF SOCIOLOGY AND SOCIAL POLICY
FACULTY OF SOCIAL SCIENCES
UNIVERSITY OF DURHAM.

Ph.D SUPERVISOR: PROFESSOR RICHARD K. BROWN

HEAD OF DEPARTMENT: Dr. DAVID CHANEY



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CONTENTS

Contents	P. i
Abstract	P. vii
Preface	P. viii

INTRODUCTION

Introduction	P. 1.

CHAPTER ONE

THE ORIGINS AND MOTIVE FOR OPENCAST MINING

i The Early Formation	P. 21
ii Crisis and Solutions in the British Coal Industry after the First World War	P. 23
iii The Politics of Opencast Coal Mining During the Second World War .	P. 33
iv Conclusion to Chapter One	P. 37

CHAPTER TWO

THE DEVELOPMENT OF OPENCAST COAL MINING FROM 1947

Part One: The Post War Strategic Supplement

i Post-Nationalisation	P. 39
ii The Economic Plight of the Coal Industry	P. 42
iii The Development of Opencast Coal Mining 1947 to 1972/73	P. 48

Part Two - Opencast Coal Mining: The Financial Light

i	Responses to the Deepening Crisis	P.54
ii	Political and Economic Change and the Expansion of Opencast Coal	P.62
iii	The State and Financial Regulation in the Creation of Surplus Value in Coal Production	P.66
iv	The Conservative's Government's Agenda of Privatisation	P.69
v	Conclusion to Chapter Two	P.74

CHAPTER THREE

THE COAL INDUSTRY IN SCOTLAND: HILLSIDE CRESCENT NO MORE?!

Part One: Political Behaviour in the Scottish Coalfield

i	Economic Nationalism	P.75
ii	Corporatist Tendencies in Scottish Coal Production	P.85
iii	Corporatism and Opencast Expansion in the Scottish Coalfield	P. 89
iv	End of an Era in the Scottish Coalfield	P. 96

Part Two - Commercialisation of Coal Production

i	Introduction	P.102
ii	Commercialisation of the Scottish Energy Market	P.104
iii	Policy and Trends in Production and Employment in the Scottish Industry	P.113
v	Holding the Market for Scottish Coal	P.128

Part Three - A Strategy for Coal Production in Scotland?

i	Opencast Coal in Court - The Best Laid Plans of Mice and Men	P.140
ii	Investment Hibernation - The Privatisation Prescription	P.146
iii	The New Era for Coal in Scotland?	P.162
iv	Investment Hibernation - From Theory to Practice	P.170

Part Four - The Boys of Ballymoney and Coalburn: The State's Agenda for Energy Provision in Northern Ireland

i	The Irish Market for Scottish Coal	P.125
ii	Opencast Coal Costs and Operations to Meet the Irish Market	P.188
iii	Lignite: The Brown Opencast Coal Alternative for the Irish Market	P.194
iv	Meeting the Irish Power Station Market for Coal	P.198
v	Arguments for Coal and Lignite - NIEDC Rebutted.	P.207
iv	Conclusion to Chapter Three.	P.215

CHAPTER FOUR

THE INFLUENCE OF OPENCAST MINING IN NORTH EAST COAL PRODUCTION

Part One - Employment and Production

i	Re-Organisation and Commercial Realism	P.219
ii	Productivity, Performance and the future of the Deep Mines	P.224
iii	British Coal Opencast Mining in the North East	P.228
iv	Output Supplies and their Market	P. 234

**Part Two - Narrowing the Gap: The Competing Costs
of Mining in the North East England**

i	Comparative Trends	P. 238
ii	Policy and Credulity	P. 243
iii	"Gannin' Back Brockens": The Merits of Incremental Mining	P. 246

Part Three - The Markets For North East Coal Production

i	Recent Lessons: Opencast and the Steel Market	P. 258
ii	Maximising Efficiency, Minimising Cost	P. 270
iii	The Blyth Power Station Market for North East Coal Production	P. 276
iv	The Thameside Power Station Market for North East Coal Production	P. 283
v	North East Coal Markets and the Effects of Electricity Privatisation	P. 286

**Part Four - Profit Maximisation and Coal Quality
in the North East Coalfield**

i	Coal Quality Ranking and the Markets	P. 296
ii	Deep Mined Coal Quality and their Market Alignment	P. 304
iii	Opencast Specifications	P. 308
iv	Coal Quality Specifications at Blyth Power Station	P. 312
v	Coal Quality Specifications at Thameside Power Stations	P. 316
vi	The Proof of the Pudding: Coal Quality Alignments under Test.	P. 320
vii	Conclusion to Chapter Four	P. 328

CHAPTER FIVE

ENVIRONMENTAL PLANNING AND STATE REGULATION OF OPENCAST COAL MINING

Part One - Power Control and Planning

- i The Political Context of Environmental Planning P. 333
- ii Planning Law and the State P. 348
- iii Secondary Legislation - State Regulation P. 354

Part Two - Opencast Mining, Public Interest and Private Gain: Contrasting Processes in Scotland and N. E. England

- i The Political Context of Opencast Coal and Environmental Policy P. 369
- ii Human Issues Arising from Public Inquiries P. 376
- iii Class and Alignments at Public Inquiries into Opencast Coal Mining P. 391
- iv Conclusion to Chapter Five: The Public Interest in Contrast P. 405
 - i Bartering the Public Interest for Private Gain in Scotland P. 405
 - ii The Public Interest and the Hand of the State in NE England P. 414

CONCLUSION TO THE THESIS P. 420

BIBLIOGRAPHY P. 426

APPENDICES	P. 459
APPENDIX 1. Methods Applied in the Thesis	P. 460
APPENDIX 2. Coal Classification System and CEEB Coalfield Variations in Rankings	P. 475
APPENDIX 3. Strathclyde Opencast Coal Investment Infrastructure Joint Strategy Statement	P. 479
APPENDIX 4. Monktonhall Colliery Infrastructure	P. 491
APPENDIX 5. Letter, Haslem to Steinberg	P.499
APPENDIX 6. Letter, W.Etherington to J. Ellison	P.505
APPENDIX 7. Corporatist Opencast Meeting Minutes (Scotland)	P.506
APPENDIX 8. North East [S1] and Scottish [S2] Surveys	P.509

DOCTORAL THESIS ABSTRACT

This is an interdisciplinary, descriptive, empirical study and analysis of the use of opencast mining in a complex process of commercialisation of the coal industry, its impact upon the environment and communities. Much of the initial research was undertaken during a series of public inquiries into opencast mining which provided the wealth of material contained in the thesis. The thesis advanced here is that the State has regulated the supply of coal through positive discrimination for opencast coal in the operation of the planning system and by arbitrary financial regulation of British Coal operations.

The argument presented is that despite contrasting approaches and political processes in Scotland and North East England, opencast coal production has been used as a common facilitator towards the commercialisation of the coal industry. Descriptive analysis is given of the changing strategic use of opencast mining across the decades, from its early commercial development and the policy of dual control to its intensive application to assist the coal industry meet government financial and operational directives. The expansion of opencast mining can be attributed to changes in the political economy of the 1970's, the application of the private sector ethos of input-output ratios and management control, the unprecedented (mis)use of secondary planning legislation and the continued use of narrow accountancy procedures.

Despite the denials of British Coal, in the North East of England opencast coal output has supplanted deep mined capacity and has been maximised to the limits of the Power Generators' specifications for burning coal to maximise profit and provide a 'bank' of assets to attract private investment. The strategy in Scotland shows opencast mining holding the markets during radical reconstruction of the industry, 'hibernating' investment to make the industry attractive for the private sector. Both strategies have been set within a general 'sweetening' operation of the coal industry.

The work assesses the changing policy process of environmental planning, planning law and the public inquiry process in relation to opencast coal mining. Two major attitude surveys in Scotland and North East England cover the social context of environmental planning policy, each confirm the marginalisation of the public to decisions made in opencast development. Certain themes define the scope of the thesis: The State's approach to energy policy and planning policy. British Coal's economic 'management' of coal production, as well as the attitudes of the public, public planning officials, British Coal and the National Union of Mineworkers in Scotland and North East England. Scrutiny of the market for coal and British Coal's claims for the need for opencast coal are given full coverage in light of the effects from the expansion of opencast mining on employment, the environment and people. Overall the thesis challenges accepted thinking on economic and planning policy aspects and technical requirements of opencast coal production in relation to deep mined coal.

PREFACE

This Thesis is presented in gratitude and recognition to my
Family, Comrades and Friends 'Both sides o' the Tweed'
without whom little would have been possible.

INTRODUCTION

The principal aim of this thesis is to analyse, explore, explain and challenge, where appropriate, the reasons for the continuing expansion of opencast mining output within the declining market for coal in Britain. The focus is placed upon contrasting political contexts of coal production in Scotland and North East England so as to bring under scrutiny British Coal's approaches to coal production and opencast coal in particular. This aim is developed through a theme of the thesis that the main expansion of opencast mining followed the collapse of the post war 'long wave' investment boom which forced the State into a new relation with commodity production and exchange. Under these new conditions the State then went about securing surplus value in the coal industry from the expansion of opencast coal mining, manipulating the Planning System and regulating financial control of British Coal as part of the preparation of the coal industry to return to private sector operation.

In an old house there is always listening
and more is heard than spoken
And what is spoken remains in the room
waiting for the future to hear it
And whatever happens began in the past
and presses hard on the future
T. S. Eliot Chorus from The Family Reunion

This stanza aptly characterises the political development of opencast coal mining, from whence it was first pronounced in the House of Commons (Hansard 1407-9 17/3/1942) as a panacea to the ills of coal production, to its full return to the stable of the private sector. Ever since 1942, the spectre of the strategic expansion of opencast mining becoming a reality

has haunted the political corridors of power, if not the industry. Only the combined lack of technological improvement, regressive economic conditions and political ideology prevented the progressive transformation from a mere small scale opportunist business to a large scale commercial enterprise. Now, expansionist aspirations which were sown in the 1940's to mine coal with the minimum of labour have come to fruition in the 1980's and 1990's. Opencast mining expansion as an economic imperative carries its own alien logic together with a double indemnity to the public through the loss of employment and environmental amenity. Historically, opencast coal mining has been envisaged as 'coal production without the need for miners' (Hansard 1407-9 17/3/1942), portrayed as a 'supplement' to deep-mined output (CENE 1981), and justified as 'a necessary evil' (Clarke NUM, CCC, 1988). The State regards the appropriate level of opencast output should be determined by the market (Cmnd. 8877) and qualifies the need 'to maximise output to reduce average costs' (New Strategy for Coal 1985) because it sees opencast coal as 'an important source of low cost energy' to be expanded in the 'national interest' (Minerals Planning Guidance 3).

Until the 1980's, the motives for opencast development had appeared to originate in the Houses of Parliament in 1942 (CENE 1981). Efforts to establish more plausible origins and motives for the development of opencast have been justified by the exposure of a more humble process of opportunism and commercialisation in the first third of this century. Following the economic pressures in the coal industry coal owners and industrialists sought ways to stay solvent, those having a hand in opencast mining were aided in this by instruments of the 1930 Coal Act. This piece of parliamentary work facilitated the commercial development of opencast mining, and by design or default created conditions for continuity and technical progress through the demand for coal during and beyond the

second world war. Here, under State control, opencast mining moved from being a strategic supplement to deep mine coal production to one of a strategic replacement on pure commercial grounds. Emerging from an examination of the historical context it will be seen that the commercial origins of opencast mining also formed the basis upon which the state and the private sector combined from 1943 in dual control of the opencast sector. Initially opencast coal was projected as a supplement to overall coal production, in reality the State recognised that there was always a strategic alternative to deep mine output and manpower with later expansion having a largely commercial rationale.

In Scotland and North East England different means have been used to pursue parallel objectives - the dominance of opencast mining in coal production. These objectives stand in stark contrast to earlier years in coalfield communities. Where, as long as the pulley wheels of the local pit turned, little cognisance was taken of opencast mining and few voices were raised against the impact of its operations. Contradictions between opencast mining and deep mining never occurred to many people until the 1984-85 miners strike, despite the strenuous objections raised during the 1970's from environmentalists who were to form the backbone of opposition in the 1980's. On the back of raised political consciousness in mining communities in the 1980's, came public awareness of the competitive nature of expanded opencast coal production with its increasing intrusion into peoples lives and the continuing closure of deep mines.

The opencast expansion process is recognised as being indivisible from the wider social, economic and environmental context. Here, the issues of State deregulation, privatisation and global restructuring of the energy markets were gaining dominance in the political

economy. Evaluation and analysis of these matters has remained a central objective of the research, set as it is, within an historical perspective of the development of opencast mining and the commercialisation of the coal industry.

Comparative political and economic approaches to opencast coal production in Scotland and the North East will show that the State has intervened in the supply of opencast coal in North East England through the operation of the planning system, with regard to opencast coal. In Scotland it will be shown that corporatism avoided the need for more planning legislation as planners regulated the planning process in the interests of British Coal themselves. This stands in contrast to England where a confrontational approach to opencast development needed the legislative intervention of the State to maintain the supply of opencast coal. While NCB/British Coal have been expanding opencast mining in Britain since the early 1970's, there has been a continuous reduction in deep mined production which has shadowed the decline of the U.K. industrial base. The growing prominence of opencast mining shows pronounced regional contrasts in approaches to development, none more so than between Scotland and the North East of England. Unparalleled and unopposed access to reserves which British Coal have enjoyed in Scotland stands in stark contrast to the limitations placed upon their endeavours at expansion in North East England. Here, much of opencast mining development has encountered sustained and organised opposition. Many opencast mining applications have been 'called in' for a public inquiry in a concerted attempt to arrest opencast development for the potential impact it has upon people, their quality of life and the environment. Even so, many people appear marginal to the political and planning process despite the efforts of the people who represent and work on their behalf.

A.

In providing a comprehensive analysis of this radical shift over time in coal production, the focus upon Scotland and North East England is justified upon their contrasting historical political, economic, social and legal situation. Approaches to opencast mining in Scotland and north-east England contrast markedly through political culture, planning processes and legislation. Because each region has developed different approaches to opencast mining through varying political processes and alignments, both formally and informally, in response to the ideology of the Conservative government there was a need to determine whether the outcomes would also be dissimilar. However, the central concern in North East England has focused upon the propensity of opencast coal production to supplant that of the deep mines, based upon narrow financial criteria, contributing to unemployment in mining communities. Critical though this would be, it had barely been allowed to surface or grasped as an issue for the public in Scotland, despite being raised at a seminar for Lothian Regional Council (Edinburgh Evening News 17/11/86). Financial regulation of the coal industry has taken several forms. Evidence will show that a generalised sweetening operation of the coal industry at the taxpayers expense has been exacerbated by the arbitrary and flawed nature of British Coal's accounting procedures where 'shadow pricing' mechanisms devised by British Coal discriminate in favour of opencast coal. In Scotland, evidence reveals an unique process of 'hibernation of investment'; opencast coal has held the markets for coal while deep mined production has been phased out with substantial amounts of investment hibernating in and around super pits. The ideological imperatives of privatisation of NIES and British Coal emerge from the evidence that details developments in the west of Scotland. Here the State chose to 'rig' the market for opencast coal against lignite in Northern Ireland to meet its immediate privatisation objectives in Scottish Coal and NIES.

Another objective has been to identify the main processes in each coalfield region which, however different, have contributed to the present dominant situation of opencast mining. Management control in this process had apparently been increased through reorganisation across the industry to strengthen control of the labour process and increase surplus value. With it had come a radical shift in decision-making from the engineering to finance departments and use of the imperative of the market as an ultimate economic arbiter have been central to this strategy. In the shift to the cost/profit nexus, production units were not to be measured in terms of tonnage but as business units with input-output ratios.

Equally important, against those contrasting backgrounds, has been the use in-depth analyses and hypothetical models to expose the processes and practices underlying the State and British Coal's justification for the expansion of opencast mining, given the satisfactory reserves of deep mined coal in the face of a declining market for coal. The issue is raised by an examination of PGI markets in relation to the demand for deep mined and opencast coal. Interdisciplinary economic, coal technology and market analysis reveals that the technical suitability of many opencast coals in relation to PGI specifications denies rational reasoning.

From an examination of the Planning System the way in which planning law, policy legislation and procedures have been used to regulate the supply of opencast coal to consolidate its position in energy production is then carefully evaluated. Challenges have been made at public inquiries into opencast mining applications over the need to mine the coal at all in the light of the prevailing market conditions. These challenges have been singularly absent in Scotland. That was one reason why the survey into Scottish local authorities was undertaken, and equally in North East England to examine the public opposition's relationship

to opencast development. Contrast the role of coal in previous years where economic recovery was fed on expanded coal production with the monetarist approach of three decades later; translated into specific policy form, the process has meant that:

Coal production, like any other business, must earn a satisfactory return on capital while competing in the market place. The basic objective of British Coal must be to earn a satisfactory rate of return on its net assets and achieve full financial viability without government support. British Coal should maximise its long term profitability by concentrating on low cost production..... Either British Coal or the Government may propose additional objectives from time to time:

Secretary of State for Energy, Hansard Col. 206 11/3/87

It has been this emphasis on low cost production to meet the objectives of the 'ultimate privatisation' has meant that opencast coal output continued to be expanded at a greater rate than before in relation to deep mined output.

Much of the changes in the coal industry emanated from the 1973 oil crisis, the 1976 International Monetary Fund (IMF) monetarist impositions on the Public Sector Borrowing Requirement (PSBR) combined with the election of an government in 1979 which was to become increasingly authoritarian statist (Poulantzas 1978). These events had a profound and ultimate effect upon the coal industry which brought opencast mining to the fore in the political arena and dominate coal production.

Politically, the most telling aspect has been the apparent manipulative instruments of the State (Jessop 1990 pp. 341-2) and the regulation of coal production during the transition to commercialisation of the public energy sector and the coal industry in particular (Fine 1990). It is precisely because the State's previous concern with production has contrasted sharply

with the radical shift to financial control of the industry post 1976 through the auspices of a Treasury quango where:

An overwhelming impression of our research in the NCB was the way in which financial management was consciously being cultivated in the industry. Our observations also suggested that these processes were being stimulated by the State..... since the late 1970's the Treasury has made its influence felt through its pursuit of cash limits and the control of the public sector borrowing requirement (PSBR)..... defined by private sector conceptions of input-output ratios and 'good management practice'.

Hopper et. al. Management Control and Worker Resistance in the National Coal Board: Financial Controls in the Labour Process, p32-33. Occasional Paper No. 8512. UMIST, 1988

that causes much stimulation in the development, exploration and analysis of the work.

Drawing from these themes and issues the thesis focuses upon the way in which a prescriptive policy has existed for the coal industry to turn it into a commercial business for operation in the private sector. The States task has been to set a framework so that the market in energy generation was created and coal traded as a commodity in the energy sector. As a result the State has discriminated in favour of opencast coal mining working within a context in which there was a contrived need for opencast in Scotland and no technical need for opencast in the North East of England. From this comes the main thesis that the State has regulated, assisted and facilitated the expansion of opencast mining's share of total production in Scotland and North East England, restructuring the coal industry in the interests of private capital accumulation. This has been done in an dual approach by asserting control of the planning system and the financial regulation of British Coal (Hopper et al. 1988). In the believe that this has been decidedly achieved I will now proceed to give a guide to the thesis.

Chapter One highlights the processes which shaped the structure and determined the nature of the coal industry to the end of the second world war with the purpose of revealing the development of opencast coal mining. The period was a history of struggle for miner and owner alike. Control of the industry and accumulation of capital were affected by the booms and slumps of economic cycles, as to a great degree were the responses of the working class (Page-Arnott 1961). Returns on deep mine production continued to be unfavourable.

Because of this, the coal-owners, often assisted by the State, tried to control not only the labour process to extract surplus value, but the recording of history too; a process found necessary to legitimate class positions and their control over the energy industry.

The effects of the First World War reparations, the financial crises of the 'middle twenties' and the meanness of the coal owners may have contributed to the beginnings of opencast mining production. But how passive was the State in these proceedings? It did after all introduce legislation to assist the coal industry including the 1930's Coal Act. The State had also been monitoring opencast coal production since before the Second World War and in addition the new opencast sector had representatives in parliament. The chapter will examine to what extent these factors, combined with the coming of World War Two, contributed to an early resolution to find an alternative mode of production - opencast mining to counter the problems in the industry. Using records from the Mining Engineering Institute in Newcastle - upon - Tyne, contributions from interviews in both Scotland and the North East and works on history and the recording of history we try to establish that of opencast mining began on a commercial basis in the 1930's, supported, if not prompted by the State. From then on it is shown to be a response to economic conditions that continued with government support as a dual-controlled industry (private and State).

Chapter Two follows the ascendancy of opencast mining during the period of nationalisation to circa 1979, examining the reason for its development during this critical period in the British economy. Particular attention is paid to the catalysts for opencast coal expansion. Following the fall-out after the 1973 Oil Crisis, the 1974 Coal Strike and, the 1974 Plan for Coal, a planned expansion which was unfulfilled except for opencast coal output. The Transition to post-Fordism and radical economic change in Britain was marked by the intervention of the International Monetary Fund (IMF) in 1976 followed by the rise and election of a conservative government with an authoritarian ideology. The Treasury then prepared the ground for a different rationale for coal production culminating in the 1985 New Strategy for Coal which determined that only the lowest cost output, especially opencast coal, should remain in production.

Attention is focused on the relationship between the State and British Coal arising from these events so as to analyse the extent of the link between the expansion of opencast mining and "financial controls in the labour process" (Hopper et al. 1988). Ever since nationalisation the low price at which coal has been sold has taken surplus value out of mining to the benefit of the electricity supply industry and other purchases. The purpose of this was to provide industry with low cost electricity. The 'shift' from the rationale of production to financial targets and the commodification of coal was challenged in 1981 and 1984/5 by the miners. This 'shift' appears to indicate the distribution of surplus value out of the public sector energy industries to the private sector, and remains at the heart of a policy of cheap energy for industry even under privatisation.

Chapter Three analyses the background to the current state of energy provision in Scotland which has given rise to the dominance of opencast mining in coal production. Based upon empirical information, analysis is undertaken of British Coal's planned re-emergence for coal in Scotland based upon U.S. models of coal mining and the central role that opencast has played in this proposed new future for coal in Scotland.

Given the history of militancy of the Scottish NUM it may come as a shock to find that the Scottish labour movement proceeded on the unlikely path of not opposing opencast coal production. At times, working with British Coal, they have actively supported such development in breach of N.U.M. national policy and the belief that opencast coal production directly substitutes the production from that of deep - mines. Nationalist tendencies embedded within the political context of coal production and the economy in general in Scotland have led the labour movement in a direction different to that in the North East; in comparison the Scottish NUM have much less to show for such a corporatist stance.

As the planning process is critical for the development of opencast coal it is instructive to focus upon the direct influence of such corporatism between N.U.M. and British Coal as it permeated the district councils chambers where predominant labour members sat in office. This influence has been obvious in the paucity of public inquiries into opencast coal mining in Scotland. In their efforts to maintain a profile for coal in Scotland the coal industry has fallen prey to the aggressive approach of the Power Generation Industry. The Power Generation Industry (P.G.I.) in Scotland, under directives from government, needed to become more cost effective (Kerevan and Saville 1987). Using the mechanism of 'bargaining counters' it

produced, by design or default, three processes. The first was to assist the government's directive to British Coal management to rationalise and reorganise their production in Scotland so as to maintain their markets. Secondly, by doing so the 'organisational culture' of British Coal changed and the industry was primed for the private sector. And thirdly, as a result, cheaper supplies of coal were achieved from indigenous sources. These cheaper sources of production were to be found from opencast coal mines and British Coal now gives high priority to opencast coal production in Scotland.

With the aid of material from sources in Northern Ireland and Multinationals an analysis is undertaken of the claimed market for coal in the light of the plans of multinationals to develop the lignite reserves and the privatisation of the Northern Ireland Electricity Service (NIES). The NIES market for the Scottish Coal Industry and opencast mining production and pricing arrangements will be scrutinised. The purpose is to test the justification and demand for opencast expansion, the long term viability of the market for coal and the need for millions of pounds of road, rail and port infrastructure in the west of Scotland. Equally, the State's efforts to create a suitable climate for commercialisation of the energy market across both sides of the Irish Sea has been an important influence upon the eventual outcome. The coal industry in Scotland is tied closely to the markets on its doorstep. Scrutiny of the actual process suggests the ingenious priming of the industry in Scotland for the benefit of the private sector.

The focus on the North East in the next chapter is perhaps the most important. It is here that the greatest struggles have taken place against the State and capital (often in the guise of British Coal), to extract surplus value through the expansion of opencast mining and the

closure of less profitable output from deep mines. Examination is made of the claims for British Coal's case that the markets need the levels of opencast output they appear so determined to achieve. As the State places so much emphasis on the cost/profit nexus, the competing costs of mining coal are compared and scrutinised in relation to the suitability, quality, specification and full costs of all coals designated for the PGI market. The supply and markets for North East coal are assessed to test the accuracy of British Coal's claims that opencast coal is 'a superior product than deep mined coal for which there is a real and specific demand'.

From insights into the marketing operation of British Coal through two major figures in marketing in the North East and Scotland (Kerry and Knox), allied to the information gleaned from public inquiries into opencast mining, evidence has been amassed to suggest that certain deceptions were perpetrated by British Coal over the qualities, costs, need and markets for opencast coal.

Contrary to the claims of British Coal it is proposed that opencast coal needs deep mined coal to be a marketable product, not vice versa. An Analysis of coal quality alignments, to PGI specifications at Blyth and Thameside power stations, provides some revealing evidence. Such evidence de-mystifies British Coal's strategy of maximising surplus value and minimising costs in meeting the market for coal. The hypothesis is made in the belief that deep mined coal is more than an adequate fuel source in meeting PGI specification on several counts, while opencast coal is not.

In addition, British Coal are showing every intention of holding their markets with coal production based upon accounting techniques that exclude marginal and social costs, despite having been frequently criticised for their accounting procedures (Glyn, 1984; Berry 1985). Furthermore, from evidence at public inquiries, not all additional costs are taken into account in opencast coal mining. What has happened in the North East coalfield provides a fundamental lesson on the State and regional energy and industrial policy. Massive increases in deep mine productivity brought with it over-production of coal yet the scarce resources of opencast mining have not been 'hibernated', but the profitable deep mines have been terminated.

Because the opencast sector operates within the planning system of planning laws and processes such as public inquiries British Coal plans for expansion can be brought under public scrutiny. This process, epitomising democratic elitism, also shows the invidious contradictions for the State in mediating between the demands from a democratic process it devised in a time of consensus and the renewed pressures from capitalism operating in a monetarist framework at a time of crisis for capital accumulation. For this reason we explore the manner in which the State has managed the planning system to accommodate the expansion of opencast mining and the effect this has had on people and the environment.

Attendance and recording of proceedings at public inquiries have shown that opponents to opencast coal mining have brought British Coal and others to book at public inquiries. Their challenges to the information and data upon which British Coal based their efforts to secure the expansion of opencast coal made serious inroads into the fabric of their case for opencast mining development. Public inquiries also throw up unusual alignments; in a united

opposition they have also revealed class cleavages within and between the participants.

However, public inquiries have their limitations; and 'instruments of the State' have redressed the balance in favour of opencast development.

Historically, planning legislation covered opencast mining nationwide. Now that principle has been cast aside in an effort to undermine the public opposition. In doing so many planners believe the State has brought the planning system into disrepute as it fails in its intention to consider properly the public and the environment and merely serves the interests of the State and capital. The argument has taken on a new dimension in recent years from pure environmental problems to power and control over people and their environment by subjugating the planning process to the demands for profit.

Mineral Planning Guidance 3 (MPG3) has shifted control away from planning and the public in England. In Contrast, in Scotland Circular 23/1987's crucial paragraphs 15 and 16 with regard to proving 'market need' still remain but they have never been invoked by planning officials for or against an application. But even in the North East, there have been doubts as to whether the public interest has been served. We further propose that, whether by design or not, the current planning process and law serve the strongest interests and in almost every case that is not the public but the energy industry. The exercise of control of decision making is becoming more removed from the public. The problem does not only lie with the public's power to manage and control decision making in opencast mining so much as how that control is exercised. Essentially, the State manipulates the supply of coal by 'managing' the planning system and through financial regulation of British Coal to extract surplus value. This being an exploratory thesis covering new ground of an on-going process and debate in

political economy, is made all the more complex by the privatisation programme of this government. While the State is a central player, it is not the purpose of this thesis to provide a coherent theory of the state, this has been attempted elsewhere (Offe, 1984, Crouch, 1979, Habermas, 1976;). For my purposes the State arbitrates between energy industries to assimilate private accumulation of capital.

CHAPTER ONE

THE ORIGINS AND MOTIVE FOR OPENCAST MINING

i. The Early Formation

The long decline in the coal industry after the first world war was preceded by a period of prosperity which shielded inbuilt tendencies and structural anomalies (Garside 1971).

Manifest in the labour relations of the period, they produced continuing constraints, conflicts and crises over control of production that were to a great extent the origins and motives for commercial opencast mining. Current thought still maintains that opencast mining was developed to sustain coal production especially during the 1939 to 1945 war (POWE.40 1946). Formal origins of its development arguably lie in the years during the first world war (POWE.40 1946). However, its utility has been realised from 1918 and its strategic value in coal production was seized upon during the 1930's. With dual control of the opencast industry maintained for the private sector in 1943, it has remained in relative hibernation until developed into a greatly expanded process during the 1970's and 1980's.

Overall, opencast coal mining has been developed as a response to various expediencies in the coal industry which were part of the wider crises in capitalism. More by default than design, the seeds of modern day commercial development of opencast mining were sown in

the 1930 Coal Mines Act (1930) and the Coal Mines Reorganisation Commission (1933)(CMRC). Arguably, the early origins of opencast mining lie in the informal workings such as those on the banks of the river Wear west of Bishop Auckland and around Greenside in County Durham and at Dollar, Cumnock and Mauchline in Scotland from the turn of the century. Here, according to local knowledge, estate workers joined miners in surface/drift workings of exposed seams. The recognition of these early developments should be placed in their true political context of the politics of opencast coal mining -- its relationship to landownership, capital and labour (Benwell CPD 1979; Fine 1984) and set within the context of the ongoing crises of capitalism (Aglietta, 1982; Baran and Sweezy 1968; Boreham and Dow 1980; Kalecki, 1933; 1939; 1954; Scase, 1980). It is arguable that because of the poor organisational and technical progress in opencast mining limited profit was made from it until the early years of the second world war. However, its potential as an additional and alternative source of income was well learned between the wars (P.E.P., 1936. 1947) as enough profit was made for its advantages to be praised in parliament at the beginning of the war (Hansard, 1407-9, 17/3/1942). It was at this point, opencast coal production was realised as a strategic element in the control of production by both state and private operators, especially in terms of finance and displacement of manpower (Hansard ibid). Scotland and North East England in particular were to experience the endeavours of opencast development. At this point it was always in the background but always available, in latter days opencast coal mining has been brought out to serve both as a financial prop, as a method of regulating production, and as a facilitator of industrial change.

ii Crisis and Solutions in the British Coal Industry after the First World War

Crises in the capitalist system, with notable exceptions, do not appear overnight, as in some 'crack in the wall' from subsidence. On the contrary, the experience of the British economy this century has been one of deflecting and absorbing one crisis after another. Indeed, some commentators argue that capitalism in striving for accumulation lurches from one crisis to another (McFarlane, 1982) and that the system has inbuilt

structural aspects which clearly militate against any simple strategy for its resolution.

Clegg et. al., 1986, Class Politics and the Economy, pp.345-6

From at least 1900 we have witnessed the attempts by various regimes fighting to maintain control of a coal industry in continuing decline.

Early in 1913 the colliery owners, many of whom had capital invested in land, and consequently 'opencastable' coal, were giving lessons in history on how they were central to the process of wealth accumulation. After all, the coal industry was enjoying the fruits of a period of prosperity, culminating in 1913 in a record year of output levels with high royalties to land-owners and coal exports. (Court, 1945)

Whatever views may be expressed as to the absolute right of the individual to property in land, and allowing that on occasion the exercise of such right may have been abused no student of history can fail to see that the prosperity of this country has been intimately associated with the stability of landed interest.

Colliery Guardian P.915 May 2nd 1913.

The relationship between coal and land ownership cannot be overstated across this century (Fine 1990; See Chapter 5. also). Arguably, the power and control landowners wielded placed colliery owners in a strong position to exploit surface coal reserves to alleviate the loss of markets, revenues and production. Taylor (1961) argues that the period of prosperity for coal owners in a buoyant market situation hid underlying movements affecting cost and production. Equally, those who rented land to exploit coal reserves were keen to avoid paying more royalties to landowners than were necessary. Continuation of this situation was exacerbated during the First World War by the government's policy of 'coal at any price' and the winning of flat-rate wage increases by the miners union in the two successive years of 1917 and 1918.

The first national coal strike took place in 1912 and was followed the next year by the first 'Triple Alliance' of the Miners Federation of Great Britain (M.F.G.B.), the National Union of Railwaymen (N.U.R.) and the National Transport Workers Union (N.T.W.F.). Political events such as these were not without effect and influence upon the industry. Towards the end of 1913 concern grew amongst coal owners and politicians over costs and production of coal. Periods of industrial action produced gains for the miners and concessions from the coal owners through legislation. Profit margins were narrowed to the point where it chastened the owners to comment with some alarm:

There is a marked tendency --- to an increase in the cost of fuel ----The upward curves of prices and cost of production must soon reach a limit at which no further elasticity in output is possible.

Colliery Guardian Dec. 5th 1913, p.1170

Following the expression of these concerns in the closing months of 1913 came the advent of formal opencast coal mining in Britain(POWE,40,1946). After the first World War, Pease and Partners (Annual Report 1920), along with the North Bitchburn Fireclay Company indulged in quarrying for materials including coal at various points in the west of the region. Evidence from the Greenside Public Inquiry indicates that small scale workings continued for the extraction of coal and other materials after the First World War if it was available and profitable.

If you had to look for a specific reason why coal owners and the state supplemented deep mine coal output and revenue with that from opencast mining then look at the industry's industrial relations and its financial state. In 1912 Mr. F.H. Macleod of the Labour Statistics Department recorded that wages disputes had formed 86% of time lost in the coal industry, and:

**The outstanding feature of the year was the national dispute
..... in which about 1,000,000 workpeople were involved ...
... and 30 million days lost.**

The 25th Report on Strikes and Lockouts in the U.K. 1912 to
the Board of Trade

British coal production at the end of 1913 stood at 287 million tons with 94 million tons going to export. The political arrangements of the Versailles Treaty had a dramatic effect on this performance. German reparations of free deliveries of coal to France and Italy virtually supplanted exports from Britain to these countries. In addition, there were other contributory factors from which the British coal industry never recovered.

The first of these affecting the coking coal market was the more efficient methods and usage of coal in the steel industry. Secondly, the British Navy and Merchant fleet changed over to oil and diesel from coal (Royal Commission on Coal Industry, 1925). Thirdly, the former export market countries were determined to be more self-sufficient and to look for lower cost sources of energy. Indications of the crisis and the owners' attempts to control profit margins in the industry through rationalisation of labour and production have been observed in various studies (Feinstein 1976; Page-Arnott 1961; Buxton 1978; Heineman 1944; Supple 1987)

From the high output years of 1923 and 1924 when production reached 276.0 and 267.0 million tons respectively the trend, despite some notable achievements in 1929 and 1937, was downward to 227.0 million tons in 1938. Employment in the mines in the early twenties steadily contracted from 1,200,000 in 1920 to 781,865 in 1938. Significantly, output per manshift (OMS) rose steadily from 1929 until 1937 with Heineman (1944) finding that OMS rose by 31% between 1924 and 1938. Much of this increase, an apparent result of mechanization (Supple, P184-85), could not be generalised across every coalfield in Britain and certainly not in North East England and Scotland. Nor is the other claim by Supple of the relationship between the decrease in total costs, an increase in OMS and mechanisation conclusive as he suggests. Mechanisation in Scotland and North East England did increase but was ineffectively applied. Over the years from 1927 to 1939 no appreciable gain was made in OMS from the introduction of mechanisation on the coalfaces in these areas. There was little difference in wage costs

and total costs between Durham and Scotland, yet Durham was substantially less mechanised than Scotland. Having double the levels of mechanisation does not mean a guaranteed increase in OMS, a reduction of costs or that "total production costs remained comparatively low in Scotland and Northumberland" (Supple, P185) when the ratio of costs and mechanisation are compared with those in Durham. The performance and returns on this investment in Scotland and North East England must have been viewed with some dissatisfaction, especially in Scotland with extensive mechanisation.

Moreover, we learn that the industry was in a "deplorable state" and that Wallace Thorneycroft and Sir Adam Nimmo, both with extensive interests in coal in Scotland, regretted that wages could not be depressed further without government subsidy to the miners (SCOA, 9 May 1927). It is clear coal owners were looking to lower the costs of coal production but even mechanisation did not provide the complete answer. Critical observation of the coal industry at that time from a prominent economic journal confirms its parlous state:

Between that year(1923), however, and 1930, and in particular in the four years succeeding the general strike, output, number of persons employed, tonnage exported and proceeds per ton all substantially declined, whilst in 1927 and 1928, the industry as a whole worked at a loss.

Roberts A.S. P.78, The Marketing of Coal under the Coal Mines Act 1930, The Manchester School, 1938.

The increasingly poor situation in the coal industry was met with a response by the government through the Coal Mines Act 1930 to improve the finances of the industry. Though its impact varied from area to area it was a fairly unproductive piece of legislation. Part II of the

Act, which involved the CMRC attempting cartelize the industry into larger units, stuttered to a stanstill in 1935 under instruction from the Ministry of Mines. The consternation of some coal-owners who saw it as a fetter to their operations was balanced by the fact that for others it sought to arrange previous anomalies into quotas of production district by district, production unit by production unit. The 1930 Coal Act's overall success was marred by its failure to stop cut-throat competition, and its inability to develop Parliament's intention of modernising the structure of the mining industry. Most importantly, it was however the first piece of legislation to give acceptance to opencast coal mining as a legitimate process of producing coal without incurring excessive labour costs. The State, from this point in time accepted that opencast coal mining had commercial value and potential:

Disposal of opencast coal is the responsibility of the
selling organisations set up under the Coal Mines Act 1930
P.E.P. (1936:) p.70

In areas such as Durham it was also possible for the colliery owner to
continue to sell his own coal and find his own customers
Roberts A. P.89

With 'landsale coal' (direct sales) still the most lucrative operation in private coal production we can well understand the desire of owners in the 1930's to effect sales which circumvented the Sales Committees. For it was these same Sales Committees which attempted to control the quantity and quality of tonnages, prices and conditions of sales. The best possible opportunity for circumvention was from opencast mining as it did not come under the same scrutiny from the Sales Committees as deep mine operations. Geared as they were to the sale of deep mine coal, little monitoring of opencast operations took place, with some

lower cost opencast outcrop also sold as deep mine coal. The process has parallels with operations in the late 1980's with opencast and imported coal sold directly as opencast/deep mine coal. Officially some 15,000 tonnes of coal came from 'quarries' in the North East each year in the 1930's (Min. Fuel and Power Table 150, p.128). In the drive for surplus value opencast operators have to this present day been economical with the truth; even British Coal officially produce 10-15 per cent over their stated tonnages. With the state relying to a large extent on the coal companies for production returns opportunities for deviousness in reporting the production of coal were exemplified by:

Many evasions devised to get past the scrutiny of the independent accountants appointed by the Executive Boards even to the point of setting up selling agencies whose main purpose was to show an economic loss in order to gain trade. Factors, Merchants, Dealers and the Co-op all had a finger in the pie.

Roberts A. p.86 and p.93

The 1930 Coal Act, was a response of the State to rectify the pattern and trends of crises in the coal industry. From this Act came acknowledgment of opencast coal production development as a commercial operation. The relative price of coal was unchanged between 1933 and 1938 even with the G.D.P. and industrial production both growing by 2.4 per cent between 1929 and 1938. This poor performance is confirmed by the figures for total coal consumption which in stark contrast increased by only one per cent while wages and other costs rose rapidly towards the end of the 1930's (Feinstein, 1976, Table 10). Increasingly, the industry was looking for salvation and it came in three ways, firstly from improved technology in opencast mining, secondly from its largest customers and thirdly from the state and the second world war.

In the Colliery Guardian of January 29th 1937, "The Smith `Seven' Excavator" was given whole page advertisement coverage. While there was no mention of its coal removal statistics, there were special highlights of how fast it could remove the overburden:

An output of 30 cubic yards per hour of earth and 10 cubic yards per hour of boulder clay.
Colliery Guardian 29/1/1937, P.209

Significant though this was, what prevented the full blown development of opencast mining at this time were the technical and organisational considerations of extraction. Put more simply: if the overburden ratios were too high, the extraction of coal would either not take place or be abandoned. However larger excavators such as `Smiths' helped ameliorate the costs of extraction, albeit in a relatively crude fashion. It and other technical advances prior to 1940 had helped make an industry out of opencast mining.

There were other reasons for advancing the technology of opencast mining - political rather than economic. Industrial relations between the miners union and the coal owners continued to break up over the issue of wages and the pressure for a national wages agreement. Against the background of a general election the Miners Federation of Great Britain(MFGB) on October 17th 1935 had supported the executive committee's recommendation for a ballot vote to "enforce the claim for a flat rate advance in wages..... and the executive committee be empowered to conduct any negotiations on the present wages demand". The vote was carried by 320 votes to 172 votes. The 113 Durham delegates voted against the motion, while the 33 Scottish delegates voted for, as did

the 27 Northumberland men.

The government had attempted the postponement of the ballot vote and the coal owners refused to negotiate on a national level. The result of that ballot, held between the 11th and 13th of November, was in favour "by the largest majority in our history" of a ratio of 14:1. What added to the mounting pressure upon the government was the Durham area miners voting by 73,765 to 7,120, against the inclination of their leadership and the expectation of the owners and government. Then, in a most telling statement in support of capital and class, the government pronounced that:

The government is not prepared to adopt the suggestion made by the MFGB that a subsidy should be granted from public funds to augment wages in the mining industry..... The Government will use its good offices to assist the coal owners in their endeavours to secure voluntarily from big consumers increases in price for the specific purpose of increasing wages.
Quoted by Arnott P. in The Miners in Crisis and War:
A History of the MFGB, p.192

The prospect of the strike becoming reality was brought into sharp relief when the MFGB Executive announced the date for 27th January 1936. Propelled by a sense of concern and anxiety the biggest firms entered into a remarkable voluntary agreement with the coal owners and the State:

Imperial Chemicals(ICI) wrote to the Mines Department agreeing "to an advance over 1935 prices of one shilling per ton under all their forward contracts..... bettering the wages of workers in the coalmining industry"
Arnott P., The Miners in Crisis and War:
A History of the MFGB, p.171

'Blue chip' industries such as ICI stood most to lose should there be a

national coal strike; gas, electric and iron and steel firms followed in bailing out the coal industry. With coal the most important commodity in furnishing their contracts, continuity of production was equally vital to capital as well as to the State, manufacturing the major material contributions in the build up to the war. In a remarkable volte-face the miners union praised the initiative by the 'blue-chip' industries allowing them the continuity of production they, the State and the coal industry desired. These developments, however served to underline the continuity of the crisis in the coal industry and the economy and the amenability of the coal owners to opencast mining development in their search for profits.

iii The Politics of Opencast Coal Mining During the Second World War

While the conditions of the inter-war years created the climate for the development of opencast mining, it was the opportunist conditions of war that established opencast mining as both a strategic commercial element in coal production in Britain. In what may have been a contrived coal crisis at the outbreak of war (Pimlott, p.35, Supple, p.538) coal was to be produced at any price and with this opencast coal output was expanded to meet the war effort. Significantly, opportunists in the opencast industry represented their interests in parliament, and had ideas on the future structure and control of the coal industry. An indication of how well developed the opencast industry became during the 1930's came from the founder of one of the 1990's prominent operators, Fairclough-Parkinson, when he stated:

I recalled that for many years past in certain parts of the country it had been the practice to exploit the surface mines. I therefore suggest to my honourable Friend that he should employ the civil engineering industry with their modern machines to exploit the surface coal.

Major Braithwaite M.P., Hansard 1407 17th March 1942

Then, outlining the financial advantages of this alternative mode of coal production, we are given an indication of the motive for expanding development of opencast mining.

In my opinion there is not less than 50,000,000 tons of coal of burnable quality which is within 30 feet of the surface in this country. I also want to make the point I have practical experience of this, that the coal which is being got out is being got out at economic prices. It has not been got out at any more cost than that which is being mined underground.

(my emphasis)

Major Braithwaite M.P., Hansard 1408 17th March 1942

Disclosures that comparative costs were made between opencast and deep mined output are quite revealing. Clearly, to arrive at this conclusion previous exercises in the 1930's took place and the industry was being financially assessed for the future. Moreover, as 'economic prices' and comparative costs were not part of the government's criteria in wartime, but 'coal at any price' was, there appears to be an agenda for the opencast operators different to that of the State at that time. Ardent descriptions of the efficiencies and the comparative advantages of opencast mining continued in graphic detail the opportunities presented by opencast mining:

I am willing to show the hon. gentleman the figures, because I have been closely in touch with this business. I say in all sincerity that here is a tonnage which is the equivalent of the work of 20,000 miners if it is put on a proper basis. Will the Minister see that in his own Department a proper organisation is provided to deal with this surface coal and that he will not let it into the ordinary routine of mining, because so many problems are involved.

Major Braithwaite M.P., Hansard 1409 17th March 1942

Industrial relations and the separated control of opencast mining from the influences embedded in deep mined production were of major concern for opencast operators. Its attractions lay as an economic and strategic alternative to deep mine production having the potential to replace and control labour as well as ameliorate production and labour costs. The opencast sector was looking beyond the war to the development of this alternative mode of coal production and if there was any doubting the ability of its operators then this could be countered by the fact that:

The civil engineering industry has the machinery available and we can stack 10,000,000 tons a year if the proper effort is made at the top, as I hope it will be.

Major Braithwaite M.P., Hansard 1411 17th March 1942

In April 1943, Braithwaite, supported by 128 other M.P's, placed a motion before the house with reference to Defence Regulation 54 C.A. to reduce state interference and control of the opencast industry. 'Dual control' was an important political move influenced by the private sector in an effort to keep control away from the trade unions. The motion was successful. Opencast mining has since remained operated by contractors from the civil engineering sector. Maintaining this form of operational structure was to have important ramifications much later for the coal industry.

Up to a quarter of opencast production came from North East England during the war years (no full records exist from Scotland). This is hardly surprising as the opencast sector in the North East was well developed by 1943. With 38 sites worked out by 1943, and given the development life cycle for a site of 2 years, the commercial beginnings of opencast in North East England must extend well back into the 1930's and not in 1942 as convention would have it. We also know that officially, "In 1942, 50 sites were being worked with a total production of 70,000 tons per week" (P.E.P. 1947 p.69) and at least one third of those were in the North East, given the number of sites 'worked out'. Knowing the process of such development, these sites are likely to have succeeded a reduced number of other sites. The basis for this process is illustrated in Table 1.1.

Table 1.1

**NUMBER OF OPENCAST MINING SITES IN
NORTH EAST ENGLAND AND SCOTLAND UP TO 1946**

	Working/producing	Working/non-producing	Worked out
NORTH EAST			
at end 1943	24	1	38
at end 1944	32	1	24
at end 1945	29	5	26
at July 1946	33	1	10
SCOTLAND			
at end 1943	1	4	0
at end 1944	10	5	3
at end 1945	8	3	10
at July 1946	10	0	2

Source: P.E.P. 1947 The British Fuel and Power Industries, p.69

The U.S. process of contract working, with the contractor responsible for engineering, planning and extraction was adopted in opencast mining after the finding of a British 'mission' there to learn of new techniques in mining. The contractor was paid a 'tendered' price per ton of coal delivered and mining was undertaken on the basis of "separate payments for the removal of overburden and the winning of coal on a yardage basis" (P.E.P., 1947, p.72) This was an economic turning point for opencast mining, it almost guaranteed profit for the contractor, but not necessarily for the state because during the war:

Its chief value lay, in the fact that it released higher grade coal for essential purposes.

P.E.P. Report, 1947, p.70

It was always the State's intention, as in the 1914-18 war, to mothball their sponsorship of opencast mining. However, the decision by the Minister of Fuel to "wind up" opencast mining was reversed in 1946 when the Minister stated it would continue indefinitely. Possible coal shortages were the accepted reason but it was more than one assessment of the advantages of opencast mining that may have encouraged the State to continue its involvement with the opencast sector.

The cost of winning is said to be comparable to the normal mining cost and output per man is much higher..... the winning of this type of coal does not need skilled miners.
P.E.P. Report. 1947, p.69

In years to come this turned into a truism as opencast output was used as a strategic replacement for deep mined production in the extraction of surplus value.

iv. Conclusion to Chapter One

Overall, the commercial development of opencast coal mining originated in an expedient way during the continuing crisis of the coal industry after the 1914-18 war. From commercial acceptance in 1930 Coal Mines Act it was expanded during the 1930's as an economic alternative to deep mined production, then underwent its more formal development by the State during the 1939-45 war. Motives for its development were more sophisticated than crude profit-taking. The experience of previous years taught the private sector and the State that an alternative and strategic element of coal production outside the control of a strong unionised workforce was essential to the well being of capital

formation. The 'dual control' operation of the opencast sector by the State and the private sector was to be sustained throughout the nationalised operation of the coal industry in a similar way to which the deep mines were 'dual controlled' from 1942. With great insight at that time Bevan had seen the State as the 'guardian of private interests' and dual control as:

Economic Fascism debated in a tepid atmosphere because all the various interests had been squared beforehand.

Bevan A., Hansard 11th June 1942 cols 1294ff.

Braithwaite M.P. orchestrating 'dual control' had been the opencast operators' strongest advocate and obviously endeared the State to the economic and political arguments against 'impediments' to the free operation of opencast mining; these arguments were never to go away even under a nationalised coal industry.

CHAPTER TWO:

THE DEVELOPMENT OF OPENCAST COAL MINING from 1947:

Part One: The Post War Strategic Supplement

i Post-Nationalisation

The nationalisation of the coal industry was effected on January 1st 1947, and was in the main welcomed by the majority of people involved in the industry for differing reasons. However, the public were unaware that this action by the state brought with it the private baggage of ghosts past, including an opencast coal industry primed for strategic use within an economy that continued in decline (Leys, 1985, NLR 151). At the end of second world war there were several political and economic factors affecting the coal industry; most were of varying complexity (Buxton 1978; Reid Report 1945). Both of an internal and external nature, they combined to change in the longer term the process, structure and organisation of British coal production. From a run down industry leached of life by private ownership it went through an intense period of State investment and financial control. State financial control greatly increased after the intervention of the International Monetary Fund (I.M.F.) in 1976 after its attempt at restructuring the British Economy. The consequences for the coal industry were dramatic.

Opencast coal mining was recast in a new role. Already a strategic element in coal production, it was, for the Treasury, to become an acceptable economic form of production in the financial remodelling of the coal industry in Britain, North East England and Scotland especially.

From 1947 the approach to coal production became one of concentration, providing more for home centred demand than meeting opportunities in a wider market. Even so, it was still predicated upon a maximisation approach to coal production in the home market, meeting demand for a variety of ranks of coals to meet specific purposes such as steel making, gas production and steam raising. Allied to this was the commitment to an expansion programme to support the dominance of coal in the domestic market. Opencast coal was a strategic element in this and the government set about improving the technology and management of this type of mining through the adoption of new approaches gleaned from practice in the United States of America. In part, this was a response to the increasing importance of oil in the world energy market. Table 2.1 shows the declining role of coal in the latter half of the first twenty years of nationalisation

Table 2.1

NATIONAL COAL OUTPUT 1947-1966/67				
Year	Deep Mine	Opencast	Licensed	Total
1947	184.4	10.2	2.2	196.8
1948	194.6	11.8	2.1	208.5
1949	200.7	12.4	1.9	215.8
1950	202.3	12.2	1.7	216.2
1951	209.4	11.0	1.8	222.2
1952	210.7	12.1	2.1	224.9
1953	209.8	11.7	2.0	223.5
1954	211.4	10.2	2.2	223.8
1955	207.8	11.4	2.4	221.6
1956	207.3	12.1	2.7	222.1
1957	207.4	13.6	2.7	223.7
1958	198.8	14.4	2.7	215.9
1959	192.5	10.8	2.8	206.1
1960	183.8	7.6	2.3	193.7
1961	179.6	8.5	2.3	190.4
1962	187.6	8.1	1.7	197.4
1963/4	187.0	6.1	2.1	195.2
1964/5	183.2	7.0	2.3	192.5
1965/6	173.5	7.1	2.2	182.8
1966/7	163.8	7.1	2.1	173.0

Source: Extracted from Berkovitch, P.93, Coal on the Switchback

ii The Economic Plight of the Coal Industry

We should not lose sight of the fact that from its inception the newly nationalised industry was disadvantaged by financial burdens. Compensations to the previous owners were of some £165 million. Annuities averaging three and one half per cent of assets worth £388 million were payable for 50 years and capital expenditure was not covered by the coal pricing policy. Consequently, the coal industry marked up substantial deficits on its capital accounts from forced borrowing.

The initial structure of the newly nationalised industry is illustrated in Table 2.2. At one and the same time it reflected the shape of the industry under private ownership, set the nature of power relationships for decades to come and determined the destinies of mining communities along the way. The industry was largely centralised and run like a very large private corporation with no workers participation let alone 'control' and a limited role for the unions. Indeed upon reflection, from personal experience of working in three Durham pits and one in Somerset, the structure and process had changed little over the years, becoming all too obvious that the industry could be quickly turned around to private ownership given the political will. We never felt in 'control' of the industry!. Buxton reminds us why nationalisation took place:

The tendency to diminishing returns and the relatively low level of output per man during the interwar years required colliery reorganisation and capital expenditure on a scale which private enterprise, given prevailing markets and trends, could not hope to provide.

Buxton N.K. 1978 The Economic Development of the Coal Industry
P.231

Table 2.2

DIVISIONS AREAS AND COLLIERIES OF THE NCB WITH ANNUAL OUTPUT 1946-47			
Division	Areas	Collieries	Annual Tonnage
Scottish(1)	5	187	21.9 million
Northern(2)	10	213	34.0 million
North Eastern(3)	8	117	37.4 million
North Western(4)	5	75	12.6 million
East Midlands(5)	8	102	32.6 million
West Midlands(6)	4	60	16.1 million
South Western(7)	8	222	21.8 million
South Eastern(8)	0	4	1.3 million
Totals	48	980	177.7 million

Source: NCB Annual Report 1946

N.B. 400 small mines not managed by the NCB are not included in figures

For Buxton, the role of the State is laid out in stark terms as the financial crutch for private capital; arguably, it became more than that as a financial regulator of the NCB. The end result is most telling.

The 1950 Plan for Coal established a deep mine production target of some 240 million tons by 1965 with opencast mining phased out to a minimum by then. Six years later this policy was reversed by the 1956 N.C.B. Investing in Coal, confirming the position of opencast mining as outlined by Shinwell, by re-allocating 10 million tons to opencast mining from the deep mine target. Unfortunately, the N.C.B.'s production planning against an increasingly unpredictable world energy market was in constant re-adjustment. The 1959 Revised Plan for Coal was a response and re-adjustment to the major shift away from coal in energy production to oil, gas and nuclear power. It officially

marked the point arrived at by 1957 in which any expansionist dreams for coal were overtaken by Treasury financial targets. It wasn't so much that coal lacked competitiveness, as Buxton has argued, coal prices were held artificially low. But that a glut of oil on the world market at low marked down prices seriously undermined the position of coal in relation to other fuels. This is reflected in the consumption of petroleum rising from nearly 21 million tons in 1957 to over 60 million tons in 1965 and 84 million tons by 1974.

Buxton(P.238) may rightly argue that the dominant economic role of coal in the last 100 years was diminishing, but this loses sight of the increasing strategic importance of opencast mining. We see from Table 2.4 that opencast output increased from 10.4 million tons and 5.2 per cent of total output in 1947 to 14.5 million tons and 6.5 per cent of total output in 1958. Thereafter, in keeping with policy responses to market conditions, production was reduced to 7.7 million tons and 3.9 per cent of total production in 1960. While this emphasises the importance attached to opencast mining up until the 1959 scaling down of total production, it underestimates the financial contribution that it was increasingly making from 1950 to the bottom line accounts of the National Coal Board (Table 2.4). Even with the reduced economy of scale after 1959, and taking into account two years re-organisation, profits per ton continued to show a year on year increase. By doing so it was becoming abundantly clear that opencast mining was a significant and strategic operation of the National Coal Board. Essentially, its role, far from being diminished after the war years as first advocated, was being firmly established through its economic capacity rather than its

productive capacity. And this in spite of retardation of overall coal production.

After the 1959 Revised Plan for Coal placed restrictions on coal production, including opencast coal, and industry reverted to burning lower cost oil, we experienced coal production to some extent being sheltered from the energy markets during the 1960's by a series of measures both political and financial. Precisely, these were: the writing off of £415 million of capital debt and the State contribution increase in two years(1966/67) of £9.5 million; then the prohibition of coal imports for ten years and a 25 per cent increase in the price of oil; a ban on the conversion of coal fired stations to oil or gas fired and the compelling of the Power Generation Industry (P.G.I.) to additional coal burn. In spite of all this, the overall economic position of the coal industry failed to maintain its advantage over other fuels.

By 1971 the economy of energy was changing. Even though the markets for coal were improving, this was worsened by the decreasing price of oil on the world market by the machinations of the Organisation of the Petroleum Exporting Countries(OPEC); Britain at that time was not a producer of oil let alone a member of OPEC. Looking at the performance of coal as opposed to other fuels from the viewpoint of consumption we find significant changes from 1947 to 1975. Table 2.3 clearly shows the dramatic decline of coal consumption and the rise in consumption of oil and gas, especially in the late 1960's. Table 2.3 also shows that from having over 90 per cent of total consumption in the early period of

nationalisation, coal consumption plummeted to only 36 per cent at the time of the 1973 oil crisis. In contrast, Petroleum in the same period rose from 9 per cent to 46 per cent of total energy consumption on an input basis. But it has to be said that the significant change came in the late 1960's when the price of oil was markedly reduced. Thereafter, the average costs per metric tonne of crude oil landed in Britain between 1970 and December 1973 increased dramatically from \$14.47 to \$86. These price changes were reflected in the thermal costs at power stations. The price of coal to the power station almost doubled from 1.5 pence per therm to 2.9 pence per therm from 1955 to 1972. Because of this oil had a clear advantage over coal from being 1.7 pence per therm around 1959 and never rising beyond 2.5 pence per therm until after 1972. Overall, the pattern of performance in the coal industry between 1947 and 1974 was influenced by past burdens of poor investment, excessive financial charges on capital costs to update the industry and heavy political and financial control by the state. All of which was overlain by the increasing resurgence of lower cost oil on the energy market decreasing the dominance of coal as a primary source of fuel burn in Britain. During this period opencast mining maintained its strategic place in coal production proportionate to overall production.

Table 2.3

INLAND ENERGY CONSUMPTION: PRIMARY INPUT BASIS, UNITED KINGDOM (million tonnes of coal equivalent)				
	1947/1950	1952/1955	1962/1965	1972/1975
Coal	194.2(90.5)	210.9(87)	189.2(66)	121.4(36)
Petroleum	19.7(9)	29.7(12)	90.0(32)	151.4(46)
Gas(natural)	0.0	0 0	0.5(0.2)	47.6(14)
Electricity	0.8(0.5)	1.1(1)	5.3(1.8)	12.7(4)

Source: Digest of Energy Statistics. N.B.: Percentages in Brackets

Table 2.4

OUTPUT AND PROFITS OF OPENCAST MINING, 1946 TO 1973			
Year end 31 Dec.	Opencast output (m.tonnes)	Opencast share of total output	Profit/(Loss) per tonne £
1946	9.0	4.7	(0.47)
1947	10.4	5.2	(0.15)
1948	11.9	5.6	(0.07)
1949	12.6	5.8	0.00
1950	12.4	5.6	0.04
1951	11.2	5.0	0.05
1952	12.3	5.4	(0.10)
1953	11.9	5.2	0.19
1954	10.3	4.5	0.30
1955	11.6	5.2	0.41
1956	12.3	5.5	0.72
1957	13.8	6.1	0.68
1958	14.5	6.5	0.58
1959	11.0	5.3	0.37
1960	7.7	3.9	0.31
1961	8.6	4.4	0.78
1962	7.3	3.6	0.75
1963	6.6	3.3	N/A
1964	5.6	2.8	0.90 - 15 month year
1965	6.5	3.3	0.88
1966	6.9	3.7	0.70
1967	6.8	3.9	1.09
1968	6.8	3.9	0.91
1969	6.4	3.9	0.78
1970	6.3	4.2	1.16
1971	8.1	5.5	2.03
1972	10.1	8.3	1.43
1973	10.1	7.2	1.92

Sources: British Coal Annual Reports, MMC , National Coal Board, I, 234

iii The Development of Opencast Coal Mining 1947 to 1972/73

Three significant years after the second world war marked a new future for opencast. The first, 1948, signified a change of policy ideal and intent by government from phasing out opencast to endorsement of a future in coal production: the second, 1959, an economic short term perspective in world energy production which reduced overall coal production but at the same time increased the proportion of opencast within the total output in the following years by 10 per cent: thirdly, 1972/73, a political event not unrelated to the second perspective that again affected attitudes to coal production, expanding further opencast production. Overall there was a reduction in deep mine production and relative consolidation of opencast development. Moreover, throughout this period from nationalisation to 1973 job losses in the deep mines accelerated to large proportions without much industrial action (Ashworth 1986; Berkovitch 1977).

The changes between the dates of 1946 and 1959 and 1972/73 were marked by growth in opencast in the first period and a reduction to a low plateau in the second period. The main changes came with low cost oil in 1958/9 reducing the nation's dependence upon coal: the reverse situation was to happen in 1973. However, this low plateau did not mean a poor outlook for opencast mining. On the contrary it showed that profits could be made even when production was curtailed by government policy (Table 2.4). Despite the technical improvements evident in increased production (Table, 2.4) opencast output was cut back. However,

these technical improvements had important implications for the future of opencast mining developing as a strategic industry in its own right. A critical element in opencast mining is the degree of overburden that has to be removed. The capacity of excavators and scrapers after the war was limited. This is reflected in the figure of 745 dragline excavators and 568 scrapers in use in 1944 (Arguile 1975). By 1973 the situation had changed. There were only 276 dragline excavators and 104 scrapers, the difference they made was through their increased capacity. The biggest was the excavator at the Butterwelll site in Northumberland, 'Big Geordie' with a capacity of 65 cubic yards. Improvements and innovations in blasting techniques and borehole drilling brought benefits in reduced unit costs. Civil Engineering firms were placed upon an extended list in competition for a site, when one had no contract it often hired to the one that did have work. The Opencast Executive had a budget and within that was responsible for a rolling programme of sites, their exploration, and supervision of contracts and contractors. Arguably, the answers to the growing financial success of opencast mining are to be found mainly in two elements, increased technology and improved organisation and management, importantly financed by the rapid growth of profits after 1974 market changes. From the "purchasing mission" to the USA (Caseley 1959, p.5-8) in 1952 the NCB operated with larger and more variably powerful equipment increasing the scale of operations. Continuing improvements in surveying, explosives and blasting techniques combined with larger sites greatly reduced unit costs. This made possible the removal of lower seams and a greater overburden than in earlier years where the ratio was often 5:1. In the 1980's it is often 35:1. and increasing.

Critically, the process of opencast coal mining has meant that it has not always been under constraint or control by unions or the state in a similar manner as the deep mine sector. Being born out of the private construction industry opencast mining had been legitimated as an industry apart from deep mining by the State during the second world war. Opencast coal mining technology has been largely confined to the exclusive capability of a few large firms, a process which tends to perpetuate the continued concentration of power of firms such as Wimpey, Fairclough-Parkinson, Costains and Taylor-Woodrow.

Opencast mining operational process and organisation, in terms of power and control, is dual controlled with the State and de-coupled from the State run deep mine industry and certainly outwith the effective control of a trade union such as the NUM. The Transport and General Workers Unions are represented on opencast sites but the levels of unionisation and numbers on sites with representation are comparatively low.(Gibson D., 1990 TGWU). Contractor firms such as Wimpey are in working control of the site, this allows them to resist, not only by the nature of the work but by their exclusivity, the pressures presented by trade unions. Moreover, by engaging in such a capital intensive exercise, and because of financial constraints imposed by the State, the National Coal Board has endured a close association and dependence upon the construction industry. Effectively, this dual relationship with the private sector continues as before nationalisation. For firms such as Wimpey and Costains' it is equally a cost effective exercise, and a very short distance from road construction to utilizing their civil engineering technology inter alia with opencast mining.

Equally, the relationship of construction companies with the land and coal extraction has continued largely unaltered, being re-constituted as opencast mining contractors to the landowning National Coal Board which has brought its own rewards in economic development projects across the country. Quite apart from the 1,400 mines, 30 fuel plants and a number of brickworks the National Coal Board(N.C.B.) inherited some 225,000 acres of farmland.(NCB Annual Report 1947). Some of this land had the added value of containing a bank of opencastable reserves. The extent to which the future working of opencast mines on this land was to cost less in compensation payments to their tenant farmers than land not owned by the N.C.B. is not known. But the eventual business of land buying, conveyancing, compensation and development has grown into a major element of opencast mining, not always open to scrutiny.

In 1946, the Minister for Fuel, Emmanuel Shinwell, sought to deny the claims of private coal interests over the necessity for opencast coal to alleviate that fuel shortage by stating that opencast mining would be 'wound up' over the following two years. However this intention was to remain an ideal. At the 28th meeting with National Coal Board on the 18th of October 1946 Shinwell revoked his previous statement. Though the Ministry of Fuel and Power controlled production from opencast sites, Shinwell saw the political advantages of bringing opencast mining under the NCB umbrella. But it was not until the 18th of January 1952 (POWE, 40/4) that those efforts came to fruition. By this time several changes had taken place in the industry to make it attractive enough to the NCB. The fact that it was into profit making status by 1950(Table 2.4) was significant in itself. This, combined with financial and

technical improvement together with increased proven reserves, convinced management at the NCB of its longer term viability. They even managed to recover a financial liability settlement of £4 million from the Ministry of Fuel and Power in December 1955 for taking the opencast industry 'off their hands'. Such financial assistance contributed to the improvement in production and general organisation.

We can see from Table 2.4 government policy of halting new opencast production took place from 1959, as a response to the overproduction of oil and the depressed market for coal, with the introduction of the 1959 "Revised Plan For Coal". The importance of the 1958 Opencast Mines Act however cannot be overstated. It bestowed upon planning authorities the rights and status of 'Statutory Objector'. This meant opencast operators were obliged to consult the local planning authority on any opencast proposal. Powers were also bestowed to force the Secretary of State for Energy to bring a public inquiry over a proposal the planner authority strongly objected to. Nevertheless, opencast mining as an industry did not suffer too much financially because of these constraints.(Table 2.4)

Opencast production, compared with 1947-1959, remained at a constant low average of 6.9 million tonnes over the 1960's. Equally, opencast share of total production remained on a lower plateau during the period 1960-1969 than the previous decade. What is more important is the attractiveness as a profitable producer of coal. Opencast coal profits in the NCB rose from a low of £0.31 per tonne in 1960, peaking at £1.09 per tonne in 1967, before retreating to £0.78 per tonne in 1969.

However a new high was reached in 1971 with £2.03 per tonne marking opencast mining out as a lucrative industry as it doubled its percentage share of total production, nationally from 1969 to 1972 (Table 2.4). Much of the reason for this was technical and organisational change.

It was but a short distance in time before the NCB gave their written evidence to the Commission on Energy and Environment (CENE) (NCB, Land Use Aspects of Mining - Opencast, Part III Section 3-4 1979) when they testified that the Opencast prospecting programme would take the industry into the 21st century. How this was to come about is most revealing. Not only was it a reflection of the financial importance of this method of coal production, but of the strategic opportunity presented by the IMF intervention in the British economy and the Treasury responses from 1976. In some aspects it was to parallel the efforts and the vision of Braithwaite with his company now in the forefront of the continuing development of the opencast coal industry.

Chapter Two Part Two

Opencast Coal Mining: The Financial Light

i Responses to the Deepening Crisis

Crucially, it was the external political factors of an international order and State regulation rather than internal matters of the NCB that had a critical effect upon Britain and changes in structure and process of mining in North East England and Scotland in particular. These changes led to the contraction of deep mine production and the expansion of opencast mining. This is not to deny the importance of the internal burden that the coal industry took on upon nationalisation of low morale, financial liabilities, and the low level of technical production and organisation(PEP.1947). Unorthodox accountancy measures also played an insidious role in debilitating many gains made by the deep mine industry(Cooper et.al.1985). In addition we have already noted the mounting opposition from the nuclear and oil lobby. All this is set in the context of a wider international political plane of a crisis in capitalism. Essentially it is argued, the 1973 oil crisis and the consequent financial intervention by the International Monetary Fund (IMF), brought about radical change in the political economy of the British public sector, and in turn the coal industry. From this point onward two factors influenced the development of coal mining in the north of Britain, 'financial controls' in extracting surplus value (Hopper et al. 1988) and European Commission Policy.

The markets for coal have been heavily influenced by more global factors such as oil and nuclear power. Politically and economically, both of these have had a decisive effect upon the decline of the coal industry, not least because the world price of coal was linked to that of oil, control of which is seen as essential for the stability of a world order. Additionally, nuclear power generation in terms of recent world politics has been seen as necessary by major world powers for the production of nuclear weapons (Benn 1982 P.97-99). The power of the nuclear establishment was disproportionate to the contribution it made to the energy economy and concealed the true costs of nuclear generation (Henderson 1977; Sedgemore 1980). In general political terms therefore, the production of these two fuels has taken priority over the production of coal in Britain.

We can adjudge this discrimination by significant periods in the coal industry's history. From the state buy out of the industry in 1947 which gave an injection of capital in response to coal demand and the first steps to commercial viability. Then came a mortal shift in the loss of deep mine markets and jobs to a cheap oil policy in the 1960's. There is no doubting the drastic reduction in coal production enacted by the State to compensate for this, but the inconsistent application of investment in mines compared to opencast mining should be given greater consideration. As a measure of this the trend in production for opencast mining showed a marked contrast with the deep mines over the same period (Table 2.5). Opencast production after reaching its peak of 14 million tonnes in 1959 sustained output levels, albeit on lower plateau, from that year until the advent of the 1973 oil crisis.

Table 2.5

NATIONAL COAL OUTPUT 1947 - 1989/90 (million tonnes)								
	1947	1960	1965/6	1974/5	1976/7	1980/81	1985/86	1989/90
NCB/BC								
Deep Mines	187.5	186.8	177.0	116.9	108.5	105.5	88.4	85.0
NCB/BC								
Opencast	10.4	7.7	6.9	9.2	11.4	15.3	14.1	16.8
Private								
Licensed	2.1	2.2	1.8	1.0	0.9	1.1	2.0	1.7
Total	200.0	196.7	185.7	127.2	120.8	126.7	104.5	103.5
Opencast per cent of Total	6.2	5.0	4.7	8.0	10.2	12.9	15.4	17.4

Source: British Coal Annual Reports

Table 2.6

BRITISH COAL OPENCAST MINING PRODUCTION AND PROFITS 1948, 1965, 1972/73, to 1989/90			
Year	Opencast Output (million tonnes)	Opencast Share of Total Output	Profit/(Loss) per tonne
1948	11.9	5.6%	(0.07)
1965/66	6.9	3.7%	0.70
1972/73	10.1	7.2%	1.92
1973/74	9.0	8.3%	1.74
1974/75	9.2	7.2%	5.08
1975/76	10.4	8.3%	6.07
1976/77	11.4	9.4%	5.74
1977/78	13.6	11.2%	6.48
1978/79	13.5	11.3%	7.07
1979/80	13.0	10.5%	8.43
1980/81	15.3	12.1%	10.27
1981/82	14.3	11.5%	10.93
1982/83	14.7	12.2%	13.08
1985/86	14.1	15.4%	n/a

Sources: NCB and British Coal Annual Reports and MMC National Coal Board, I, 234.

Concurrently, the expansion of nuclear power generation merely compounded the problem for deep mines.

However, only once has there been a temporary reversal of policy when the 1967 White Paper on Fuel Policy, with its arguments based upon employment and amenity, stressed that no new opencast sites should be opened unless for special value coals. Paradoxically, the efforts of a Labour government in the 1960's and after 1974, expanding new coal output as a response to the 1973 oil crisis, contributed to the commercial changes to be brought upon the public sector. Borrowings for the coal industry were to become such a heavy burden on the Public Sector Borrowing Requirement (PSBR) to attract attention from the International Monetary Fund (IMF) and opponents of nationalisation (Littlechild 1978). In addition, and much to the chagrin of the Conservative Party, the miners' strikes of 1972 and 1974 also reflected the social and political strength of the trade unions and plans were made to challenge the miners power (Economist 25/5/78). These were the same trade unions that the Wilson government had tried to reform after its costly failure to introduce the 'white-hot heat of technology' to the British economy.

The reaction from the IMF to the Labour government's PSBR problems, in which Labour chose to develop a more commercial approach to public industry (Fine and O'Donnel 1985), gave ideological advantage to the right wing of the Conservative Party (Miliband et al. 1987). Right-Wing influence increased further after the 1979 and 1983 elections and can be measured by the adoption of policy for the privatisation of public industry to operate in a market which is given as axiomatic and unassailable (Littlechild 1981; 1983; 1986). While some borrowings had the intention of generating new capacity

in mining and to facilitate the expansion of coal, the cost exacted from the IMF and the consequent 'authoritarian statism' (Poulantzas 1978) vastly outweighed the benefits.

Arguably, from this same political process, the expansion of opencast mining because of its financial attractiveness and rationalisation of the deep mine industry met monetarist criteria.

From the 1974 'Plan for Coal' which was endorsed by the **1978 Green Paper on Energy**

Policy Cmnd 7101 the government argued that the need to secure national output of coal to the year 1985 and beyond could not be done without an increase from opencast coal.

Projection of a progressive increase of opencast output to 15 million tonnes per annum re-cast its strategic importance in financial terms but also legitimated any increasing share of total coal production. The most dramatic statistic arising from this policy is the 66 per cent increase in opencast output from 1974/5 leading to the rapid achievement of this target by 1981. Considering it was against a background of declining energy needs and coal demand (Chesshire 1991; Manners 1991) merely emphasizes its increasing importance.

The ascendancy of opencast was in part made possible by the increase in the size of opencast mines, expanding the economy of scale combined with a greater efficiency in operational management. Taking on a commercial orientation meant a propensity for greater profit and a larger share of total output.

The effect of this political process on the coal industry is demonstrated in Table 2.5 where the reduction in deep mined production is not paralleled by a reduction in opencast save for that brief period in the 1960's. The 2 million tonne of exhausted capacity that

Ezra (1978, P.110) stated would be lost in the deep mine sector per annum, has been supplanted by an average of more than 2 million tonnes per year from NCB opencast mines. The new role for the private sector is also revealing. Not until the advent of the Conservative government did the private sector opencast double its output to the 2 million mark at a time when privatisation was being placed on the political agenda in all but name. The upward trend in opencast coal's profit per tonne (Table 2.6) suggests their probable correlation with the expansion of opencast mining and its increased share of total output (Fig. 2.2). From 8.3% and £6.07 per tonne at the time of the IMF intervention in 1975/76 it rapidly increased to 11.2% in 1977/78. In 1981, when nationally over 15 million tonnes were produced opencast mining achieved 12.1% of total production and a profit per tonne of £10.27. Because of its sustained profitability opencast mining was allowed to grow beyond its commercial beginnings in the 1930's and the supportive role of the 1940's and 50's.

From Table 2.6 we see evidence which suggests it having increasing importance in replacing deep mine production. Not least because profits per tonne almost doubled from 1976 to 1981. Opencast profits contrast sharply with those of deep mines in the late seventies and early eighties. In the period prior to 1972, only half the accumulated operating profits of £450 million came from the deep mine sector. In contrast, the opencast sector channelled £138 million into the accounts and the difference continued to widen.(NCB Reports, MMC 1983).

Arguably, we can see evidence of this commercial approach which led to a concerted expansion in the opencast sector from 1975-76 (Table 2.5). The future role of opencast was made clear by the then Chairman of the NCB Derek Ezra:

"Plan for Coal" looks to an expansion of opencast coal output, as we have seen, from the present annual total of around 10 million tonnes to 15 million tonnes a year. In the case of Butterwell, this means 12 million tonnes of high quality and economically produced coal over the next ten years.
Derek Ezra, 1974, Coal and Energy, P.150-151

The language of this statement is an early indicator of changing perceptions and attitudes to coal production from years prior to a commercial approach to coal production. The phraseology "expansion of (opencast) economically produced coal" is a marked shift both in emphasis from the economics of previous administrations and from a production orientation to one based upon financial criteria and private ownership. In this sense Fine's argument that *"the current policies of privatisation are not so much a break as a continuity with those of the past"* (Fine 1990, P.174) ring true.

Fig.2.1

**INTERNATIONAL FINANCIAL CONTROLS ON THE BRITISH ECONOMY:
DRAWINGS AND LOANS REPAYMENTS FROM 1976-1985**

TYPE OF LOAN	DRAWINGS ON LOANS FROM 1976	LOAN REPAYMENT 1976-85
IMF Credit Tranches	1976-78	1979-83 1981
IMF Oil Facility	1976	1978-83
Euro Dollar Loans	1978	1981-84
Foreign Currency Loans to Public	----	1977-85

Source:Hansard, Cols.696-7 24/2/1977 Mr. Robert Sheldon, Written Answers

Fig.2.2

LEGISLATION AND POLICY AFFECTING THE COAL INDUSTRY 1976-88

Legislation/Policy (Regulation/Controls)	Outcome
<u>1977 Coal for the Future:</u>	Opencast to rise to 20mt p.a.:
	1978 O/C share/ output rises to 11%
<u>1981 Coal Rationalisation</u>	1981 strikes over Pit Closures Policy
	O/C up to 15mt now 12% of of output
	Scotland/NE O/C targets reached.
<u>1983 MMC on Coal Industry</u>	Signals 'high cost tail' of pits.
<u>Coal & Environment Cmd 7788</u>	Enforces primacy of free market>>O/C
<u>1983 Coal Industry Bill</u>	Underpins commercial running of industry
(Financial Controls)	O/C profit/tonne up £5(1976) to £13 (1983)
<u>1984 Pit Closure Programme</u>	1984/85 National Strike
<u>Circulars 3/84 & 4/84</u>	End of 15mt O/C limit. O/C share
(Planning Regulation)	rises to 15% of total output.
<u>1985 New Strategy for Coal</u>	Confirms O/C vital to new era of coal
(Financial Controls)	mining in commercialisation agenda.
<u>1985 Coal Industry Act</u>	Initial privatisation preparartion:
<u>1988 MPG3</u>	O/C Plann. Regulation >>privatisation

Sources: British Coal, Hansard, MMC 1983.

ii Political and Economic Change and the Expansion of Opencast Coal

The political background is critical in the development of opencast mining. What came out of the 1973 oil crisis was the decline of Keynesian economics and consensus politics with the implantation of a right wing philosophy in British political life. One watershed came in 1976, with inflation at 24 per cent and the PSBR at a high level, the government chose to seek support from the International Monetary Fund (IMF). The IMF imposed economic conditions on loans that were extremely unfavourable upon a Labour government which shifted its economic policy. Tony Benn, reflecting upon this very situation said that:

In 1976 the IMF may actually have been informally encouraged to put pressure for public expenditure cuts upon the Labour cabinet.....

Benn T., 1982, Arguments for Democracy, P.58.

His evidence for this comes from well informed sources including Peter Browning (1986), an economist with the Treasury from 1964-1985, who has given an enlightening account of the events as they unfolded and:

Peter Jenkins who reported in the Guardian on 28 Oct. 1976 that Treasury civil servants had been in touch with their opposite numbers in another European finance ministry saying, "Don't bale the bastards out". The Labour government was at the time negotiating for an IMF loan.

Benn T., P.241

Hall (1977) has noted that while international capital was conspiring against the Labour government, their bedfellows in the Tory party were preparing for the eventual outcome of its demands.

On the other side of the Parliamentary scene we can observe the Thatcher leadership preparing for power and

constructing an authoritarian popular consensus.

S.Hall, P57 in A. Hunt(ed), Class and Class Structure, London 1977

Denis Healey, then Chancellor, admitted that the crash of Sterling on the world market was

probably the most shattering experience I had in office and I myself was in a state of shock for fifteen hours on the day that it occurred.

Denis Healey, BBC1, More Than Meets the Eye, 14/6/1990

One of the conditions of IMF support was that a Labour government prepared a more monetarist economic policy: consisting of wages control, a deflationary strategy with inevitable consequences for employment and stringent controls in the public sector. Browning (1986) is quite clear on the policy of cutting expenditure in the public sector from 1976: expenditure on programmes fell by 3.6 per cent (Cmnd 7049). The implications of this commercial policy for the coal industry were manifest in the process of concentrating resources upon the most profitable production, especially opencast coal mining production

Denis Healey, the then Chancellor of the Exchequer in 1976, stood up to address the House of Commons in a serious debate on the 'Economic Situation'.

It may be convenient for the House if I opened this debate by re-affirming the principles of the government's economic policy on which our application to the I.M.F. was based. They are, to restore balance to the economy in the short term through securing a massive shift of resources into the balance of payments. This is already under way.

Unequivocal in his explanation on how this was to be done, he first explained where the crisis lay:

In a word the problem has been to reduce the PSBR sufficiently to restore confidence in the financial markets at home and abroad.

It is then at this point that it is confirmed beyond doubt that the nationalised industries sector is to be affected by the government's response to the IMF

For this purpose an essential element of the Government's strategy will be a continuing and substantial reduction over the next few years in the share of resources required for the public sector.

Hansard 21/12/1976, Cols 482-505

Increasingly, the Treasury exacted financial controls over the industry based upon monetarist economics. Consequently, the only expansion in the industry was going to be in low cost production and especially the profitable opencast sector. Two months later the public sector learned how the State was to proceed with the repayments:

Repayment, or to use the technical term, repurchase of drawings, on the I.M.F. credit tranches will become due between three and five years after the dates of draw down: drawings are spread over the years 1976-78 and repurchases will thus be due between 1979 and 1983. Drawings under the I.M.F. oil facility are due to be re-purchased between three and seven years after the date of draw down; the drawing by the United Kingdom was made in 1976 and the repurchases will thus be due between 1978 and 1983.

Both of her Majesty's Government Euro - Dollar loans are due to be repaid between 1981 and 1984. The \$10 billion of foreign currency borrowing by other public sector bodies comprises of loans with different maturity dates, with repayments spread between 1977 and 1985.

Hansard, Cols.696-7 24/2/1977 Mr. Robert Sheldon, Written Answers

These continuous repayment dates were a contributory factor in a process causing pressure for change in the political economy of the public sector. As we know from Denis Healey, the balance of payments had such a deficit that a massive shift of resources was required away from the

public sector. Constructed out of the 1976 crisis was the stringent economic process which allowed the penetration of an extreme economic and ideological discipline in the politics of British society that became established from 1979. Planned periods and dates of Government loan repayments (Fig.2.1) are shadowed by changes to a more commercial orientation in employment and production in the coal industry which has been leveraged by Treasury financial control (Hopper et al. 1988) and configured by policy and legislation (Fig.2.2) since late 1976.

Increased pressure upon the economy by the machinations of OPEC and the rationalisation of the coal industry over the decade brought periods of industrial disputes culminating in major industrial and political conflict in 1984 (Beynon 1985; Hyman 1986). Certainly, the coal industry had from 1976 been driven through a financial process into the current situation where opencast mining is a dominant feature of the economic, political and environmental landscape. Opencast mining became identified by the State as economic and strategic coal production (**Cmnd 7788**), beyond its intended supportive role, now not least because of the imperative of the 'market'. Taking the whole process to its eventual outcome bodes ill. The pursuit of these ideological aims indicates that economic power is to be mediated through the market place overriding what remains of political democracy.

**iii The State and Financial Regulation in the Creation
of Surplus Value in Coal Production**

Hopper et al's. detailed empirical study 'of the internal systems, processes, ideologies and practices of financial control in the NCB' is a valuable work on the State's efforts to realise surplus value from a nationalised industry for capitalism. And, following the economic impositions of the IMF on the PSBR, the response of the State to coal production as with other nationalised concerns has been clearly sought through a monetarist approach (Browning 1986). In financing the NCB the State had a very strong influence as:

Each month members of the Finance department of the NCB meet with Department of Energy and Treasury officials to discuss the monthly monitoring return. Together with the Nationalised Industries Financial Information System, these returns serve as the basis for quarterly accountability meetings.....

Interviews with headquarters personnel in all departments reinforced our view of the significance of Finance in the process and the consequent enhanced status of finance in the NCB.

Hopper et al. P. 34

Under this new orthodoxy of control the rationale of maximising output had been overtaken by a financial imperative in the re-organisation of the production of coal and starkly:

The influence of the State has become increasingly evident through finance at NCB headquarters....and we witnessed the increasing pressure of the State being exerted, largely through the finance department, throughout the NCB.

Hopper et al. P.35/36

From using new financial benchmarks the State directives to the NCB were to exclude higher cost output from deep mines and maximise lower cost output such as opencast coal; we have seen the extension of this in the 1985 New Strategy for Coal. These benchmarks are partially contrived

from an equally contrived world coal market with subsidized low prices but the NCB has been expected to operate to those financial standards. This process eliminates a high percentage of deep mined coal from production but encourages and creates a greater market for an expanding opencast coal mining sector with lower average costs. Financial statements and annual accounts using spurious market prices can control the labour process and create a situation where:

Surplus value generated by coal extraction is distributed out of the public sector coal industry and into the private industry generally. This is because the raw material costs of the electricity supply industry are the revenues of the coal industry and energy costs of private industry are the revenues of the electricity supply industry. Cheap coal, leaves the NCB with large 'losses' and the PGI or industry (private) with profits larger than they would otherwise be.
Hopper et al. P40

In conclusion, there appears an apparent inevitability in the expansion of opencast mining since 1947 and especially from 1976. Once opencast coal's profitability was realised, in an economic climate of IMF controls on the PSBR, the Treasury accountants arguably ruled it a candidate for expansion in contrast to the majority of a declining deep mine sector. The new right Thatcher government was then elected in 1979. They achieved this by transforming the creation of popular discontent from the crisis of late 1970's into reactionary ideas. The main purpose was to reverse the decline of the economy by destroying the current regime of accumulation and reconstruct it on lines similar to the 19th century (Leys 1985). Consequently, the Thatcher agenda of maintaining the primacy of profit and the market became a pre-requisite for survival in the British coal industry. In the NCB, accountants

constructed financial controls over the labour process, procuring surplus value through an expansion of lower cost production and the mass closure of less profitable mines. While this process has been mediated by responses from organised labour and public opposition to opencast mining expansion from 1976, it is well to remember that we have just lived through a political shift where:

The ideological basis of management control is shifted from direct discipline in the labour process to an impersonal financial logic which obscures the relationship between work and the realisation of surplus value.
Hopper et al. P.44.

iv. The Conservative Government's Agenda of Privatisation

The Conservative Party manifesto that appeared before the election of May 1979 never expressly stated that privatisation of public assets would be a major policy that would be brought to bear upon the political economy of Britain. Yet, imposition of a privatisation programme has been evident not least by the expensive and sophisticated advertisements on television screens beckoning 'punters' to buy shares in newly floated 'PLC's'. Such was the neo-liberal ideological recipe for improving the economic competitiveness of British industry that it cloaked an expansive privatisation programme in the garb of 'the commercial realities of the market' and the 'freedom of the individual'. It was also becoming clear that the government saw privatisation as an answer to the crisis of accumulation. A major component of this policy was further reductions in state spending on public utilities, other than that which primed them for privatisation. Amersham, Cable and Wireless, Jaguar, Sealink and BR Hotels were the initial privatisations giving claims of 'creeping privatisation'. But these were to set the ideological foundations for a more determined and wider ranging thrust in reducing the scale of the public sector. In 1988 the estimated accumulative sales of state assets was a dramatic £20 billion including companies with a total capitalization of over £58 billion (Bishop and Kay 1988). The process is not finished yet. Besides reducing the size of the public sector, the money appears to have also contributed to paying off loans relating to IMF impositions of 1976 (Browning 1986).

The apparent unpreparedness of the British public in the issue of privatisation, and apathy towards accusations from the Labour party of asset stripping may be due in part to the years of the Keynesian social democratic consensus and the teaching of the idea that Laissez-faire and an indolent state belonged to the 19th century.

Whether the intent to privatise the coal industry was a formal or informal policy within the Tory party before the 1984 strike is not clearly known. What was long suspected, not least from evidence at public inquiries into opencast mining, was confirmed by Cecil Parkinson, then minister responsible for energy, at the 1988 Tory party conference:

I can understand your impatience and I can meet it today
with this historic pledge - Coal will be privatised!

because it is formed upon the belief that:

As soon as sensibly possible, we should separate the British Coal Industry from the Department of Energy and the Government (because) ... a British Department of State and the running of a business are just not compatible.

Malcolm Edwards, Commercial Director, British Coal,
Speech to The Coal Industry Society, 7/1/1991

However, Clarke (1987:P.67) argues that privatisation of production, unlike consumption, did not exist as a coherent strategy for economic and social change until some time after the 1983 election. In contrast Pirie (1985), reputedly one of the architects of the privatisation process, nevertheless suggests there are as many as twenty one different types of privatisation strategy. This may explain the early privatisations of companies which were already 'profitable' or 'marketable' and the late intent to develop British Coal which, making initially large losses, was difficult to 'turn around'. The argument

here being that the government is keen to have a continuous flow of cash to support its policies even if it does not get the full amount for the sale (Buckland 1987).

Saunders and Harris (1990: p.59) set out a fourfold typology of privatisations that have occurred in Britain: "Denationalisation, Commodification, Liberalisation and Marketization". Basic to all privatisations are the change of ownership and control from public to private. Denationalisation of state-owned industries to private ownership has been the most common and expanding form of privatisation. It comes in four main forms: Stock market flotations, management and employee buy outs, negotiated take overs, and direct sales. Commodification means for example, the sale of council houses to the tenants who previously consumed that state-owned resource. Liberalization means for example the de-regulation of local authority services, allowing private firms to compete with council direct labour organisations for the same work. 'Marketisation' involves the removing of state provision and supplanting that with voucher schemes based on the U.S. model. For the purpose of coal denationalisation the intention that it will come in various guises has not been denied by Malcolm Edwards (Energy World Yearbook 7/1/91). He favours a "progressive metamorphosis" based on "the wholehearted involvement of men and management" where "franchising of various colliery operations" is but one development in "the new market place".

It is also interesting to note that the neo-liberal government is not the only one with vested policy interests in privatisation. The role

played by the rewards of privatisation to financial managers and advisers has been very important. With vested interests in pursuing privatisation to bolster the portfolios and bank accounts of financial institutions, a momentum has been generated of privatisation for the sake of it. Bishop and Kay claim that a:

powerful lobby in favour of privatisation as an end in itself has been created by the way in which privatisation has developed in the U.K.... The interest is served mainly by the process of privatisation itself rather than what happens to the industry.

The effect on efficiency is decidedly a secondary question, and some possible routes to efficiency - such as regulation or restructuring - are viewed as undesirable obstacles which may reduce or delay the gains which privatisation will bring to financial institutions.

M. Bishop and J. Kay, "Does Privatisation Work?, Lessons from the U.K.": Centre For Business Strategy, London Business School: Quoted in the Financial Times 25/11/88

In all this process there is an underlying hint of desperation in the striving for accumulation of capital. Neo Liberalist policies have posed as an alternative to the Keynesian period of accumulation, where ideally from the destruction of the old regime is built a new regime of sustained accumulation (Leys 1985:P.25). Essentially it is an alternative response to:

the first instance of the threatened absolute decline of a fully capitalist formation. (in which) The last phase of the internationalisation of capital has finally subjected whole national economies of industrialised countries to the unforgiving judgements of the law of value.

C. Leys, Thatcherism and British Manufacturing: a Question of Hegemony: N.L.R. No. 151, May/June 1985, P.3

Given Clarke's (1987) assertion that no coherent strategy for privatisation existed before 1984, the evidence to date of continuing

recessions and the apparent insecurities of the financial institutions, we may say that this 'alternative response' has not been wholly successful. Coal privatisation itself, may be based upon dogma as much as upon an agenda to arrest the decline of the British economy.

v. Conclusion to Chapter Two

Continual changes in the demand for coal during the 1950's-60's (Table 2.3) affected deep mined production very much more than opencast mining. By the time of the 1973 oil crisis opencast coal mining had secured its strategic position, re-established its share of total production returning to the output levels of 1947. The reason was simple. Profits per tonne of opencast coal, despite the cut backs in 1959, rose from £0.41 in 1955 to £1.92 in 1973 (Table 2.4). This is in stark contrast to the political and financial control exerted by the State upon the deep mined sector between 1947 and 1974 which experienced severe contraction, especially after 1959. The die was cast. By 1979 the role of opencast was totally re-defined by the National Coal Board as one which would take the coal industry into the 21st century (CENE Sec. 3-4, 1979). The increase of opencast output from 1976 appears to have been related to monetarist doctrine established after the IMF impositions of 1976 (Fig. 2.1). Profit making from 1976/77 (Table 2.6) riding on the back of an expansionist 1974 Plan for Coal made opencast an acceptable harbinger of change. Preparations for the end of nationalisation and the return of the public sector to private control and a monetarist government developed out of the IMF agenda (Benn 1982, Hall 1977). Between the oil crisis in 1973 and the advent of the Conservative government, opencast coal output increased by over 50 per cent to 15.3 million tonnes (Table 2.5). The evidence suggests that there was an intentional policy response to the crisis in the political economy of energy production in Britain. Opencast Coal, strategically available, was used as part of a wider policy initiative to solve economic problems and ideological imperatives.

CHAPTER THREE

THE COAL INDUSTRY IN SCOTLAND: HILLSIDE CRESCENT NO MORE?!

Part One

i Economic Nationalism

In 1942 a Committee of thirteen was set up to report to the then Secretary of State for Scotland, Thomas Johnstone M.P., to provide prescriptions for the Scottish coal industry under its on-going failure in private control. Essentially, the tenor of the document was the cultivation of a co-operative relationship between labour and management so as to develop the industry in the most efficient and effective manner. It put in place arrangements that would cement a corporatist approach that would mature through the post-war political consensus years. This incorporation, set within a nationalistic ideology, would provide the process which would allow the expansion of opencast mining and the demise of deep mine production in Scotland. The main part of the remit was to report on how best to exploit the resources of the Scottish coalfield (Scottish Coalfields Committee Report 1944). This was reinforced in 1955 when Scotland's Coal Plan was published showing reconstructed expansion in production of 50 per cent by 1965 from the 1947 level of 22 million tons (P.14). The inability to achieve the intended expansion by 1965 was made more poignant when placed alongside the first increase in opencast mining in that same year,

marking the future trend for coal production in Scotland. In 1947 five Areas containing 187 collieries operating with an output of some 22 million tonnes (N.C.B. Annual Report 1946 and 1947). By the end of 1990 only the Longannet Complex producing 1.5 million tonnes survived alongside 30 or more opencast sites producing over 6 million tonnes (British Coal Annual Report 1991/2).

It is important to understand at which level decisions on engineering development would have taken place in the 1950-70's, especially in relation to events in the late 1980's. The decision to go for deep mining rather than opencast was a much less political one than today, with engineers rather than senior management influencing decisions. The S.C.C. report confirms the co-operative approach to industrial relations in arguing that:

The great task which lies before the British mining engineer is that of securing greater productivity and, in particular by what new system of mining and mechanical equipment, getting the fullest co-operation between colliery management and men, better results can be obtained.

At the time "relations between owners and men, generally speaking, (were) soured and embittered and the efficiency of the industry relative to that of our continental and other competitors (was) distinctly backward", according to the Minister for Fuel and Power, Emanuel Shinwell (Shinwell 1955). One way in which Shinwell set out to improve this situation was by 'courting' N.U.M. Area leaders such as Abe Moffat in Scotland for a more co-operative approach between capital and labour. This theme had been taken up a few years earlier by the Scottish Coalfields Committee, exemplified in the committee itself, which included leaders from both sides of the industry. The elevation of

these labour leaders to positions of 'confidence' established certain customs, practices and expectations, which at one and the same time had, in the longer term, important implications for policy in the miners' union and the energy industry. Distinct parallels can also be drawn with the 'popular front' philosophy of the Scottish miners' leadership which had its origins in the Communist Party.

Abe Moffat had been very active in the miners' unions in Scotland since 1923 (Moffat 1965). He was not unknown to Shinwell since those early days when Shinwell was M.P. for Linlithgow in the mining area of West Lothian from 1922 to 1931. Significantly, with the advent of a Labour government in 1945, the Parliamentary Secretary to Shinwell at that time was Alfred (later Lord) Robens who was later to vehemently express his opposition to Moffat and to anything that resembled Communism. (Robens 1972). As Parliamentary Secretary to Shinwell, Robens had knowledge of his relationships with union leaders and as such must have resented any communist influence in government decision-making.

The relationship between Shinwell and miners' leaders, including Moffat, across the years, although tenuous, was one of 'accommodation'. It even developed into common condemnation of Robens' appointment in 1960 as Chairman of The National Coal Board. Such condemnation marked the class differences between Robens and themselves. In later years the political contrast between Moffat and Robens was clearly illustrated by the final appointment of Lord Robens as Chairman of the Johnson Matthey Bank, while Moffat, in turn, was said to have remained 'loyal to his cause' until death.

These government/trade union relationships were developed through the perceived need to expand coal production more efficiently so as to enhance the legitimacy of the proposed nationalisation of the coal industry by the Labour government. Consequently, the expectations of NUM Area leaders were conditioned by 'custom and practice' of being party to decisions regarding energy policy concerning that coalfield. To an extent this suited Moffat and the Communist Party. Giving an impression of participation and shared control reinforces their power base, their credibility with the membership, and assists in the elevation of the leadership to that of an 'Aristocrat'. In contrast, it is perhaps worth noting that a similar process occurred with Sam Watson, the Durham miners' leader of that period. Both cases have been described as 'popular bossdoms' differing only in their political orientation but still within a general corporatist framework. However, for capitalism the advantages of corporatism appear more readily available in Scotland through the political appeal of nationalistic dreams (Nairn 1967, Kellas 1980)

The control of the Scottish labour movement has had an important bearing upon the current structure and situation of the Scottish coalfield today. The ideological position taken by the labour movement's leaders has been consistent over its history as much as it has been consistent in its weakness. This has taken the form of what could be called "economic nationalism" which ultimately becomes a position of weakness for the labour movement and allows capital to take the advantage. The leadership of the labour movement in Scotland, especially in times of economic recession, call upon superficial meanings and all things

uniquely Scottish, such as the "Scottish Psyche". This is meant to appeal to all classes in an effort to maintain some position of strength against the 'alien foe', usually in the form of 'foreign capital'. To do this they will engage with bodies and forces such as the opposition parties, churches and business to combine in the defence of something of interest of all. From the periods of John Maclean to Campbell Christie, from Gallagher to Eric Clarke, by far the largest contribution to this situation has come from the Scottish Area of the National Union of Mineworkers as the dominant force within the Scottish Trades Union Council (STUC)

The Scottish N.U.M. has for decades been dominated by the Communist party, disproportionate to their membership in the coalfield. Positions in the miners unions', in both leadership and executive, have been controlled by the Communist Party over the best part of this century. While it is testimony to their organisational abilities, it also poses other questions of how this was done and why the Communist Party has remained in the positions of power even as a relatively spent force in British politics. Further and most importantly, the Communist party and its development should not be viewed in isolation from the process and the trade union which assisted its maintenance and organisation. Its strength has been gained through the achievement of positions of power in and across the Labour movement in Scotland forming a social hegemony often through an appeal to the 'Scottishness' of the workplace and the relationship of labour within it. Rarely does the Communist party, despite its internationalism, relate the closure of plant to wider, international problems. An example of this is the Upper Clyde

Shipbuilders with its connotations of 'Clyde built ships', red Clydeside of John Maclean's days and an appeal to save the Scottish yard and Scottish shipyard workers' jobs. In this the Communist Party were at the forefront and keen to stay there even at the expense of other parties. It is my personal impression that it attempted to play a 'Godfather' role over the labour movement in Scotland.

Those who have shunned its wisdom have barely been tolerated. Billy Hubbard, a sacked Scottish miner, originally from the Durham Area, recalls the day when he first entered the Hillside Crescent area offices of the Scottish N.U.M. as a delegate from his union lodge. Mick MacGahey and Jimmy Young were seated downstairs in the private bar and Billy was sent down to deliver his message. Expecting to engage in union business he was told to take a seat and asked what he wanted to drink.

When I refused their offer of a drink I was told. "You know Billy if you want to get on this union the best thing you can do is join the Party". At that point I said "no thanks" and left. I mean, it might as well have been the 'Masons' he was talking about!

Billy Hubbard, Blink Bonny Lodge Delegate, March 1986

Well perhaps he was. One of the major concerns of Durham miners visiting the Scottish Area was the number of Freemasons and Orangemen in the labour movement. They found it difficult to come to terms with a miner who has left wing sympathies and is a member of an Orange Lodge or a Knight of Saint Columba. According to Alan Mardghum, compromise comes as hard as the tolerance of such organisations to the new left in the Durham Area. To live with the apparent contradictions between communism and secretive Orders for some time is one of the most illuminating

insights into the process of power in the Scottish Area N.U.M. Either you join or you effectively become outside the 'privy council'. Billy Hubbard remarked that he didn't wish to rubber-stamp approval for policies that serve sectional interests. Representing an unwelcome side of trade unionism for Durham miners, equally these facets of life highlight the nature of trade unionism in Scotland. Effectively, even leaderships with a different political outlook can share the same 'interests' as management and government. But also, for North East miners it then raises the question of being in a position of compromise.

The origins of the current 'national alignments' lie with traditional Liberalism favouring the home rule issue to win Scottish votes and compensate for their decline in England in the 1880's. Early Scottish socialists endured a complicated relationship with the Scottish Liberals; among them, Ramsay MacDonald, Emanuel Shinwell, Keir Hardie and Robert Smillie, the Scottish miners leader. Later as the STUC, and the Labour Party sought to develop their influence in the political arena they too continued to carry the ideological baggage of home rule over from their Liberal background. It was Willie Gallagher, founding member of the Communist Party of Great Britain who was the first to criticize fellow revolutionary John Maclean for his pro-active home-rule line. Before the second world war under the Moscow led line of 'Popular Fronts' the Scottish Communists had started to court the middle-class nationalists, producing a pamphlet in support of a Scottish parliament in 1936. The Scottish Communist party now acts as a pressure group in the assembly campaign with the Scottish Area leadership active cross-party campaigners.

The general premise and practice of leaders in the Labour movement in Scotland that the best way to carry support is to appeal across classes, while longstanding, is narrow and flawed. History has shown that the attempts to unite with dissidents from other parties, church dignitaries and senior figures from the Scottish Law Society against the reconstruction of the capitalist process have failed (Fraser 1988; Hume & Owen 1988). Similar efforts were made at the onset of several colliery closures in the 1980's whilst avoiding the real issue of opencast coal expansion. Any proposals to take industrial action against closure came more often from the men than their leadership. Few words were uttered by the Scottish Area leadership in its campaigns against closure of deep mine pits or the process of mounting domination by opencast coal mining within the Scottish Coalfield during the 1980's. Yet there was plenty of discussion and co-operation over future planning between the Coal Board and the Scottish N.U.M. leadership, regularly reported in the press. However, by August 1987 all the STUC and the Labour Movement leadership could offer those who were losing their jobs was "a day out for all the family" comforting their anxieties through a 'glorification of the Scottish Psyche'. Coming away from the rally many people were feeling more disappointed than elated. The reason for such disappointment clouding people's thoughts can be better summed up with comment from a recent critique on similar ventures of economic nationalism.

The revival of claims about the distinctive 'Scottishness' of the Labour movement's politics has led many workers into dead ends of class collaboration and token industrial gestures.----- The Scottish working class ----- has fared best when it has escaped from the inhibitions of a narrow focus on

Scottish affairs. But from 1918 to 1988, when workers' ideas or actions have been influenced by those who preach the unique virtues of a separate Scottish politics, or who demand devolution as a priority, it has always been for the worse.

(M. HUME, D. OWEN 1988, Is There a Scottish Solution. P.72/73)

This 'economic nationalism', with its origins in the 'popular front' of the Communist Party of the 1930's, may have contributed to the accelerated run down of the deep-mine coal industry in Scotland and the consolidation of opencast coal mining. Hidden from conventional public visibility, decisions were made by what the public thought was 'their' public utility, British Coal, and 'their' trade union, the N.U.M.. As evidence will shortly reveal these bodies contrived to bring about a mutually agreed outcome in crucial situations regarding opencast and deep mine development and closures. Importantly, this was with the knowledge that resistance was already diminished by appeals, overriding class interests and differences, to dream of better days in the Scottish industry; in effect, based upon economic nationalism. The philosophy is of an economically sound Scotland activated in critical economic and social circumstances, grounded in historic myths and dreams, through an appeal to the "Scottishness" of economic and industrial corporatism. Some decisions were taken separately as structure and process determined; inevitably, some were taken with the agreement of both sides, and not always in the best interests of those they were meant to serve.

The pattern and trends in the Scottish coalfield then, have been influenced by the ideology of economic nationalism and the custom, practice and expectations of a tripartite approach by the Coal Board with the NUM in Scotland. For the State this process provides the

ability to enable the implementation of policies in an otherwise difficult political climate (Jessop 1990, pp 128-135). Within this are contained parallels and paradoxes. The parallel is the similarities in philosophy and practice between the tripartite approach of the government enacted firstly by Shinwell in 1947, and, the continuation of the 1930's popular front approach of the Communist Party within the Scottish labour movement. Over time, one strengthened the belief in the other and gave rationality and a framework to its practice. The paradox has been that in times of economic recession this has manifested itself in the form of economic nationalism rather than the communism or socialism espoused from the platforms by many Scottish NUM leaders. Consequently, in the run-down of deep-mine production, any rank and file challenge to the decisions made in the Scottish Coalfield during the 1980's were often minimal and have carried little legitimacy. Decisively, because of this, opencast mining because it is 'Scottish' and contributing to the Scottish economy, has been considered a legitimate part of the development of the Scottish coalfield and only in very recent times has been seen as "a necessary evil".

ii Corporatist Tendencies in Scottish Coal Production

Relationships between the labour movement, specifically the NUM Scottish area, Local Authorities, the Scottish Trades Union Council (STUC), British Coal and, its main customer the Power Generation Industry (PGI), have played an important part in changing the structure of the Scottish coalfield. Often out of necessity, as much as political expediency, policy decision making over the coal industry in Scotland has developed through incorporation of these bodies producing a corporate approach. Despite directives to the industry based upon free market economics corporatism still remained as a political expediency until the completion of reorganisation. Essentially, this corporatism lies as much with the history of nationalisation as with the history of political culture in Scotland. This did not change substantially until the organisational restructuring of the "Peripheral Coalfields" under Mr. Albert Wheeler in January 1989. By then it had served the State well in its endeavours to achieve commercialisation of the coal industry in Scotland.

While the concept of corporatism has been subject to much debate, we are concerned with the co-operative political alignments which developed in the Scottish Coalfield through British Coal's policy towards opencast mining and the transformation of coal production and the labour process. In searching for a more theoretical approach to define this process in the Scottish coalfield it is argued that:

corporatism connotes a political structure within advanced capitalism which integrates socio-economic producer groups through a system of representation and co-operative

mutual interaction at the leadership level and mobilisation and social control at the mass level.

Panitch P.66, The Development of Corporatism in Liberal Democracies, Comparative Political Studies April 1977.

Panitch's definition of corporatism appears to be an adequate profile of the process between the NUM leadership and British Coal management and the strategy of BC in Scotland. The Scottish NUM leadership have enjoyed a loyal following over many years. To a large extent this loyalty transferred a great deal of authority to the leadership not always available in other areas. Loyalty given over a period time can be turned into compliance. And in the process of supplanting deep mine jobs and production by opencast mining members' compliance appears to have been crucial. Eric Clarke defended opencast mining as a "necessary evil", George Bolton in his quixotic approach to coal in Scotland saw it as further evidence of a bright future for the "Scottish Coal Industry". The members have been more sceptical, their experiences were very different.

Everywhere you went you heard people saying "the pit's away" I have been hearing it for four years. The management had a lot to do with it: the places we were working were just about impossible to work in.

William Aitkin aged 20, Bilston Glen Colliery June 2nd 1989

The pattern of corporatism over the years in the coal industry in Scotland can be signified by a leadership that was complicit in a rationalisation/investment process with British Coal involving the closure of mines for the re-investment in other mines. The politics of the Scottish Communist Party, controlled and centralised, has not always been supported by the more articulate elements of the rank and file of the mineworkers union. The party, despite the principled stands often taken by its members, has often resorted to dogma rather than analysis,

position rather than policy. Moreover, for all their work in the General Strike and in the Spanish civil war the Communist Party was in recent times often reluctant to take the political offensive. The leadership of the NUM in Scotland has, in turn, exemplified the internal limitations of this political attitude. (Smout 1986). The policy as well as the motives of the Communist Party, and de facto its members in the NUM, have not always met the aspirations of the miners even in its best years. Early evidence of this situation comes from the first issue of the "Militant Miner" which was supported across the coalfield during the second world war by miners of the Labour party and the I.L.P. as well as the people in the Anarchist movement. Alex Greenhorn, the anarchist Treasurer worked at Dixons, Wilsontown and wrote during the second world war:

Our policy is to build a rank and file movement which will provide an alternative to the present leadership of the Scottish Miners Union, an alternative to the Labour party and to the Communist Party.

To blame the strike on a small political group is just sheer bluff. Unrest is due to the failure of any of the Unions just now to defend successfully the standards of the miners.

Militant Miner August 1943

The principal reason for this bold alternative was the limited ability of the Communist leadership to articulate the voice of the rank and file. Scottish miners broke ranks during the second world war to strike against conditions in the mines. The Communist leadership of the miners unions attacked them for being disloyal to the country, the industry and the miners union. It besmirched the Militants' propaganda by stating it was anti-union and thus pro-fascist (Pearson, 1943).

Scottish Area Management has a background history of "coming up from the bottom" and this has greatly influenced its relationship with the leadership of the Scottish Unions. Mining legislation ensured that the qualifications needed for management posts meant that, as in the case of Wheeler and McAlpine (both mining engineers), candidates for Area Management posts were unlikely to be from outside the industry or the area. Consequently, union members and managers had often worked alongside each other in the past, creating respected relationships. McAlpine started at the Woodend pit near Armadale in West Lothian since 1953 with several past and present members of the Scottish Area NUM executive. Conditions in the Scottish coalfield at least since the beginning of nationalisation were always conducive to a corporatist culture between management and unions. As another engineer divulged:

In practice it was a few mining engineers in management in Scotland who were the central figures in selecting colliery projects....

Halliday R.S. 1990, The Disappearing Scottish Colliery, p.10.

However, the pruning and centralising of the reconstruction programme from the 1960's away from Scotland would be cause enough for the development of nationalistic sentiment. Set in the context of perceived competition between the Scottish and English coalfields and protecting the Scottish coal industry, it would arguably, provide greater industrial cohesion.

iii Corporatism and Opencast Expansion in the Scottish Coalfield

Changes in the structure of British Coal and the Scottish Coalfield were heralded by the extension of the Audit Department in 1975 to management controls in an attempt to give more "value for money" by looking for procedures for improvement. Pits were closed in Scotland and opencast increased its output but there is no evidence that the corporate relationship between the NUM leadership and BC changed. Once the process of restructuring began, Hay Management consultants were engaged between 1978 and 1982 to implement organisational change through "job analysis". Further recommendations on efficiency came from the Monopolies and Mergers Commission (MMC, (1983), NCB, 289-290, 297 and 305). Apart from Albert Wheeler's spell during the strike until his resumption of control over the Scottish Area in January 1989, there is little evidence of rupture in that common approach to a policy of supplanting deep mined output with opencast coal output in the coalfield during this period. The NUM never changed its approach and the evidence from McAlpine suggests the adherence to a corporatist position until the advent of the "Peripheral Coalfields Area". By then "hibernation investment", as we shall see, was in place and the opencast output was 'holding the markets' to supply the major consumer the South of Scotland Electricity Board (SSEB). The SSEB was by then under directives from government to re-structure into a commercial company in readiness for privatisation.

Corporatism went beyond the two way relationship between British Coal and the Scottish Area NUM. Indeed the whole process was 'anchored' in a

symbiotic relationship with the PGI market until electricity privatisation. Private industry was the principal benefactor, receiving low cost electricity on the back of faulty accounting methods imposed by the State on British Coal. (Davies & Metcalf 1984; Berry 1985a). When as in the case of British Aluminium in Invergordon it didn't get the prices it wanted industry threatened to pull out; this constant pressure from industry kept the price of coal down. Eventually, the privatisation remit of the SSEB demanded little assistance to augment British Coal's rationalisation effort. British Coal's aim to gain more cost effective sources of coal to meet the new imperative of 'the market', by design or default, was helped by the increasingly aggressive posture of the SSEB in trying to secure lower cost coal for power generation. In response to this pressure, the "mutual interaction at leadership level and social control at mass level" (Panitch, p.66) continued and became increasingly more evident. Alignments of local authorities, the media and academics were formed around the NUM and British Coal in defence of "Scottish Coal". At the same time the disgruntled rank and file took their redundancy and watched the development of opencast gather pace. However, this neglected British Coal's desire to 'get into profit' and increase revenue by accelerating production of opencast coal and closing the less profitable deep mines. For the Government and its senior management in these industries the outcome has been both favourable and necessary to meet government directives and the market imperative. In the coalfield the desire for a reduction in the workforce and the shift to greater control over cost and production from its Director, Albert Wheeler, echoes the proclamation from Major Sir Fenton Braithwaite of Fairclough Mining 46 years earlier when he extolled the virtues of

opencast production against the "costlier" method of using manpower to
`get ' coal.

For opencast coal to expand relatively unimpeded it was necessary to enlist the labour movement that controlled the District and Regional Councils. Here a direct link existed between the NUM, the Labour Party and the Mineral Planning Authorities as NUM members such as Eric Clarke J.P. in Midlothian were often `sitting councillors' on Planning Committees. In the push to develop opencast output people have been seriously affected by the corporatism of British Coal, the NUM leadership and local authorities. Early evidence of this came from Councillor Edward Wright J.P. of Clydesdale District Council fighting the development of the 10 million tonne Coalburn site. However, additional evidence in the determination of this "co-operative mutual interactive" body came from a relation of the Royal Family.

In the beginning of April 1989 a letter was sent to me from this person I knew as a prominent landowner in Fife, later identified as a relative of the Queen Mother. He was most disturbed at the treatment he had received from Fife Regional Council over his objections to British Coal's new plans for the Frances Project of an opencast and drift mine. In his letter he stated that:

The relationship between the Coal Board and the officials of the Regional Council has been one of `cosy corporatism' whilst to us complete indifference as to our efforts and wishes has been shown ----- One has experienced the regular Mason's handshakes and indirect suggestions that if we were to withdraw our objections we would be allowed to work certain opencast areas ourselves.

LETTER Andrew Wemyss to Jim Ellison 29th March 1989

The urgency to expedite the application for the Frances Project ignored the conventions of planning law. But this can, according to their councillors, be attributed to the Regional Council's policy on the 'need for jobs'. However, this flies in the face of the Region and the NUM leadership taking a passive stance on the closure of Seafield Colliery which was linked to the Frances pit. Richard Saville of St Andrews University undertook research on the Scottish Coalfield and Fife Region in particular. He found that in the Seafield/Frances combine pit closure there were "disconcerting movements of truth which must become public".

We decided that since quite a number of people were very unsympathetic to us actually working on Seafield, we would do a report out of our own pocket and not embarrass the local authorities. It's cost us a fortune.

Richard Saville, Glasgow Herald 15/1/88

If Andrew Weymess and Richard Saville needed reminding what they were dealing with they should have looked no further than the pronouncements from the leadership of the Scottish NUM and British Coal's Scottish Director. The call by George Bolton for a "joint approach" and "industrial unity" to the problems of the coal industry at the 1987 Scottish Trades Union Conference (STUC) later resonated with the words of Director George McAlpine in a "putting Scots coal back on top" interview. In this he:

...lays great repeated stress on good industrial relations. There is a hefty measure of mutual regard between himself and the NUM Scottish leadership. "What I have done during my stewardship is to carry out a rationalisation of the Scottish coalfield in total agreement with all the trade unions."

(my emphasis)

The Scotsman, Interview with George McAlpine 20 May 1988

Arising from these good industrial relations between management and union leaders came the promise of developing the Frances Project if 'flexible shift working' was allowed by the Scottish area NUM. We know from Andrew Weymess of the "cosy corporatism" between British Coal and the Regional Council. Given the 'relationships' in the Scottish Labour movement it would not be unreasonable to believe, because of the proposed deal over the Frances Project, that there was some communication between the Regional Council and the Scottish NUM leadership. This would complete the 'corporate circle' and accounts in large part for Fife Regional Council's interpretation of Scottish planning law and use of English planning guide-lines to push through the Frances Project applications.

Fife Regional councillors on the Planning and Development Committee were pointedly reminded by the Regional Director in his Report on the Frances Project of the co-operative stance of the NUM leadership with British Coal on this matter. Consequently there can only be one outcome.

Members will be aware that the NUM Scottish Area have given indications of their intention in this respect (on flexible working hours) to assist in the development of the Frances Project. ---the absence of signed agreements (on flexible working) does not provide a sustainable land use planning justification for a refusal of the application.

Report to the Planning and Development Committee
Fife Regional Council. para.1.2, P.2, Sept. 1988.

The Director's Report, written with one end in view, is full of inconsistencies, often by using British Coal policy jargon which it appropriates towards a corporatist approach to coal production. Moreover, Richard Saville saw that the key to the future of coal in Fife lay in a "hidden agenda" and to a large extent his argument is correct.

If the Coal Board had been serious about developing Frances it would have done so years ago by building a drift mine in the late seventies. What Scottish headquarters and London want to do is expand opencast mining. They've tied this particular opencast in with the fallacious assumption that they then can develop a new Frances underground mine on the back of an opencast

Richard Saville, Glasgow Herald 15/1/1988

Where we differ is, that from the available evidence that we will see in the next section, British Coal do actually want both opencast and deep mine proposals. Opencast mined coal for the near future and the deep mine resources for privatisation. However there is an added dimension to this as he rightly points out:

There are genuine difficulties for the union leadership. On the one hand they are being asked to convert themselves into an opencast lobbying organisation: on the other hand they know perfectly well that if the production of opencast goes above what it is at the moment that makes the position of Longannet Complex more difficult.

Richard Saville, Glasgow Herald 15/1/88

The tide had irrevocably turned in British Coal's favour and they now enjoyed a more powerful position in relation to the labour movement in Scotland. To underline these concerns in March 1988, the Fraser of Allander Institute produced a report at the behest of Fife and Central Regional Councils on "An Assessment of the Impact of the Closure of the Longannet Complex and the Cowdenbeath Workshops". The Director of Economic Development and Planning, continuing to show sensitivity to the developments in mining in Fife, stressed in a letter to me that the report was "not to be used as a public summary document" (28/4/89). Decision making over the Fife pits, between the Local Authority, British Coal and the NUM leadership are worthy of further investigation at another time. Finally, The Frances Project decision, however

disturbing, shows the twin dilemma for the NUM and the Regional Council over the retention of jobs in the Region. Firstly, religious involvement in the corporate process has contrived to 'dispossess' the trade union rank and file and the public of a real opportunity to oppose opencast development in other areas of Scotland as well as Fife. Secondly, from this process British Coal have been allowed to capitalize upon the weakened position of the rank and file and their inability to resist radical change in the Scottish coalfield.

iv. End of an Era in the Scottish Coalfield.

January 1989 marked a watershed in the relationship between British Coal and the leadership of the Scottish Area NUM. It was not only a time of on-going change in the organisation of British Coal, with Scotland becoming part of the Peripheral Coalfields Area, but also in the approach to production and employment relations.

The closure of Bilston Glen/Monktonhall complex announced to the public on morning television, without informing the NUM in the customary manner, exemplified the end of corporatism. Formal industrial relations procedures were disregarded and apparently the premier informal one too. Previously, 'closed' meetings between local authorities, British Coal, Labour Party members and the NUM have resulted in close co-operation on policy with regard to coal production in Scotland - not this time. But what could the NUM leadership have really expected? Whatever British Coal had promised them, it was after all they who were complicit in the expansion of opencast mining at the expense of deep mines. Perhaps that is why it was not convenient to make apparent, at the time of complaint by the NUM, the threat to Bilston Glen Colliery from the proposed Blindwells opencast extension taking its industrial market. Arguably, had Blindwells been ready with coal available, Bilston Glen would have gone earlier. That is why it was deemed necessary that the colliery manager, J. Sorbie sent a letter to miners at Bilston /Monktonhall imploring them to produce more coal on their return from annual holidays.

On Friday 24 June the Area Director informed the area

consultative council that unless the poor results from Bilston Glen improved immediately during the period following the annual summer holidays, the colliery will be placed in the colliery review procedure. This could result in the closure of the colliery.

British Coal have shown their commitment to Bilston Glen with the installation of new face equipment and considerable development to replace existing faces. (my emphasis) They have also invested in the long term by developing towards Monktonhall Colliery (my emphasis). Bilston Glen has not responded to this commitment.

We have a market for our coal (my emphasis) and must ensure we produce it in the quantity and quality required to satisfy our customers.

Immediately after the holidays it is my intention to mount an intensive campaign supported by senior management, area and local union representatives to lift output to 4000 tonnes a day or more.

BRITISH COAL LETTER TO EMPLOYEES OF BILSTON GLEN/MONKTONHALL MINING COMPLEX 27/7/88

While production never reached the target British Coal required, it did produce coal of variable quantity enabling the mine to be kept open until Blindwells extension came on stream. It is interesting to note that the investment committed at the pit must have been made with some knowledge of the pit's current limited life-span. Four days later, Bill Stenhouse, the Bilston Glen delegate, responded to the letter by claiming that management were engineering the closure of the pit.

We are fully committed to working Bilston Glen and the men are prepared to fight for their jobs. We blame management for the non - production because of the things they have done. Management removed wooden supports during the holiday and the roof came in. It's primed for closure.

Meeting of Bilston Glen miners, Dalkieth Miners Welfare 31/7/88

Indeed nine months later, on the 24th of April 1989 British Coal announced the closure of Bilston Glen/Monktonhall complex in Midlothian with the loss of 700 jobs and 10,000 tonnes a week (average). The last "bogie" of coal came up on June 2nd 1989 while earlier in 1989, within

sight of both shafts, coal production started at the 3.5 million tonnes opencast mine extension at Blindwells with Fairclough-Parkinson (AMEC) contracted to extract the coal. Stung by the 'leak' from British Coal to the media that the Bilston Glen complex was to close, Eric Clarke, N.U.M. Area General Secretary, called a meeting in Lothian Regional Headquarters of the Coalfield Communities Campaign. The meeting had an air of both despair and embarrassment about it. These were men who 'had gone along with the necessary evil' and had been betrayed. Rather belatedly, and probably as political expediency on his part, he signalled the first departure from their pro-opencast coal stance with British Coal. It also marked the end of any 'cosy corporatism'.

At the January 10th Meeting with the Coalfield Communities Campaign British Coal told us that it intended to continue its investment in the two pits (Bilston/Monktonhall). They tell us that there is now no market for Bilston Glen coal. If that is the case where have they gone? They can't disappear overnight. If opencast coal has taken the markets for Bilston coal then we will oppose opencast coal production.
Eric Clarke C.C.C. Edinburgh 11/4/89

Another casualty of the end of corporatism was the run down of Killoch and Barony collieries in Ayrshire, section by section, to the point where the pit was open but producing no coal. Gerald Faulds at Barony Colliery "couldn't understand the logic of it all" when the management refused more men to man the new development section. Down the road near Ayr, Crouch Mining had just signed a £38 million contract to mine 2.75 million tonnes of coal by opencast methods (Scotsman, 29/3/88). North West of Barony, the Dalquhundy opencast site was producing its first tonnage of 10 million tonnes capacity.

Bloody opencast springing up everywhere you look: what can you do. I think the Killoch (Barony) washer is in private hands now. ----- I don't want to move south and I'm not

taking redundancy, so I'll just wait for the finish.-----
Gerald Faulds, Barony miner 4/12/1988

Such fatalism is indicative of the condition of miners in Scotland. The most striking reason for this can be observed when in the social company of these men. After visiting Miners Welfare Clubs in the Scottish coalfield from 1986 there has been the distinct impression over several years of a marked progressive social and political distance between the NUM leadership and the members. Demoralisation and fatalism bring disrespect, and an unspoken knowledge that perhaps it could have been so different. The political will to combine has been neutralised by a process of incorporation, that regressed into corporatism of which they had little part, which started long before the 1984/85 strike.

While this says a great deal about the outcomes of industrial relationships in the Scottish coalfield, criticism of the shift away from the rank and file membership has been underlined by unexpected sources. The most telling and well positioned comes from Helen Liddell in a parting comment before she left the post of General Secretary of the Scottish Labour Party. In a review of Hamish Fraser's book on "Conflict and Class: Scottish Workers 1700 - 1838," she made a comparative reflection on the Scottish working class then and in recent times.

It would be appalling to look back upon those early wage slaves with anything like longing, but Campbell Christie, General Secretary of the STUC, should reflect at this crucial time for the trades union movement that much of the vigour of early trades unionism was because it found its roots in the communities of Scotland.

Now that the unions have grown to become vast bureaucracies like their capitalist counterparts, it may well be that the price paid for that growth is the lack of involvement on the

ground. Just as the social aspirations of the master made him put as much distance between him and his men, can we be confident that the power and prestige of the trades union baron has not created a gulf with the members.

The Scotsman 19/3/1988

Helen Liddel was one of the most respected General Secretaries of the Scottish Labour Party. It is an indictment on trade union leadership in Scotland that even she had distinct reservations on the development of trade-unionism in Scotland. Growing away from the membership towards a closer association with its "capitalist counterparts" is an indicative recognition of the weak situation in which trade unionists and the public now find themselves. To a large extent this had resulted from the policies and approaches of trade union leadership in Scotland. The miners have been weakened beyond recall in Scotland, in part by the indolence of the NUM leadership over opencast coal expansion and their "class collaboration and token industrial gestures" (Hume and Owen, 1988); but equally by the endeavours of the SSEB. British Coal themselves initially were well satisfied with this side of the business, power and control of the industry rested back in their hands.

The actions of British Coal in the spring of 1989 marked the end of a long relationship between the NUM, the local authorities and the management of the coal industry. The old 'cosy corporatism' of previous relationships was killed off and buried under government directives coming to fruition and the 'managers' right to manage'. Corporatist relations having served their purpose as an essential ingredient in the transformation of the coalfield were then discarded. Albert Wheeler, was in a very much more powerful position as Director of the Peripheral Coalfields Area, controlling the Scottish Area once again. Investment

was taking place in deep mines but some of these were closing and the markets were then being held to a substantial degree by opencast coal production. But, as Brian Buroo from the Scottish Office said. "what markets?: they have no agreement with the SSEB". All of which questions the rationale of the State and British Coal in embarking upon their ambitions for coal in Scotland. Uncertainty existed over the retention and size of those markets. Crucially, this meant that planning production for the next configuration of power generation continued to be problematic for the coal industry in Scotland. Worse, it could all be in vain.



Part Two Commercialisation of Coal Production

i Introduction

On the first of May 1707, in a fitting symbolic and emotional reaction to the 'Union of the Crowns', someone stole into St.Giles Cathedral in Edinburgh and rang out on the Bells, the tune, "Why should I be crying on my wedding day"? On May Day some 283 years later parallels could be drawn with an equally dramatic political and economic industrial shift. The people of Scotland still had coal production but 75% of this was produced without the mining workforce of previous years. Moreover, there was a shift in control of administration from the Green Park headquarters of the Scottish coalfield to Nottingham under the directorship of Albert Wheeler. This event had been heralded by the last bells to ring from the shaft bottom of the Barony Colliery in Ayrshire and later by those at the "jewel in the crown" of the Scottish coalfield, Bilston Glen. Previously, Wheeler as Area Director of the Scottish Coalfield had instituted the restructuring of coal production, using dubious accounting practices, supplanting deep mined output with coal from the production of opencast mining "to keep the markets alive" (Eric Clarke, NUM Gen. Secretary, Scotland, CCC, 24/2/88). The strategic importance of opencast coal to the energy industry was underplayed and not given a public profile by those representing the interests of labour or the public at large. On the contrary, as opencast coal was often perceived within a homogenous Scottish coal

production, it was therefore treated in the same manner as deep mine output, despite the NUM having no members within the opencast sector. Privatisation of electricity brought pressures to bear upon British Coal in Scotland to follow a State directed strategy that was heading in the same direction using opencast coal. British Coal and the government saw the Irish and Scottish markets for coal as crucial to their privatisation agenda for the energy industry in Scotland and Ireland. To set up the future for trade in supply and demand for energy the Government has shown a tendency to contrive demand and supply in power generation and in the development of coal production. Aiming at a new era in coal mining, British Coal hibernated public investment and held the markets with opencast coal for the dawn of a new era of coal mining in Scotland based upon 'three super' pits at Monktonhall, Longannet and Frances. The effect upon deep mine jobs and output may have been predictable but none the less tragic and probably unwarranted in the long term.

ii The Commercialisation of the Scottish Energy Market

The Government's intention to privatise the electricity industry was formally announced in the Conservative Manifesto for the 1987 General Election in June of that year:

we will bring forward proposals for privatising the electricity industry subject to proper regulation.
Conservative Manifesto 1987, P36.

Privatisation of the electricity industry was then duly carried forward under the stewardship of the new Secretary of State for Energy, Cecil Parkinson. The effects of this privatisation upon the energy industry have been far reaching, none more so than in Scottish coal production.

The organisational culture and policy of the Power Generation Industry (P.G.I.) has been re-shaped by the Government's privatisation programme, planning for a variety of energy sources for power generation and directives to make it a commercial enterprise. In turn, the policy and organisational culture within British Coal have been as much influenced by its increasing dependency upon the P.G.I. as by government financial directives. In Scotland this new 'commercial relationship' has been brought into sharper focus by action in the High Court in Edinburgh between British Coal and the South of Scotland Electricity Board.(S.S.E.B.). Paradoxically, the S.S.E.B.'s single minded action and approach to which British Coal objected also had the effect of complementing and contributing to organisational restructuring and cultural change that had already begun in British Coal. In the second half of the 1980's such action has compounded a process that can be

traced back to the era of the then National Coal Board Chairman, Lord Robens. Since that time British Coal in Scotland have resorted to increasing the proportion of opencast coal production, as their least expensive method of mining coal, to meet the demands of the S.S.E.B.

The S.S.E.B., unlike the P.G.I. in England and Wales, operated until recently under the umbrella of the Scottish Office. It was responsible for operating power stations, and selling electricity, whereas these functions were separated down south. For that reason the main bulk of its policy was determined by the Scottish Office under directives from the government. Its organisational culture though not dissimilar to that of British Coal in the 1960's and 1970's was to change gradually under a greater belief in nuclear power brought about by the influence of the nuclear lobby in government. Scotland has had, even before Torness was built, one of the largest generating capacities, in percentage terms, of nuclear power in the world. With new era man Donald Miller in charge at the S.S.E.B., previous commercial relationships were changed and the market for coal was placed under great pressure under his aggressive management approach.

An important part of this approach to fuel purchase with British Coal was the use of 'bargaining counters'. To force down the price of coal in real terms from British Coal, the increased use of nuclear capacity, imported coal, cheap oil burn, burning gas is threatened. The idea is that if the price is acceptable to the S.S.E.B. then the threat is withdrawn. However, Donald Miller has maintained the threat of Torness in an attempt to force further price cuts out of British Coal. This

organisational strategy has produced added pressure for British Coal at a time when, under government directives, it was undertaking a cost-driven restructuring programme. At first sight, the main effect of this pressure upon British Coal has resulted in the accelerated increase of lower cost opencast output at the expense of deep mined production in Scotland.

One way to understand the determination of the S.S.E.B. to become a commercial force in the energy business is to look at its objectives. These are based upon the agreement reached with the government over what is termed "Performance Aims". As in the rest of Britain these are outlined in the Electricity Supply Industry's (E.S.I.) Medium Term Development Plan 1986-93 which has as its prime objective the requirement:

to develop and maintain electricity supplies to meet customers' needs on a continuing basis as cheaply as possible.---- with a goal of achieving a reduction in the real average price per kWh sold.

This is to be done by:

pursuing a vigorous and selective marketing strategy ---- securing a long term supply at minimum cost, particularly by continuing to develop further the commercial relationship with British Coal ---- increasing the proportion of electrical energy supplied by nuclear energy to 25% by 1992/93.

Because of British coal's inability to sell coal elsewhere in the market, it has had little alternative but to accelerate a similar organisational culture and policy which had itself become increasingly obvious after the 1984/1985 miners' strike:

We need to maximise output at our lower-cost collieries and opencast sites as a means of reducing average costs.
N. C. B., 1985 New Strategy for Coal, Paragraph 11,iii,iv

In 1986, the S.S.E.B claimed to the Monopolies and Mergers Commission (M.M.C. Report, Command 9869, para 2.12) that they needed 7,412 Megawatts to cover a security element and other energy requirements. By the beginning of 1988 Hunterston 'A' and 'B' nuclear reactors, the B.N.F.L. Chapelcross reactor and the newly commissioned 1,290 M.W's of Torness reactor provided almost half the expected demand for power generation of some 3,000 M.W.. For the S.S.E.B.(Scottish Power) this alone provided a powerful "bargaining counter" in negotiations with British Coal. Importantly, with additional capacity coming on stream at Torness, it diminishes the success of British Coal's own strategy in Scotland, centred as it is around the State-inspired 1985 New Strategy for Coal. It also enables Scottish Power to maintain monopoly control of energy production in the industrial and commercial heartland of Scotland. State investment and development of individual industrial sectors to commercial standards, coerced into a contrived competitive arena without regard to the outcome, is a waste of public money and scarce resources and raises questions over the rationale of the government's privatisation programme (Kerevan and Saville 1987). Despite the S.S.E.B. development of new additional capacity their attitude to British Coal has not resulted in the loss of coal fired generating capacity.

Clearly, the main reason for this is founded upon the policy of having a wide variety of competing fuel sources as outlined in the E.S.I Long Term Development Plan. How this applies downward pressure on production and prices is equally important in understanding other factors which create competition in coal production. What is constructed from this apparent largesse of capacity in power generation is not only surplus amounts of 'electricity for export' but

the constitution of a type of market for fuel sources in generating capacity. The purpose as currently understood from Brian Burroo in the Scottish Office is that they are to buy in fuel at the appropriate price and time. Clearly, the ability to burn a variety of other fuel sources such as nuclear and gas have enabled the S.S.E.B. to use them as a bargaining counter to bring pressure to bear on the contract price of coal to be burned in power stations. In terms of power and control over energy production it is most disturbing. Having monopoly control over the price of fuel 'bought in' even bastardizes the concept of competition through privatisation. Consequently, the propensity then exists for distortion in the rest of the economy. Inevitably, the trend to commercialism has led to an acceleration in British Coal's strategy of producing 'lower cost sources of coal', but probably at the expense of deep mined capacity.

The fear of losing a section of the S.S.E.B. market may or may not be real. To maintain its market share British Coal's answer, as in the rest of Britain, has been 'industrial Darwinism' cutting the 'high cost tail' of production and accelerating development of opencast. We know from Table 3.1 that opencast coal forms the largest production of any coal mining sector in Scotland. Moreover, with the majority of Scottish coal output consumed in Scottish power stations, evidence from Table 3.2 indicates opencast coal as the major source of coal production supplied by British Coal to the S.S.E.B. However, British Coal cannot deny that this process was already in progress albeit at a slower pace before the advent of electricity privatisation. Government financial directives to the coal industry are evidence to that.

George Knox, Planning and Marketing Manager of British Coal, Scotland, had responsibility to respond to the demands of the S.S.E.B. Brought up in the Durham mining village of Bearpark, he became an important source of information in Scotland and spoke of the problems in maintaining the S.S.E.B. market.

We are dependent upon S.S.E.B.'s ability to sell energy to the C.E.G.B... There are physical and political barriers. We only put down 50% of what we wanted last year..... We have an idea of cheap coal produced in the North East, transported to Scotland and sold to the S.S.E.B. to meet their requirement. This is just one of the models on the computer. Thank God we are not into that stage yet.

Elements of desperation appear here and the choice was stark. With nuclear power taking an increasing share of base load and part of the contract for coal tied into exports of electricity 'down the wire' (interconnector) to the C.G.E.B., British Coal are being forced to resort to their lowest cost coal. Scottish deep mines have not produced below British Coal's financial criterion, as set out in the 1985 New Strategy for Coal, of £1.65 G/J. Indeed for some time it has been around £2.00G/J. to £3.50G/J. Responding to the S.S.E.B.'s pressures meant the more rigorous pursuit of the long time policy of supplanting deep-mined production by opencast production under new government financial directives, in the face of a declining market for coal. The result of this can be seen in the closure of Seafield Colliery on the Fife coast in early 1987.

Production from the Seafield Colliery was of superior quality than that of opencast coal and went to the Longannet power station to compensate for the low calorific burn in the boilers. This was part of S.S.E.B.'s arrangement in the summer of 1986 to buy in 4.75 million tonnes of coal

in 1987 as part of an agreement with British Coal on a revised structure for supplies allowing it to reduce electricity tariffs by 3 per cent. When Seafield lost its main production face and 10,000 tonnes of coal per week through fire, the S.S.E.B. said their contract would not be adversely affected as they would burn extra opencast at a lower cost. Privately they told British Coal:

they had been unhappy at the high price of Seafield coal
----and it believes coal could cost less if Seafield were closed.

Scotsman, 20th December 1986

Seafield colliery was closed in early 1988 and S.S.E.B. continue to use nearly 60% of opencast coal in the coal - fired generation since Seafield lost its main production face. No deep mine coal replacement.

Perhaps the most telling indication of British Coal's sensitivity to the expansion of opencast arose at the Scottish Minerals Officers Group (SMOG) Conference in Edinburgh. British Coal were hosts, furthering the case for responsible opencast expansion with Area Opencast Manager Trevor Cragg outlining the 'special qualities of opencast coal'. With my 13 year old son at my side I attempted to broaden the debate with the question:

Will costs be a factor in determining the levels of extraction if so what implication does that have for deep mined production?

The response was stinging!

British Coal have the right to commercial confidence!. You (general) would get a punch in the nose if it were in private hands. The need for opencast coal is based on more than cost, but on quality of the coal.

Trevor Cragg, British Coal, SMOG Conference, Edinburgh 9/4/87

The problem with that answer is that it contradicts the practices of British Coal in supplying the S.S.E.B. Seafield colliery coal was replaced by opencast coal at Longannet despite being of superior quality than most opencast output. The situation is being repeated across the coalfield in response to their own strategy and the demands of the S.S.E.B., that is why Trevor Cragg was 'marketing' it at the SMOG Conference.

As British Coal were forced to respond to the pressures from the P.G.I. it was inevitable that their production was to dovetail into the pricing and generation capacity of the S.S.E.B.. Once engaged in this process it became necessary to restructure the organisation within British Coal to match the production requirements. Evidence of this came in what British Coal did in Scotland when they amalgamated their opencast sector with the deep-mine production sector in 1985. It is a long long way back to 1950's energy planning; Shinwell, Selsdon, Moffat and Robens. From 1950 where opencast coal was to be phased out, to 1992 where it was over 70% of total production in Scotland.

There has been a certain inevitability over the commercialisation of British Coal in Scotland. From the 1985 New Strategy for Coal it seems they had already embarked upon a similar commercial approach to production and organisation. Once the S.S.E.B. strategy of having a 'choice of capacity' was in place, British Coal were locked into competition with other fuel sources making them conform to the demands of 'the market'. After all there is only one major market for coal from Scotland and that is in power generation. In contrast to previous

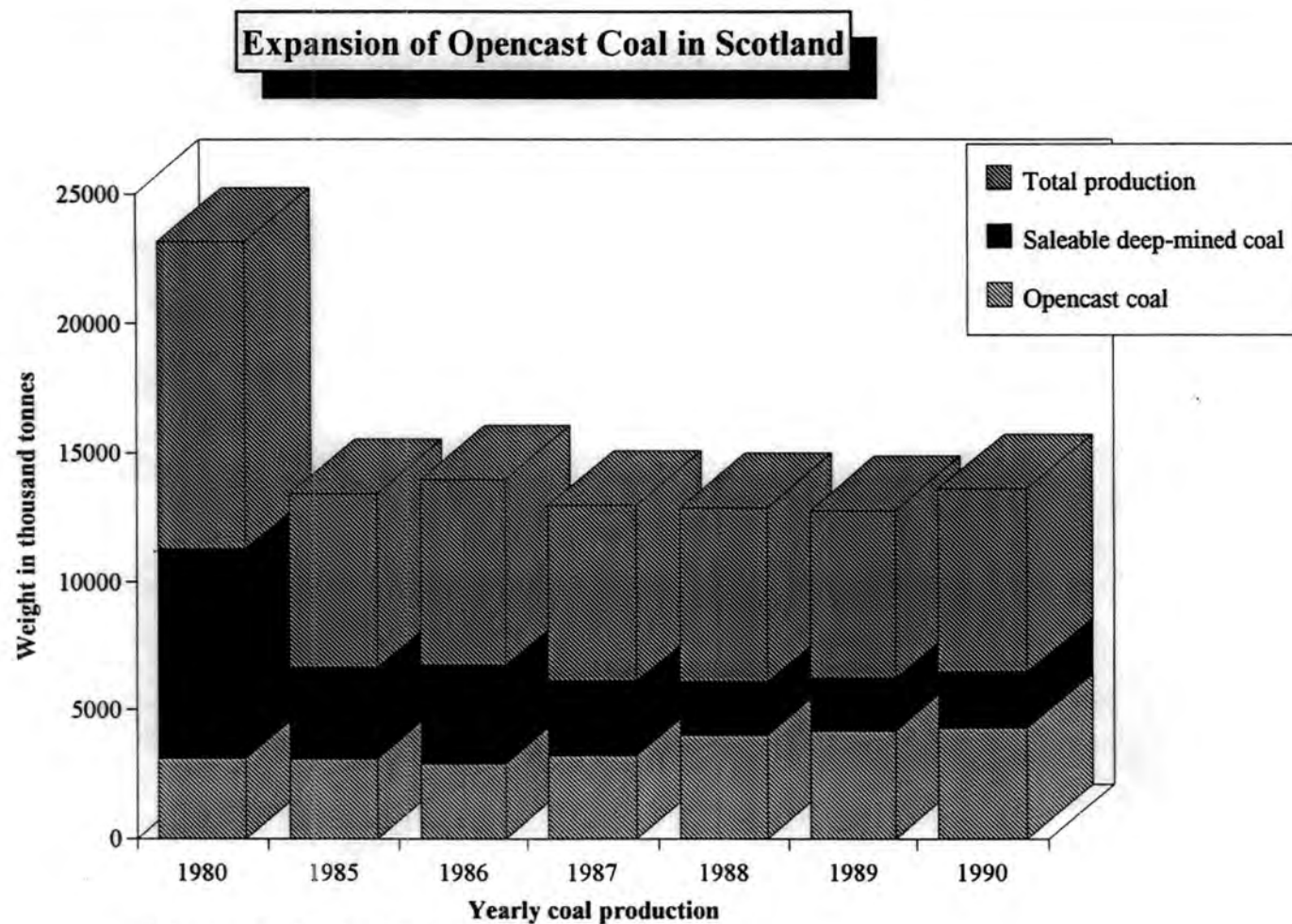
decades, when the National Coal Board had a security of market, the S.S.E.B. have been developing a type of internal market for fuel sources to compete in generating capacity. Creation of this market has forced competition within the production of coal between profitable and less profitable sources of coal. It all has a very Darwinian look about it.

iii Policy and Trends in Production and Employment **in the Scottish Industry**

Political pressures from the State upon the corporate arrangements in production, markets for coal and demands for technological change have conspired to have a radical impact upon the coal industry and communities in Scotland. As will become apparent, much of this could not have taken place without the complicit agreement of the Scottish NUM in the expansion of opencast coal mining. With a history and reputation for militancy (Allen 1981) in protecting pits and jobs, critics may ask "why did the Scottish area NUM allow a process indicating that the closure of pits was related to the increase in opencast output to gather momentum even without the slightest rebuke?". Economic nationalism explains much of the attitude of the NUM leadership, often seen in its separation from NUM national policies after the 1984/85 strike. Such a contradiction between apparent indolence on the issue of opencast expansion and the loss of deep mine pits and jobs contrasts starkly with that militant reputation. While the remaining production has been transformed by increased technology, a substantial amount of output in a declining market for coal has been supplanted by opencast mining (Fig. 3.6). Employment in the industry has been the major casualty. Having already experienced a sustained decline over the years, the number of people employed at the face, on the surface and in staff and clerical posts have contracted at an alarming rate in recent years.

Coal Board Policy in the Scottish coalfield since 1966 has given an increasingly important role for opencast mining in overall production, especially from 1976 onwards,

FIGURE 3.1



Source: British Coal Scotland and SDD.

Table 3.1

SCOTTISH COAL PRODUCTION (millions tonnes saleable)										
Year	1965	1970	1976	1980	1982	1986	1987	1988	1989	1990
Deep Mine	17.5	11.1	9.4	8.1	6.6	4.3	3.6	2.8	1.9	
Official#						3.9	2.9	2.1	2.1	
Opencast	0.9	1.3	2.4	2.3	2.8	2.6	3.0	3.6	3.9	
Official#						2.9	3.2	4.0	4.2	
Totals	18.4	12.4	11.8	10.4	9.4	6.9	6.6	6.4	5.8	
Official						6.8	6.1	6.1	6.3	
Deep mine as % total production	95%	90%	80%	78%	70%	62%	54%	44%		
Official						57%	48%	34%	33%	
Opencast as % total production	5%	10%	20%	22%	30%	38%	46%	56%		
Official						43%	52%	66%	67%	
Incremental change as % of Previous Output										
Deep Mine		-37%	-15%	-14%	-19%	-35%	-16%	-22%		
Official						-41%	-26%	-28%	-5%	
Opencast		+44%	+85%	-4%	+18%	-7%	+15%	+20%		
Official						+4%	+10%	+25%	+5%	

Source: British Coal, Strathclyde Regional Council

Official# - Scottish Office statistics

Note: Deep mine coal includes the output of licensed mines

Table 3.2

COAL PRODUCTION AND CONSUMPTION IN SCOTLAND 1979, 1983-1989 (000 tonnes)

	1979	1983	1984	1985	1986	1987	1988	1989
Total Production##	10972	9208	3581	6729	6925	6730	6629	6370
Deep Mines(saleable)	8172	6198	988	3600	3860	2937	2112	2086
Opencast coal	2438	2986	2593	3085	2898	3206	3996	4165
Imports(including from rest of U.K.)	1285	1339	1211	2000	1559	1638	1528	1487
Disposals	12470	8577	5887	9722	9027	10229	8050	7412
Inland total	11900	7408	5682	8721	8310	9463	7424	6348
Electricity	8440	4578	3329	5357	4980	6399	4549	3716
Coke Ovens	1133	1164	1188	1309	1221	1223	1189	1183
Industrial	527	404	265	677	888	900	862	725
Merchants	1084	691	516	842	765	549	486	445
N. Ireland(export)	570	542	157	523	187	646	520	814
Stocks(end of period)								
Distributed	1411	3156	884	2060	2216	1693	2985	3548
Undistributed	337	3037	4308	2388	2094	931	949	989

Source: Scottish Office Development Department.

Saleable deep mined coal includes the output of licenced mines

N.B. Disposals sub-totals are to major consumers.

Table 3.3

EMPLOYMENT AND PRODUCTIVITY IN BRITISH COAL COLLIERIES, SCOTLAND 1977/78, 1981/82 - 1987/88								
	77/78	81/82	82/83	83/84	84/85	85/86	86/87	87/88
Employment								
Wage Earners on								
Colliery Books								
(Weekly Averages								
Thousands)								
Overall	22.1	18.3	16.9	14.4	12.3	8.8	6.0	4.3
Underground	18.7	15.7	14.5	12.5	10.6	7.5	5.2	3.7
Employees (at								
end of Period)##	25.9	21.0	19.9	16.0	14.0	9.7	4.5	3.5
Operative Mines	19	14	13	9	9	9	7	4
Productivity								
Average Output								
per Manshift (tonnes)								
Overall	1.96	2.00	1.97	1.94	0.37	2.21	2.54	2.71
Underground	2.34	2.38	2.33	2.30	0.46	2.65	3.03	3.18
Face	7.05	7.48	7.64	7.81	4.20	9.95	10.76	10.95
Proportion Output								
Power- loaded(%)	89.7	92.2	92.7	93.8	87.2	93.3	94.6	95.1

Source: Scottish Office Development Department.

##This includes white collar staff and workshops staff

and a diminishing one for deep-mining. This is demonstrated in Table 3.1/Fig. 3.1. where from 1965 we have seen a steady rise in the tonnage of opencast mining to the detriment of deep-mined production. This is not so obvious by examining the actual figures of production for the two sectors. Only by taking production figures on an incremented basis, can we realise the progressive consolidation of opencast mining in Scotland, and, the diminishing importance of the deep-mined sector. While this may appear to have been a traditional long term development, the Scottish Area NUM have yet to argue this point. Indeed, when the latter part of the 1980's saw the situation reaching critical proportions for the deep mines, relative to the expansion of opencast, their responses ranged from the defensive and evasive to a distinct silence on the issue. British Coal themselves had been extremely keen to avoid the true role of opencast mining to become a public issue in Scotland (Scotsman 6/1/1988).

When George Knox of British Coal Scotland, in conversation with me in 1987, responded to the point that opencast was at least 50% of total output by remarking "We'll make sure it never goes over 50%" (of total output) he meant the figures and not the tonnage. Figures supplied to local authorities by British Coal for a long time continued to show the predominance of deep mined coal over opencast output. For whatever reason they were misleading. This became evident through the production of more recent statistics demanded by the Scottish Office which shows British Coal were often misrepresenting the saleable output of both opencast and deep mine coal. Psychologically these differences are not minor, for had the truth been fully extended into the public domain the

response may have disrupted the progress of British Coal's strategic process towards a 'new era in coal mining'. Discrepancies in tonnage figures were never raised as a major issue by the Scottish Area NUM leadership according to Michael Hogg (Executive Member). However, when Billy Hubbard (Blink Bonny Delegate) did take output statistics from me into a major NUM meeting on closures he was dismissed by the leadership for 'scaremongering'. Having previously accepted the "economics" of British Coal's argument this came as no surprise.

According to figures supplied to Strathclyde Regional Council by British Coal, from 1965 to 1970, there was a 37% decrease in deep - mine production and a 44% increase in opencast mining production. Over the next six years the incremented change as a percentage of previous output continued on a dramatic scale. Deep - mined production fell by 15% while the policy of support for opencast production increased it by an extraordinary 85%. Even though the following five years figures to 1980 were influenced by the 1974 and 1977 'Plan For Coal', the relative decline for deep - mine production continued against the expanding figure for opencast mining which shared a very small absolute decline. Opencast coal output was now supplanting deep mined output.

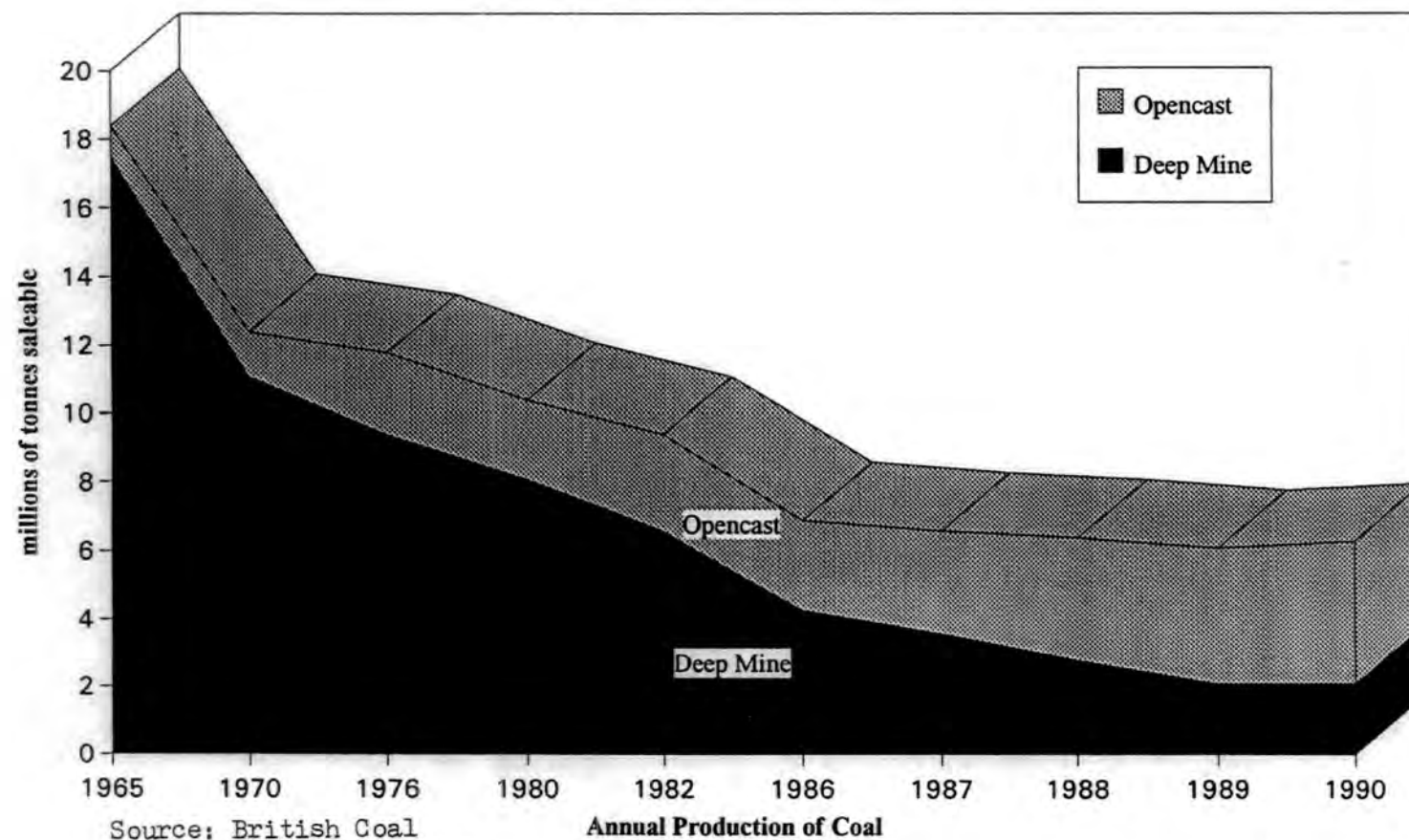
Overall, total saleable output has undergone a sustained decline, related to market demand, from 18.4 million tonnes in 1965 to 5.8 million tonnes in 1988. Alarming, within this figure deep mine production has been reduced from 17.5 million tonnes in 1965 to only 2.8 million tonnes in 1988. Therefore, deep mine production has lost output of some 14.7 million tonnes and opencast mining has increased its output

by some 2.7 million tonnes. Admittedly, in mining tonnage terms 2.7 million tonnes is not a great deal, but the crucial point is that opencast production has progressively increased its share of total output, especially during the 1980's; we can see this more graphically in Fig.3.2. From just 5% in 1965, opencast coal output has increased to 56% of total output in 1988. In stark contrast deep mine production as a percentage of total production has fallen dramatically from 95% in 1965 to 44% in 1988. The percentage gain of opencast output and percentage loss of deep mined output in each of the years since the 1985 "New Strategy for Coal" has been substantial. From 1986 to 1987 to 1988 the gain for opencast and loss for deep mined output has been 8% and 10% respectively. Previously, such changes as these would have occurred over longer time spans and on a larger base total. However, further evidence in the form of incremented changes as a percentage of the previous years output is perhaps the most telling aspect of radical change in the production of coal in the Scottish coalfield.

These statistics show a sustained and relentless decline in deep mined production across the years. This is contrasted with a progressive consolidation of opencast mining as the major method of coal production in Scotland. Recent years show the most marked changes. From an already diminishing base total in 1982, 35% of deep mined production was lost by 1986. In the following year the decrease amounted to 16%, and then a remarkable 22% from the previous year of 1987 from a base total of only 3.6 million tonnes. Opencast production in contrast, was kick-started from 1965 to 1970 and 1976 with dramatic increases of 44% and 85% respectively, as incremented changes as

FIGURE 3.2

Scottish Coal Production



Source: British Coal
Scotland and SDD.

percentages of the previous periods' output. Following such large increases it is hardly surprising that the situation stabilised with a small decrease. Even so, this was against a decrease in deep mining of some 14%. Following the arrival of the Conservative government in 1979 and industrial action in 1981 there was again a marked rise in opencast output. Over the two year period from 1980 to 1982 it rose by 18% against the background of a decrease by 19% in deep mining over the same period. We could argue that the figures that represent the changes from 1982 to 1986 were affected by the 1984/85 industrial action. But even with a decrease by 7%, opencast mining output still progressively consolidates its position as deep-mined production was slashed during the same period by 35%. What is startling from this period in time is that opencast coal production from 1986 to 1987 to 1988 expanded by 15% and 20% against the sustained decrease in deep-mined output by 16% and 22% respectively.

The dramatic change in the production of coal in Scotland is brought into sharper focus by the discovery of 'alternative' official figures. The figures in Table 3.1 are the 'conservative' figures given by British Coal to the Regional Councils for public consumption. These are augmented in Table 3.1 by figures from the Scottish Office supplied by British Coal for the years from 1986 onwards. The full figures are reproduced in Table 3.2 for reference purposes. If we look at the figures held by the Scottish Office the regression of deep mining and the expansion of opencast mining is all that more graphic. As early as 1987 opencast coal output represented more than 50% of total production by 1988 it was 66%. This official figure stands in contradiction to the

figures given to Strathclyde Regional Council of 46% and 56% for those same years. Similarly, this meant that the incremented changes from the previous years' outputs would be misrepresented. Therefore the incremented deficit for deep mines was much greater than previously stated post 1985 "New Strategy for Coal". Moreover, in opencast mining in 1986 we find far from a deficit of 7% in that year it inherited a gain of some 11% and then continued its strident march into the 1990's in Scotland where incremented decreases and increases reach saturation point. The trend has been to a perpetual decline in deep mined production and a progressive consolidation of opencast mining ever since 1965 and especially since the election of a conservative government in 1979 and the 1985 "New Strategy for Coal".

The strategy behind this policy of supplanting deep mined output with apparently lower cost opencast output would at first sight appear to be a purely economic one. Scotland had certainly some of the highest cost deep mines in production (Halliday 1990 pp.17). However it would be naive to believe that financial choices of production was the only strategy. The control of a flexible workforce in a high-tech industry as outlined in the Wheeler Plan (Appendix 1.) is also a very desirable outcome for British Coal in pursuing privatisation plans. Effectively, the power base of the N.U.M. in Scotland has been reduced by shifting emphasis on the mode of production from the deep-mine sector to the opencast sector holding the market for coal. Consequently, there has been a shift in the control of production from union to management and decision-making from engineers to managers and accountants (Berry et al. 1985b). Gradually and purposefully, production moved from the deep-mine

sector creating a more passive flexible technically minded workforce, to the opencast sector under a less cohesive, more mobile, passive labour force run on a contractual basis.

The legacy of this process has been tragic in terms of loss of jobs; both employment and environmental prospects remain extremely bleak. A visit to the former Lanarkshire coalfield sadly confirms that view. British Coal's Coalburn opencast mine operated by Crouch Mining dominates the Douglas Basin creating despoilation that would not be tolerated south of the border. LAW Mining, the largest private firm who were found guilty at an industrial tribunal in 1988 for dismissing four men who refused to work a 15 hour shift, continue to expand down the Rigside area. According to one of LAW's engineers, ex-miners will not be taken on by the private opencast firms because of their socialisation into 'restrictive practices', so there is little chance of opencast mining alleviating the unemployment.

From 19 production units in 1977/78, Scottish deep mining is recently reduced to 1 large combined unit in the form of Longannet. The loss of employment has been equally startling. From over 22,000 men employed on Colliery books in 1977/78 it stood at under 1,000 in 1992. However within periods of this time span there have been job losses of some magnitude. In the one year from 1982/83 to 1983/84, the year before the strike, there was a substantial loss of nearly 4,000 jobs. This was followed in the year of the 1984/85 strike by the loss of a further 2,000 jobs. During the year of 1985/86, following the strike, British Coal took advantage of the NUM's vulnerability to shed labour in

Scotland by a total of 4,300 jobs.

However, this may seem unusual that during this period of accumulated shedding of labour by over 10,300 jobs, British Coal still maintained 9 operative production units. There is more than anecdotal evidence to suggest that this was a political decision so as not to undermine relations with the NUM and preserve the general perception of the importance of mining in the public's eye. During 1986/87 with the closure of 2 more pits and 2 workshops came the shedding of the largest number of employees' jobs in the mining industry in a single year since nationalisation. A total of 5,200 jobs were lost in the Scottish coalfield with the greater loss coming from surface workers, white collar staff and fitters and electricians in the workshops. Further losses of 1,000 jobs in the industry occurred with the closure of 3 pits in 1987/88. The deep-mine industry as people had previously known it had been decimated.

Despite this loss of manpower we can see from Table 3.3 that productivity rose markedly in every section of the coalfield since the 1984/85 strike. For an explanation of this we should look predominantly at the increasing amount of new technology introduced into the mining industry (Winterton 1986). Evidence for this in Table 3.3 is indicated by the proportion of coal production which is power-loaded. This has progressively increased from 89.7% in 1977/78 to over 95% in 1987/88. Importantly this was accelerated after 1985 and is reflected in the Output per Manshift (OMS) on the faceworkers' statistics. Given the extremely high technological input at Scotland's remaining colliery at

Longannet, power-loaded coal production may well be nearer 98% as other production units are closed. Technological investment, as we shall see later, has been concentrated, in a deliberate policy, upon the pits targeted to survive into the 1990's.

British Coal appear to have had one major strategy - making the mining industry in Scotland financially viable and 'dressed' for privatisation. It is apparently achieving this through different courses of action within a complex process of supplanting deep mine output with opencast coal output and technological rationalisation of the most productive deep mines with the consequential outcome of these two processes being the incessant reduction of manpower levels in the industry. This 'commercial' process has been attuned over time to the demands of the reconstituted market for coal from the Scottish coalfield.

Who can be responsible for the dramatic and often traumatic changes? Certainly, government wanted radical changes in the Scottish coalfield, but the Thatcher government was not alone in determining what amounted to a transformation of the Scottish Coalfield. As long as direct political responsibility for the coal industry lies with the Ministry of Energy in London, the Scottish Office can claim to have little direct influence in coal production in Scotland, apart from the planning aspects of opencast mining. And to some senior civil servants this has proved irksome and inconsistent with their counterparts in England, as Brian Buroo in the Scottish Office confirmed in frustrated tones.

We have little input into British Coal, as we are not responsible for its policy in the same way as we are for electricity generation.

The fact that Brian Buroo's part in the development of electricity privatisation helped to determine the outcome of Scottish coal production is a moot point. Conversely, the Scottish Office itself was not directly involved in developing a strategy for a new era in coal in Scotland, shifting the emphasis on deep mined production to opencast mining. Privately, Brian Buroo wished the Scottish Office wished it was; he thought British Coal management lacked intellect and their policy in Scotland ill-founded.

This process, after all, would not be the first time in Scotland that the demands of capital have shattered communities and their culture, nor will it be the last. The legacy of previous years is not fifty miles away from Glasgow. At Auchendrain in Argyll is a 'preserved' crofting community museum. In keeping with 'tradition', the Scottish Tourist Board have just opened a deep mine museum at Lady Victoria pit, near Dalkieth. The process in the coalfield has remarkably similarities; then again perhaps it isn't so remarkable as predictable.

Its political structures underwent radical adjustment and the social and economic foundations of life were also altered by pressures of market technology, population and social leadership. Most of these found important origins long before Culloden.

Eric Richards, 1982, The History of the Highland Clearances,

iv Holding the Market for Scottish Coal

The market for coal in Scotland is largely tied into the demand for coal from the S.S.E.B. and on a smaller scale, industrial and public sector bodies. Radical changes affected the 'old arrangements' between British Coal and the S.S.E.B. since the advent of a commercial regime and the re-constituted supply of coal from previous reliance largely on deep mines to an increased capacity of opencast production. Already we have learned that:

A fundamental part of the [British Coal] strategy is concentration of production on the lowest cost sources of output, of which opencast output is clearly a major contributor.---- The Government has set the Chairman of British Coal demanding objectives. The cost reduction target in particular will require an increase in output from low cost sources.

Department of Energy, Letter to Durham County Council,
Para. 5, 27/3/1987.

British Coal have certainly become increasingly dependent upon expansion of opencast coal to maintain their market share; however, the matter has not been a straightforward one of supply and demand. The determination of the S.S.E.B. to become a 'commercial enterprise' has in turn directly affected the commercial strategy of British Coal in Scotland. One aspect of commercialisation was the intended use and configuration of power stations according to the price of fuel and the obligation of nuclear generation by the S.S.E.B. Therefore for British Coal, the use of coal fired power stations to generate electricity was vital to sustaining market share of fuel consumption in electricity generation. Table 3.4 shows the variety of stations burning different fuels that are available to the S.S.E.B.:

Table 3.4

SSEB POWER STATION CAPACITIES AND FUEL BURN TYPE			
Stations	Fuel Burn Type	Installed Capacity(Mwts)	Maximum Available Output (Mwts)
Longannet	Coal	2400	2304
Inverkip	Oil	2028	642
Cockenzie	Coal	1200	1152
Kincardine	Coal	400	375
Methil	Oil/Coal	60	57
Torness	Nuclear	1400	1200
Hunterston B	Nuclear	1246	1160
Chaplecross	BNFL	??	200(variable)
Hydro-Electric	Water	121	125
Dunfirmline/ Clydes Mill	Gas Turbine	125	125
Total Mwts		8980	7310

N.B. 2.100 Gwh of electricity produced by 1 million tonnes of coal
Source: SSEB Annual Reports

Table 3.5

SPECIFICATION OF SCOTTISH DEEP MINED COALS					
	Bilston Glen	Monktonhall (Peacock)	Monktonhall Barony (Parrot)		Polmaise
Moisture	11.5	11.5	11.5	n/a	n/a
Ash	4.0	8.0	7.0	4/10	9/14
Volatile	31.5	n/a	n/a	n/a	n/a
Sulphur	0.5	0.9	1.3	1.0	0.75
Calorific Value	28800	28300	28700	34000	28900

Sources: British Coal SMOG Seminar 9/4/87

Table 3.6

SSEB CONSUMPTION FOR MAY JUNE (average per week) and W/E July 1st 1989

	<u>May</u>	<u>June</u>	<u>July</u>
Longannet	45,000 tonnes	30,000 tonnes	65,000 tonnes
Cockenzie	{ 27,000 tonnes }		19,000 tonnes
Nuclear	145,000 tce.	145,000 tce.	85,000 tce <u>##</u>
Oil	5,000 tce	5,000 tce	5,000 tce
Total	195,000 tce	180,000 tce	174,000 tce

Source: S.S.E.B. Station Management

N.B. Cockenzie burned 27,000 for the two month period

Nuclear generating sets out for maintenance at Torness and Hunterston which meant 40 per cent increase in coal burn

Table 3.7

SCOTTISH COAL OUTPUTS AND SALEABLE OUTPUT - 1983/84, 1987/88

	1983/84	1985/86	1986/87	1987/88
Deep Mined	5.3	4.2	3.38	2.6
Opencast	2.8	2.5	2.40	2.8
Lisc. Mines	0.35	0.64	0.7	0.67
Total Output	8.45	7.35	6.47	5.97
Saleable	7.58	9.9	6.9	7.2

Source: British Coal, November 1989

Table 3.8

SCOTTISH OPENCAST DISPOSALS (Sales) 1987/88

Mines	P.G.I.	Industrial	Domestic	Export	Total	Private	<u>Overall</u>
--	2800	387	68	101	3356	+ 674	= <u>4040</u>

Source: British Coal and SSEB.

N.B. British Coal Disposals include private sector delivered tonnage.

Table 3.9

ACCOUNTANCY ALLOCATION PRACTICE IN THE SCOTTISH COALFIELD

	<u>Proceeds</u> <u>Allocated</u>	<u>Proceeds</u> <u>Rating</u>	<u>Rating</u>
Longannet:	£35.26/tonne	£1.64GJ/tonne	21.48GJ/tonne
Actual Rating	£34.28/tonne	£1.67GJ/tonne	20.52GJ/tonne
Allocation	£32.06/tonne	£1.52Gj/tonne	21.09Gj/tonne
by B.C.	£30.16/tonne	£1.43GJ/tonne	21.17GJ/tonne
Across Year	£30.32/tonne	£1.59GJ/tonne	19.00GJ/tonne
Average Rating			
BC Allocation	£34.28/tonne	£1.67GJ/tonne	20.52GJ/tonne
for SSEB Income			
Opencast: B.C.			
Average Rating	£45.00/tonne	£1.75GJ/tonne	24.56GJ/tonne
Allocation			
Source: <u>Kerevan and Saville, 1988, Scottish Coalfields Study, Summary, Paras. 3.2.2, 3.2.3.</u>			

Table 3.10

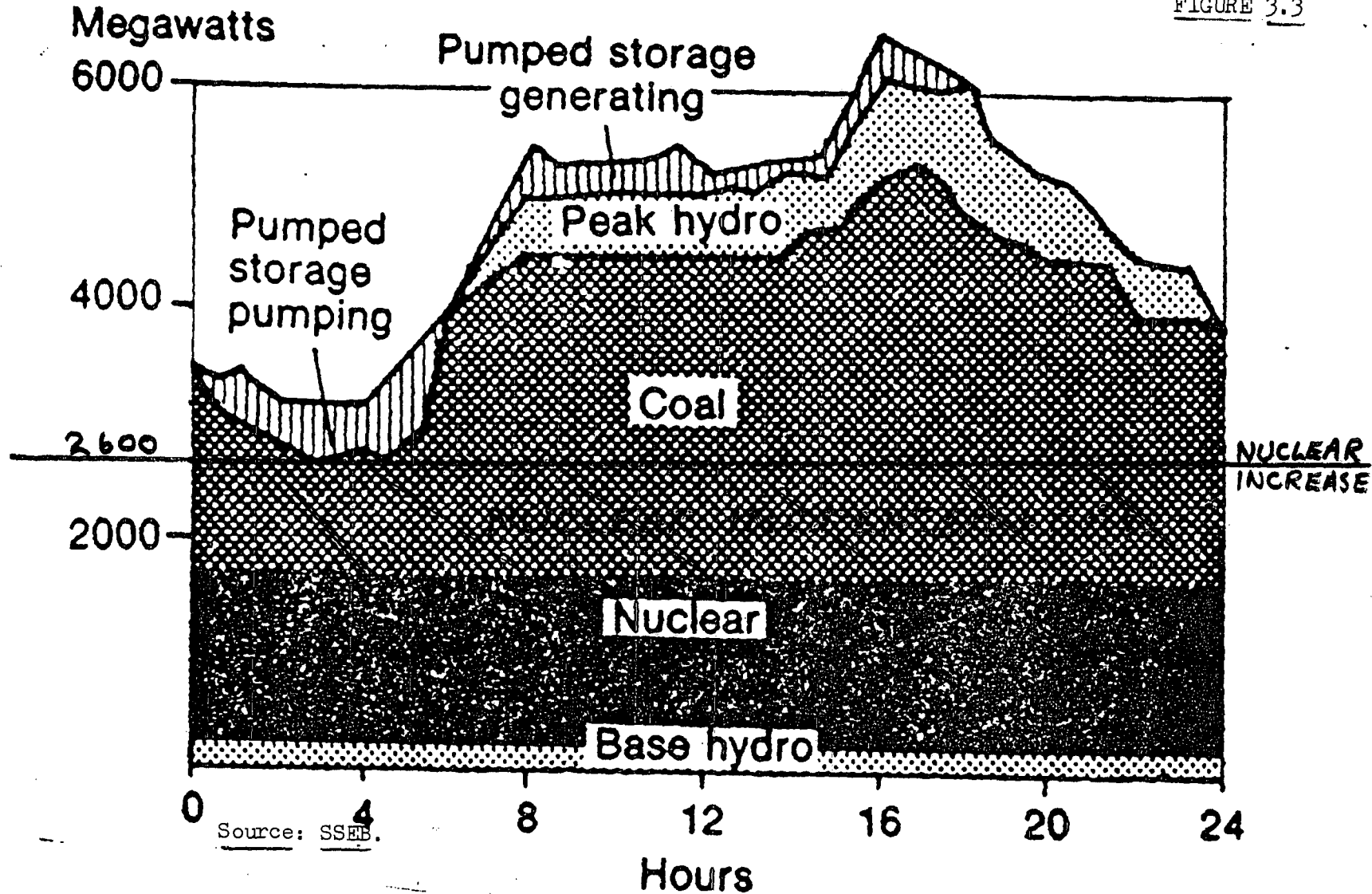
AVERAGE OPENCAST PRODUCTION COSTS AT DISPOSAL POINTS
IN SCOTLAND AND NORTH EAST ENGLAND 1988

<u>Scotland</u>		<u>N.E. England</u>	
Killoch	1.35 £/GJ	Widdrington	0.78 £/GJ
Knockshinnoch	1.05 £/GJ	Butterwell	1.15 £/GJ
Westfield	0.71 £/GJ	Wardley	1.09 £/GJ
Headlesscross	1.14 £/GJ		
Thorneyhill	1.42 £/GJ		
Blindwells	1.17 £/GJ		
Roughcastle	0.97 £/GJ		
<u>Average</u>	<u>1.12 £/GJ</u>		<u>1.01 £/GJ</u>

Source: British Coal Scotland and British Coal Proofs of Evidence
Daisy Hills and Marley Hill Opencast Public Inquiry

GENERATION IN SCOTLAND-1990 ON A TYPICAL WINTER DAY

FIGURE 3.3



Diversity of fuel burning options and the ensuing shift away from coal to nuclear generation are more graphically portrayed in Figure 3.3. The Scottish Office has invested a tremendous generating surplus for the S.S.E.B. beyond the claimed maximum power demand of 5,791 Mwts (MMC 1986 Report on S.S.E.B., Cmnd. 9869 para 2.12) and even beyond their extravagant strategic security requirement of 7,412 Mwts. The effect of this was that with Torness coming on stream it gave the S.S.E.B the opportunity to supplant coal generation with nuclear and other fuels, driving down the price of coal, Gas burn generation from Peterhead (640 Mwts), in an arrangement with the Hydro Board, adds to the portfolio and further strengthens their bargaining position. Imported coal has not been a major strategic issue in Scotland because of the lack of large port coal-handling facilities. However, coking coal which was imported in large quantities for Ravenscraig now leaves the custom built Hunterston terminal available for imports to the power stations. All this created great difficulty for British Coal to hold the market for coal.

Unlike the North East of England in 1991, the chemical specification of the majority of coal mined in Scotland is now confined to RANK 500-900 (Appendix 2.). British Coal therefore, found little difficulty in meeting the coal-burning specification requirements of the S.S.E.B., directly supplanting deep mined coal with opencast output. An internal study by British Coal done in 1987 was shown to me by Calum Martin of the Marketing Department in Edinburgh. The study argues that the S.S.E.B. will be sourcing much more fuel than it can use and that the S.S.E.B. will have 20% over capacity by the end of the century. This in

part is a result of the S.S.E.B.'s contractual arrangements with British Gas to burn gas at 1.5 million tonnes coal equivalent (mtce) from the Miller field from 1992. British Coal's study projections shown in Table 3.11 were based upon a 2 per cent increase in G.D.P., no oil burn and the de-commissioning of Hunterston 'A' with Torness unlikely to be on full capacity.

The S.S.E.B. have indeed turned to other sources for generation in the 1990's and demanded improvements in the price of coal. As we shall see, the long running High Court case in Edinburgh between the two boards was very much about security of markets for British Coal and flexibility of supply for the S.S.E.B. Given the imposition of a 20% nuclear burn upon the S.S.E.B. by the government they are unlikely to move much beyond 4 million tonnes per year for the foreseeable future. British Coal 'buy in' coal from the private sector for disposal to customers as well as disposing of stockpiled coal from previous years. They, together with the S.S.E.B. and NIES add to and hold strategic stocks, but stocks remain high since the record stock levels of 3.3 million in July 1989 [Longannet 2.26mt., Cockenzie 773,000, Kincardine 253,000](SSEB). Coal is often drawn by both the Power Generators and British Coal from existing stocks to meet a sudden upsurge in demand. This accounts for the differences between output in any one year and actual saleable disposals. Hence total sales at 7.2 million tonnes in 1987/88 were well above the total output of 5.97 million tonnes (Table 3.7). Coal stocks went to new industrial consumers such as the new pulp mill at Irvine and La Roche at Dalry, or, either stocking was taking place by S.S.E.B. (not NIES as coal shipped is coal bought). Up until 1988 there was a

market for coal production in Scotland, albeit a declining one.

Increasingly, this market has been fed by opencast coal to the detriment of deep mined output, leveraged by commercial pressures contrived by the S.S.E.B. and financial controls from government upon British Coal to adopt a similar commercial path.

The actual British Coal production delivered to the S.S.E.B. during the summer of 1989 averaged no more than 60,000 tonnes per week or some 1 million tonnes per year over demand for stocking purposes. Unlike power stations, coal mine production, deep or opencast, does not adjust output downward to take account of the fine weather. Scottish opencast output has increased with the onset of the 10 - 15 million tonnes Coalburn site coming on stream. This more than compensates for the loss of Barony and Bilston Glen the majority of whose production went to 'industrial and domestic markets'. Scottish opencast sales in Table 3.8 totalled 4,040 million tonnes against combined deep mine and opencast total sales of 7.2 million, almost 1 million tonnes more than deep mine production in 1987/88. Though over four million tonnes of opencast coal were accepted by industry and commerce not all of it is consumed immediately.

Contracting markets set against continued levels of production have ensured that opencast can hold the markets by means of cost and accounting advantages over deep mines. However work by Kerevan and Saville, gaining access into the accountancy methods of British Coal in Scotland, have cast grave doubts over the financial rationale of expanding opencast production and drastically reducing deep mining for coal:

The financial state of the Scottish deep mines is not a 'scientific fact' but is in part a self-fulfilling prophecy resulting from the peculiar accounting conventions imposed by British Coal. British Coal sells a total tonnage of coal to the SSEB at a series of list prices, but this transaction is independent of the individual deep and opencast mines. They in turn are allocated (by BC accountants) an internal "shadow" price for the coal they contribute to the total tonnage passed on to the SSEB. But this shadow price (which determines their revenue and their profit or loss) is an internal accounting fiction - it is not determined on the outside market by the SSEB.

The 'price' of Longannet coal is arranged internally by British Coal itself. What British Coal sells to the SSEB is a total package not a series of individual pit outputs priced at different amounts on the open market. At the very least the short term closure of Scottish capacity has been happening on dubious grounds.

Kerevan and Saville, 1988, Scottish Coalfields Study,
Summary, Para. 3.2.1.

Table 3.9 graphically illustrates financial regulation of the coal industry in Scotland by British Coal management accountants. Opencast coal production received positive price discrimination by allocating it an arbitrary internal 'shadow' price credit above the average rating. Deep mines by contrast, were never allocated an internal 'shadow' price at the levels for opencast mined output but consistently placed in a position of increasing unviability. Kerevan and Saville found that the Scottish Area had been directed from London to allocate higher shadow prices for opencast output which always placed it in the higher tranche price paid by the SSEB of 191.00pGJ/tonne (169.3pGJ/tonne SSEB average). Further discrimination against deep mines existed by allocating them much lower proceeds down to £1.43GJ/tonne, making opencast look extremely profitable. This arbitrary added value to opencast gave justification to the expansion of opencast holding the markets and avoided embarrassing questions being asked while deep mined production

was curtailed and restructured. The once accepted self-evident 'truth' of opencast being super profitable remains extremely questionable, if not untenable.

Market demands for opencast coal are driven as much by British Coal as the SSEB. However, the more 'lower cost, added value' opencast coal was produced, the larger the high cost tail of the deep mines in Scotland became. The 'sting' was that when that pit is closed those capital costs (assets) were written off. Justification for the continuation of such levels of opencast production appeared to have specific purposes. In the face of a declining market and stocking levels, the continued level of applications for opencast sites across Scotland meant that British Coal were increasing 'capital in the bank' with the corollary of increasing the attractiveness of the industry to private investors. It follows, that unless deep mines were developed to 'super pit' standards it is difficult to believe there would be a deep mine industry in Scotland. British Coal had at least one good reason for there would be - the 'west coast interconnector'.

Anticipating permission from the government and the European Commission for a replacement for the west coast grid interconnector between Strathaven and Harker near Carlisle is part of a strategy upon which both S.S.E.B. and British Coal were hoping to increase sales.

We have been working for some months now to secure future contracts with distribution boards in the south and the Central Electricity Generating Board to supply them with electricity from Scottish coal.

Donald Miller, quoted in the Scotsman 28/2/1988

The interconnector will almost double the current capacity from 850MW to 1600MW to sell electricity into the 'pooling arrangements' south of the border. British Coal claim that to make a reasonable return on exports, the S.S.E.B. had arranged with them to be supplied with opencast coal because the cost of deep mined coal would diminish S.S.E.B.'s profit margins. If this were correct then it means British Coal in striving to keep a market for coal are taking a reduction in profit margins themselves to pay for S.S.E.B.'s profits. In other words British Coal are subsidizing S.S.E.B.

Disregarding the arbitrary accounting of British Coal, arrangements such as these raises questions over the viability of supplying opencast coal in different parts of the country to the electricity generators to generate locally or to generate for export. There would be little advantage in supplying the S.S.E.B. with opencast coal having average costs higher than the average costs of opencast coal across the border. Yet that is precisely what is happening under this 'export arrangement' between British Coal and S.S.E.B.. Table 3.10 shows us why. Even on these figures it would cost less for the English generators to buy North East opencast coal to generate electricity than to buy electricity from the S.S.E.B. even discounting transmission costs.

Cockenzie power station has two 600MW generating sets one of which is geared to supply electricity across the border. These 'sets' exclusively burn coal of which at least 60% is opencast coal, mainly 'across the tracks' from Blindwells at £1.17/GJ and Roughcastle at £0.97/GJ near Falkirk.. Taking an average of these two and discounting transport costs improves the average cost to Cockenzie to £1.07/GJ, still well above the North East

average of £1.01GJ. We can only deduce that either British Coal are prepared to make a loss to keep the Cockenzie market or they have an arrangement whereby an element of discount on price exist for longer term supply that are not to the detriment of both parties.

British Coal may well have their own strategy and agenda, but to a large extent this has been reconditioned by the commercialisation of the S.S.E.B., de facto acting as an instrument of the State, regulating the supply of coal. In the effort to maintain their market share British Coal sales to the S.S.E.B. have continually increased the proportion of opencast coal. The expansion of opencast coal through the financial regulation of their accountancy practices became an integral part of British Coal strategy to hold the market for coal while curtailing a major portion of the deep mine sector in Scotland. All this has brought into sharper focus the future structure of coal production in Scotland.

Part Three - A Strategy For Coal Production in Scotland?

i. Opencast Coal in Court - 'The Best Laid Plans of Mice and Men'

Control over the management of energy in Scotland spilled out into the High Court at Edinburgh. Backed by the Local Authorities, the NUM and the STUC, British Coal took the SSEB to court over 'contractual arrangements' to supply them with coal. Supported by a frenetic press in Scotland over this disagreement, a sense of urgency bordering on panic prevailed in the coal industry. The markets that they thought so secure and had depended upon for so long were to be completely 'untied'. British Coal had a great deal to lose. In stark terms, their 'New Strategy For Coal' in Scotland hinged upon 'keeping these markets alive'. However the S.S.E.B., considering they only had 'arrangements' with British Coal, wanted 'new contracts with new prices'. In rebuttal, British Coal stated that they had 'agreements' and not 'arrangements' with the S.S.E.B.. Behind the tussle, lay at stake the strategy of each organisation's 'commercial future'. The issues were not so much as who would win this battle of words, but to what extent British Coal would maintain a market for their coal and how much further could the S.S.E.B. reduce the cost of fuel sources it 'bought in'. While the outcome would be important for both industries it had profound implications for British Coal. Clearly, the larger the gap between their aspirations and the eventual outcome of implementing government directives on the coal industry as a commercial venture, the more untenable and unviable the commercial future for coal becomes. From within the court there arose valuable indications of British Coal's aspirations for that future.

The legal requirement for electricity generation in Scotland, for which the SSEB and Malcolm Rifkind as Secretary of State are responsible, has now been turned into a directive without the flexibility of previous years. Consequently, the S.S.E.B. arguments for cheaper sources of supply are set out in Section 4(a) and 4(b) of the Electricity (Scotland) Act 1979. In this it specifies the general duties of the two electricity boards(S.S.E.B. and Hydro) obliging them to:

promote the use of all economical methods (of generation) and to secure as far as practicable --- the cheapening of supplies of electricity.

The Scotsman 10/3/1988

The use of this legislation was a most contentious issue. The Scotsman editorial of the day placed in context the SSEB's cynical use of the legislation and pointed out that British Coal as well as the S.S.E.B. had both chosen to operate in their own interests rather than that of the public since the advent of the Conservative government.

They know they are placing on legislation a burden that it was not intended to carry. And they know, most clearly of all, that had the 1979 Act had the meaning which they now attach to it then they have both been neglecting their statutory responsibilities since at least 1982.

The Scotsman 10/3/1988

Bearing in mind that Miller was Deputy Chairman at the time of enactment, the legislation presented an opportunity, through a re-interpretation, to 'manage the energy industry' with a commercial perspective. This new agenda, clearly a response to government directives, ended past relationships and questioned the basis for new arrangements of supply. Their message to British Coal was stark. The agreements carried no legal weight in law and the S.S.E.B. were ending

them. Moreover, they pointedly told British Coal of their intention to import coal as a substitute fuel source.

If there is not an agreement whereby the Board (SSEB) is obliged to take its supplies of coal exclusively from British Coal then interim interdict cannot be granted. It must be an agreement in contractual terms, not expressions of intentions, not references of keeping faith with a concept which appears in other documents, but an enforceable obligation on the Board.

Ranald Maclean Q.C. for S.S.E.B., Court of Session Edinburgh
2/3/1988

Alan Johnston Q.C. for British Coal, in seeking an interim interdict on the S.S.E.B., told Lord Prosser in the Court of Session in Edinburgh on the 2nd of March 1988, that if the S.S.E.B. were allowed to proceed as they now wished this would have 'catastrophic' effects on British Coal in Scotland:

1. The Scottish coal industry would be effectively destroyed with the loss of 3,500 miners' jobs
2. The loss of Longannet power station would account for 2000 of those jobs
3. The liability in respect of redundancy and similar payments would be about £28 million with serious consequences for the local economy.
4. The other smaller mines which also supply Longannet would also be forced to close
5. The £60 million development at Bilston Glen/Monktonhall aimed at meeting the future needs of Cockenzie would be cancelled.

Alan Johnston Q.C. for British Coal, Court of Session Edinburgh
2/3/1988

There are some disturbing assertions here. Firstly, in light of subsequent deep mine closures it smacks of duplicity as British Coal knew their commercial strategy involved the loss of at least 2,000 jobs across the coalfield. Equally cynical was the use of the emotive issue of lost jobs to bolster the case when their aspirations and intentions

were material ones of new era mining with high tech 'super pits'. We had indications of this in the mention of the £60 million capital investment at Bilston Glen/ Monktonhall. What was most revealing is the omission of the future of opencast coal, the threat to that production was not a model on anyone's computer, despite providing over 60 per cent of saleable output to SSEB. The assumption must be that it had a strategic part to play in the commercialisation strategy of British Coal.

Mr Ranald Maclean Q.C. for the SSEB brought us an insight into the unusual marketing approach of British Coal. In stating they were not objecting to the interim interdict by British Coal on the supply to Cockenzie until April 1st when that agreement expired, he went on:

The difference between Cockenzie and Longannet was that the former had a formal agreement (until April 1st) and the latter had not. The dispute was whether there was an agreement that the SSEB would take supplies of coal exclusively for that power station from British Coal.

SSEB Court of Session Edinburgh 2/3/1988

Sensing the loss of investment and revenue, as well as the obvious reason that in the case of Longannet there was no obligation for the SSEB to take coal exclusively from BC for that power station, Mr Johnston posing as the M.D. of British Coal replied:

Apparently, I have sunk these mines (such as Castlebridge) on speculation and must sit around with piles of coal sitting on the ground until my learned friend says graciously he would take some coal. If he says one tonne I will give him one tonne
Alan Johnston for British Coal, Court of Session, Edinburgh 2/3/88

The seriousness of losing the market for coal and, consequently, the ability to create a private sector operation, can be measured by the

estimated loss of revenue. In the study done by the Fraser of Allander Institute for Fife Regional Council (March 1988) it found that beside the loss of 3,227 jobs in the Scottish economy, the closure of Longannet would reduce Scottish output by £95.3 million. Loss of such revenue, not to mention investment, would seriously damage British Coal's strategy of developing the industry as an attractive proposition for private investment. Therefore, with the S.S.E.B. being the largest burner of coal in Scotland, the securing of that market was an imperative for British Coal.

Lord Prosser reserved judgement but granted an interim interdict in favour of British Coal on the 5th of March 1988. After some ministerial pressure was applied both sides sought to improve their credibility with the public as part of the longer term effort to become attractive enterprises. On appeal by British Coal, Lord Davidson later lifted the court order for a three month negotiation period which saw each side state its position and true commercial intent more clearly:

We need to have credibility with investors.

Donald Miller Chairman S.S.E.B., Scotsman 10/3/1989

Surely it is much better to have this whole matter settled for a long time ahead and described in a prospectus so that potential investors know exactly where they stand

British Coal, quoted in The Scotsman 10/3/1989

In that court room drama so removed from the life of mining the anxiety shown by British Coal indicated how much importance they placed upon their 'super pit' strategy in Scotland. The best part of £24 million had already been written down for payment for 3,500 men from pit closures; the £60 million 'golden mile' at Bilston Glen/Monktonhall was

developed for the future, along with other large investment. Opencast coal was mentioned only in terms of overall production. Even though its output has been maintained deep mines at Bilston Glen, Barony, Seafield and Monktonhall were to 'go to the wall' for reconstruction. The outcome to the litigation proved little other than SSEB (Scottish Power) had monopoly powers in a declining market for coal. Irrespective of British Coal's moral victory, their strategic intentions for a new era in coal mining have been pursued but remain unfulfilled.

ii Investment Hibernation - The Privatisation Prescription

Following the High Court wrangle over coal supply in Edinburgh, it became more clear that a strategy for commercialisation of coal production in Scotland existed where opencast was fundamental in realising the aims of British Coal and the Conservative Government. The intention was to achieve this through a complex process of balancing the judicious investment of technology allied to the rationalisation of deep mine production, at the same time, supplanting the lost production with opencast coal output to maintain what was a decreasing market. Industrial relations objectives (Fife Regional Council, 1988, para. 2.2), called for a reliable, flexible, efficient young workforce in the Scottish mines. The final intent was to have the industry 'dressed' for private ownership, with high-tech deep mines similar to the Wheeler Model (1986) and an attractive 'bank' of opencast sites.

Experience has shown new technology can be an instrument of change in mining by effecting changes in production practices and behaviour. High -tech specialised mining methods extending and intensifying the working week are deemed the necessary requirement to attract private investors (Fine, 1990, p.180). Feickert (1979) has argued that the basis of introducing new technology is grounded in managerial philosophies which are centred on winning control of work processes from workers. More specifically to mining, FIDO the face monitoring system, and MINOS a standardised hierarchical computer system, provide management with that very ability to control the production of coal (Winterton 1985, 1988). Wilkinson suggests that the introduction of such as MINOS has immediate implications for the control of coal production :

With automation under MINOS the threat to job control is obvious. I do not have the evidence to demonstrate that undermining the central position of faceworkers in coal getting is the central motivation for MINOS, but certainly this could be the consequence

Wikinson B., (1983).

The expansion of opencast mining has allowed the phasing in of a combination of these concepts towards a new model of mining in Scotland. However, it would appear that there were subtle differences in the introduction underground of new technology and investment in new infrastructure into Scottish pits. Some investment was placed directly, but the manner in which other investment was introduced gives cause for concern. How far did opencast mining in itself facilitate the introduction of investment/technology? In Scotland it has not just replaced deep mined production per se but in a determined and measured way.

Of all the pits that have closed in the 1980's the only ones to receive major investment have been close to the three super pits of Longannet, Monktonhall and Frances. Those that were geographically distant from the super pits such as Barony and Polkemmet, have not.

The crucial factors in this process were:

1. Striking a balance during installation of new investment
between closure of deep mines and loss of tonnage whilst
increasing opencast coal output "to keep the markets alive".
2. Most importantly, this installation of investment in pits

that were to be closed was linked, to the future as British Coal saw it, of three 'super pits' - Longannet, Monktonhall and Frances Collieries

3. The three 'super pits' have each themselves received substantial amounts of investment both direct and indirect.

Investment into opencast infrastructure in Strathclyde Region has been of breathtaking intensity (Appendix 3.). Incorporating Barony/Killoch colliery washer, 'privatised' in 1988 for the use of opencast coal output, opencast mining in the west of Scotland is itself of 'super pit' proportions. The overall result for management are greater control and flexibility in working methods and an increase in cost effectiveness. This is reflected by the current director of the Peripheral Coalfield Areas, Albert Wheeler, in his model of the ideal colliery:

Many capital intensive industries have to operate their plant over the full seven days to reduce the capital charges on the unit of production to a minimum. ---- A reduction in the number of men to cover for absence by 50% would save 70 men on books. The shaft should be available to wind material for 23 hours a day six days a week and 48 weeks of the year. Wheeler A., (1986).

The cost of deep mine production in many mines in Scotland has often been, on British Coal's figures, prohibitively higher than the national average.

Despite government directives on 'taking out' production costing more

than £1.65GJ (GigaJoule) this did not stop the flows of investment into a number of Scottish pits during the 1980's. Ironically, deep mines in the North East of England in comparison, operating much more efficiently, were starved of investment. The logic at first sight begs belief, but equally it demands answers to the pursuance of such a strategy. There are four possible approaches or scenarios to its solution: the first the Scottish NUM's perception, the second British Coal's version of events, opencast as a total replacement for deep mined production, and finally, the hibernation investment approach.

The Scottish NUM Perception:

In Scotland there was not enough efficient deep mined production to carry the industry through the period of pressure from the PGI for lower cost coal contracts. Geological difficulties combined with the loss of markets to deny further production at many pits. In a straightforward swap, opencast coal was expanded, but not fast enough, to supplant all the deep mine output that needed to be 'taken out'. Therefore, some high cost deep mine production had to 'carried' for strategic as well as 'political' reasons. Some attempts were made to improve the situation at these pits through capital investment. The investment plans for Scottish pits, high cost and otherwise were already laid down in the 1950 Plan for Coal (Halliday 1990) and continued without much regard to commercial disciplines. This investment once committed had to be completed at least to a certain stage and opencast was supported as 'a necessary evil' (Clarke CCC, 23/2/88) to ensure that investment came to fruition. The opencast executive were working hard to create the opportunity of new output from opencast mines (Pace Frances Project and

Coalburn). Unfortunately, when this came on stream it either reduced the attractiveness of completing the investment in pits or, if completed as in Bilston Glen /Monktonhall, made deep mine production less viable because of immediate benefits from lower cost opencast coal. Pits were closed even with investment in them to cut the losses to the Coalfield. In short, the State's agenda for the coal industry had forced British Coal to take an instrumental short term view of supplying the immediate needs of the PGI with opencast coal and closing higher cost deep mine production.

Jim Ellison

The motives for responding to pressure from the PGI would be credible as much as they are convenient to British Coal's strategy, but this hardly explains the painfully slow death of some production units. Certainly, there is an argument that some pits had to be 'carried', but not wholly for the purpose of waiting until there was sufficient opencast production on stream to supplant the higher cost deep mine coal.

British Coal have admitted that it had a strategy of investment for Scottish deep mines, tactically misleading the public saying that it was partly financed from opencast revenue in Scotland (Kerevan and Saville 1988, para.3.2.5). Investment into deep mines can be, and, from personal experience, has historically been, shut down within 24 hours. Persisting with high levels of capital investment in deep mines that were to be 'taken out' whilst having a determined approach to increasing the level of opencast coal, even though it may not be expanded fast enough, denies the financial objectives of the '1985 New Strategy for

Coal'. It is more probable that the deep mines could not be taken out because the capital investment programme was not sufficiently complete. It would appear as soon as this was achieved they were closed once sufficient opencast production to replace them (Table 3.1, 3.2) (Pace Monktonhall/Bilston Glen/Blindwells opencast site). British Coal in Scotland driven by the government, may have short term aims but they appear to be looking also to the future.

British Coal's Version/Scenario

This is based upon the British Coal's assertion of cross-subsidization of deep mine investment with opencast coal production revenue. The role of opencast is used a financial prop to deep mines in Scotland by providing investment to introduce new technology and thereby improve production.

This (opencast) tonnage generated profits to support deep mines both by giving them time to improve productivity and by helping to finance investment. In addition 2.4 million tonnes of opencast coal were produced by British Coal in Scotland at a profit of £50 million.

British Coal, Press Release 2373, 14/12/1987

One assertion is that deep mines will remain open with the support of opencast until a certain level of efficiency is reached. Following the logic of this, deep mines upon reaching this level of efficiency will continue to be supported by opencast revenues providing some future investment finance.

Jim Ellison

There are shortcomings in this approach. Not least the arbitrary and dubious accounting practice of allocating higher 'shadow' prices to

opencast output and lower than average 'shadow' prices to deep mined output. It paints an idealised picture of coal production where deep mine closures are overcome by the altruistic actions of the opencast sector. Evidence from Table 3.1 and Table 3.2 contradict this view. Figures show in a number of years there has been direct replacement of deep mine production by opencast output. Several pits may have had time to improve productivity but in each case the workforce have complained of the manner in which these pits have been operated and then made redundant. The myth of cross-subsidization was not only dispelled by this direct supplanting of deep mine output but as we shall learn later by British Coal's own policy regulations. Then again, what happens to opencast mining production once deep mines become efficient? Does it retire into the former strategic role as a supplement to deep mine production?

Irrespective of what British Coal would have us believe, increased levels of deep mine production combined with current levels of opencast means the market would be over-supplied in the declining market for coal in Scotland. They were aware at the time of their press release of the impending reduction in the market for coal because Torness nuclear power station was about to come on stream. Finally, but most importantly if British Coal's statement was correct then why has substantial deep mine production subsequently been made redundant in Scotland with an equally generous amount of investment hibernating within it? This negates the idea that British Coal was "giving them time to improve productivity" as the investment has hardly been used and in most cases never.

Opencast as a Total Replacement

Opencast mining production from any one site is of a short time scale, between one and five years, and compared to deep mine production has a limited life span. This is quite adequate in a policy of temporary full replacement or as a strategic support in coal production.

Arguably therefore, the markets for coal can't solely rely on opencast output in the long term, but then nor do Scottish Power have to depend at all on coal for their fuel needs. However, for a policy of total replacement must need a continuity of production where the future output is well assured. It is extremely doubtful that even the planning system in Scotland would tolerate the levels of opencast required to sustain coal production required by the current market (6 million tonnes) without calling in applications for public inquiry.

Consider two problems with this approach:

If they did have enough opencast coal to meet the markets then why didn't they shut the pits earlier -

Because the capital investment was not in place and political expediency demanded the retention of the special relationship with the NUM leadership and the Local Authorities.

If they did not have enough opencast coal to replace deep mine output then why invest large amounts of capital into production units which for a long time were woefully short of British Coal's financial criterion and were targeted for closure?

Jim Ellison, Investment Hibernation Approach/Scenario:

This argument draws upon elements of truth in both the previous approaches. The emphasis is on the probable intentions of British Coal, having developed new deep mine capacity then left it dormant for a new era of mining, rather than attempting to meet the immediate needs of the market.

Opencast coal output, by 'holding the markets' during this process, played a strategic role in to allow a 'once and for all change' through new investment to develop three 'super pits'. These super pits, drawing upon previous capital investment (and reserves) often strategically placed in redundant pits in their locale, were to allow the development of new technology and re-defined working practices through organisational restructuring in readiness for a private coal industry. One distinctive feature of this investment was that it had been placed in production units that have since been closed but are within the coal 'take' of the three super pits (Figs.3.4-3.7, Appendix 4.) Every one of the production units in Scotland has received capital investment direct from London, distinct from the annual area funding for production and maintenance. Some of this investment has been fairly substantial.

British Coal aimed for a future for deep mining in Scotland of a form not dissimilar from the Wheeler Plan, with continued levels of opencast output based upon an optimistic view of the market for coal (Table 3.11). For that to happen it needed substantial capital investment, reconstitution of working practices and processes within a

Figure 3.4

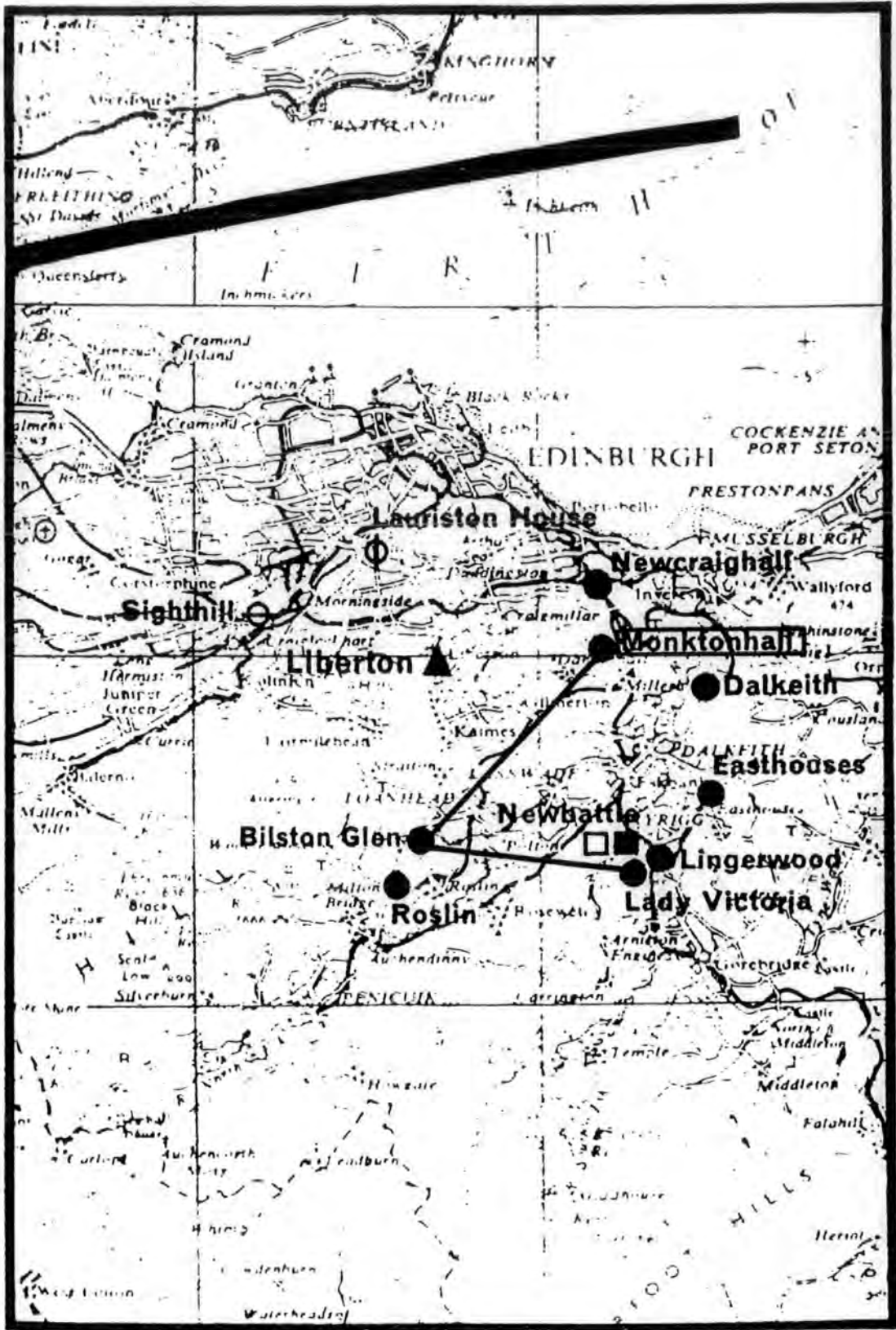
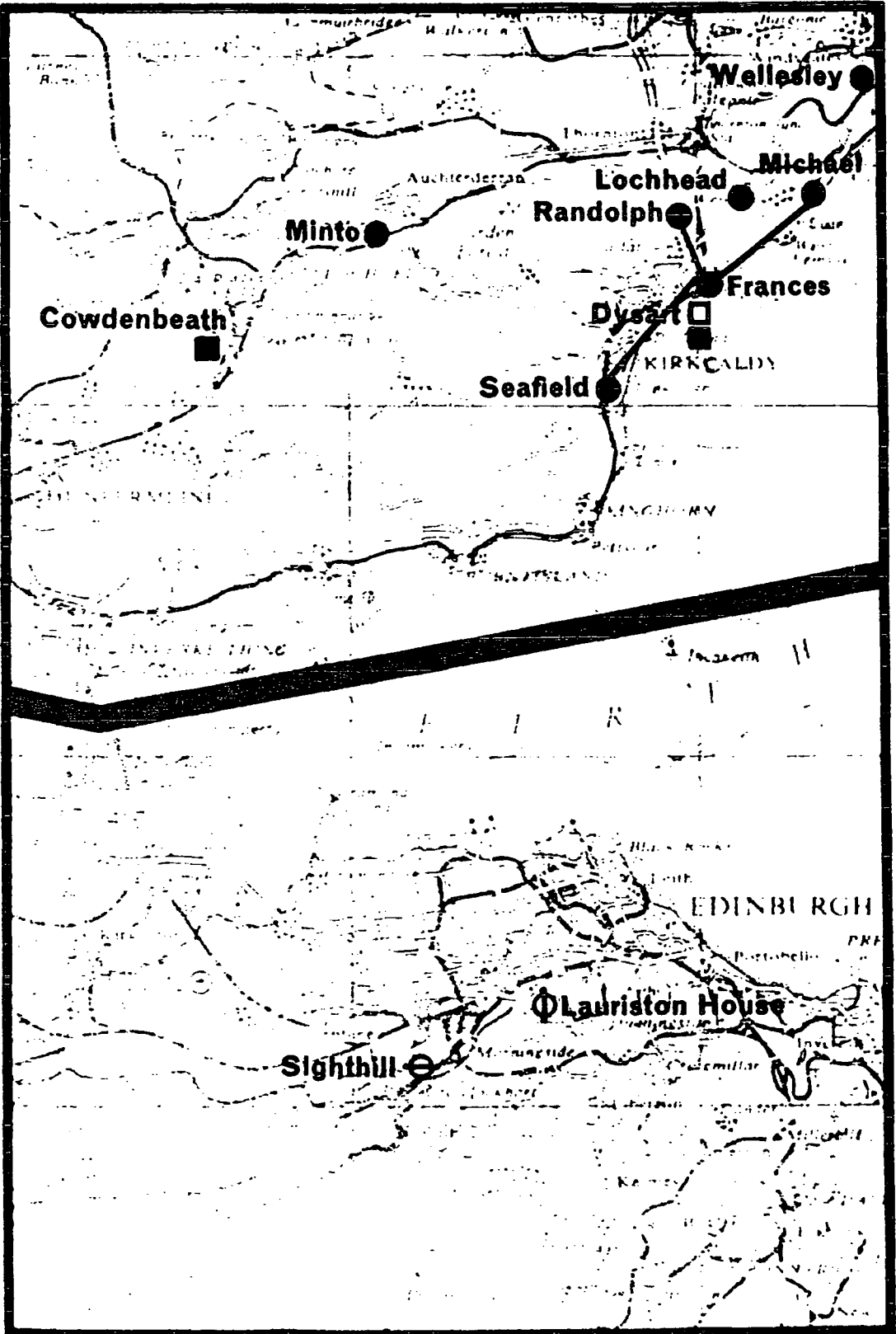


Figure 3.5



N.C.B. Yearbook 1965

A black and white map of the Falkirk area in Scotland. The map shows a network of roads and several locations marked with dots and labels. The locations include Stirling, Polmaise, Marion Rowis, Dollar, Solsgirth, Comrie, Castlehill, Bogside, Blairhall, Valleyfield, Longannet, Kinnell, and Falkirk. A hatched rectangular area is shown near Marion Rowis and Dollar. The map also depicts the River Forth and various smaller roads and landmarks.

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Map of

POLMAISE COLLIERY

Hirst Seam

SCALE OF METRES
1.000 2.000 3.000

Manor Pools Workings

91M

91M

Longcarse Fault

82M

POLMAISE

KEY:

AVAILABLE
RESERVES
UNVAGES
INTC
RESERVES

Outcrop

Westermoss Fault 213M

Workings from
Bannockburn
Mine

closed in
1963
Dec 12

GENERAL SECTION

Upper Hirst

309m

Hartley

67m

Bannockburn Main

Allog

105M

Bannockburn Fault

Throst Fault

245M

FORTH

90M

Line of Foulness

LONGANNET

4 MILES

new regime of management. This could not be put into action under past production processes and practice as it clashed with corporatist ways of producing coal. So what we have seen is the closure of production units with capital investment hibernating inside the redundant production units, adjacent to proposed 'super pits'. The 'super pits' are then re-opened, or as in the case of Longannet rationalised and threatened with closure, following the institution of new working practices ready for the dawn of a new era in mining. Moreover, given such a mission the NUM leadership could easily identify with it as a future for Scottish mining and, did so. The problem now is that there is no market for the coal from all three 'super pits', and, opencast coal production; ultimately, it may be too late to retrieve much of the investment hibernating in those mines.(end)

One issue arising from the restructuring process which is difficult for British Coal to explain away has been the length of time they have kept nine inefficient units open since the 1984/85 strike until 1987/88 when these were more than halved to 4 operative mines. Experience of deep mining in Scotland shows that once investment was being placed the miners have endured a painfully long process of uncertainty through closure of sections in pits and pits themselves. Typical in the process of investment and rationalisation preceeding closure was that undertaken in the Lothian region:

Production will be continued at Bilston Glen Colliery by concentrating on fewer faces and ultimately from one horizon. Monktonhall Colliery will cease to be a production unit and operations will be confined to the development of the Peacock and Parrot seams, a link roadway will be driven to interconnect Monktonhall and Bilston Glen. At the completion of this programme, all coal produced in the Lothians will be raised to

the surface and prepared for market at Bilston Glen.
British Coal Press Release 3/10/1986

This was aligned to the placement of capital investment and the expansion of opencast coming on stream to replace deep mine output. In any event there has been a crossover point of capital investment and opencast coal supplanting the coal production from deep mine unit closure. For the State and British Coal instituting capital investment in new technology and restructuring in failing pits, in terms of return on capital, can only make sense when new flexible working practices are invoked. Even with a co-operative NUM leadership, that cannot be totally achieved without first making the pit and the workforce redundant, and then re-starting with a new regime and working practices, selectively drawing men from the 'pool of labour'. Patently, such action allows management to re-constitute the labour and production process in line with current British Coal thinking. The end product will be the erosion of miners' control in the production process and the installation of management controlled systems. This is quite different to another approach to capital investment in new technology but with a similar end in mind:

The pattern of job contraction due to new technology is unevenly spread between the areas. As 'super pits' are created with the MINOS facility other pits will be classed as uneconomic, just as occurred under mechanisation
Burns et al., P.18 The Miners and New Technology,
IRJ Vol. 14, No.4.

Burns et al's. description of new technology investment differs from the hibernation investment as here the intention was to create 'super pits' with direct capital investment, such as in the Selby Coalfield. The

pattern of investment hibernation is one where indirect capital investment was placed in adjacent production units together with additional direct capital investment. The question of writing off capital invested at these former units is difficult to assess. Some knowledge of costs of closure has been given by Glyn(1985), Davies and Metcalf(1984) and Kerevin and Saville(1985) but it is likely that the 'super pits' in Scotland will make a capital gain by not picking up the tab. While a process of judicious investment was taking place during the run-down of deep mine capacity, opencast production was effectively 'holding the markets'. Intended as a strategic facilitator to a new era in mining, opencast coal has had undoubted additional utility in supplanting reputedly higher cost deep mine production to 'keep the markets alive' for 'Scottish Coal'.

iii The New Era for Coal in Scotland?

With the emphasis altered from output led targets to ones of financial efficiency the operational process and culture within British Coal has markedly changed. We have shown that the consequences of meeting financial targets alone has meant a reduction in production units and manpower in all deep mine units in Scotland. Despite this reduction in capacity, substantial amounts of capital investment in the Scottish Coalfield have taken place during the last ten years. During the ascendancy of opencast production much of the capital investment has been in pits that have since been made redundant. More telling from Table 3.14 is that these capital investment resources are within reach of existing production units at Longannet, Frances and Monktonhall which in turn are being developed into 'super pits'. In the meantime opencast output is holding the markets for the new era in mining. Evidence supporting this process is fairly convincing and comes from a reliable source:

If deep mining goes what do we do with all the future opencast? To keep the markets alive, to keep Cockenzie burning coal we agreed to some of these particular developments in the east side of the country. We went along with it, in other words I will sum it up as a necessary evil.

Eric Clarke CCC Edinburgh 23-26 February 1988 p.N7

In debate with Eric Clarke on the same day he reiterated the point that 'to keep the markets alive when deep mining goes' is the reason the Scottish NUM agreed to opencast expansion as 'a necessary evil' for a new era in coal mining. To find the reason why they needed "to keep the markets alive" we look to the Scottish Area draft budget projection for

1985/86 given by British Coal to The Scotsman which confirmed the nature of coal production in the next century:

Production units in the twenty first century will include the Francis Seafield complex, the Longannet mines, and Monktonhall/Bilston Glen.

Scotsman: 30/11/84

And Eric Clarke knew that the 'super pits' were on the agenda with opencast "keeping the markets alive" for them:

The Francis in Fife will go up from 70 miners to 1300. Monktonhall has the potential for 700 workers and there are still massive coal reserves throughout Scotland. We may end up negotiating with Rio Tinto Zinc or Anglo American, but we will be doing our damndest for our members and the mining industry.

Observer Scotland, 23rd of October 1988

Taking the investment at Longannet and its workforce increased on Eric Clarke's lines to 1500, we end up with a manpower figure of 3,500 in the Scottish coalfield. This would suggest an output of around 3.8 to 4.5 million tonnes using manpower/output ratios. Clarke's statement was not made without knowledge of the strategy for the future of the Scottish coal industry, being said with conviction and inferring a certain inevitability in a future privatised coal industry. The indication of the future privatisation strategy came from a report on energy by the body with the most influence in the government, the Adam Smith Institute:

Transfer of new capacity: Another strategy for dealing with the uneconomic areas would be to break them down even further. For example, new pits under construction or planned by the N.C.B. might be sold as individual units or as small batches to single or multiple buyers. Indeed, the initial reform measures might require this, confining all such future developments of new capacity to the private sector.

Adam Smith Institute The Omega Report, Energy Policy, P.37.

Table 3.11

OUTPUT PROJECTIONS FOR THE SCOTTISH COALFIELD				
	1988/89	1989/90,	1995/6	2000
million tonnes saleable	4.8	3.8	4.7	6.9

Source: British Coal Scotland

Table 3.12

COLLIERIES, OUTPUT, INVESTMENT AND EMPLOYMENT PROJECTIONS 1984 and 1990

Area	Pits	Output	Employed	Investment	Pits	Output	Employed	Employed
1984	m.t.	m t		£m	1990	m.t.	minimum	maximum
SCOT.	10	5.30	13831	70	3	3.68	3408	6431
N.E.	16	12.33	23482	27	6	6.71	4588	12680

Source: Jon Winterton and Ruth Winterton 1989, "Coal Crisis and Conflict"

Table 3.13

COMPARATIVE PROJECTIONS FOR THE SCOTTISH COALFIELD 1990 - 1995		
	Production	Employed
Clarke	3.8 to 4.5#	3,500
Wintertons	3.68*	3,408**
Martin(BC)	3.8 to 4.7	3,500#

N.B. * = at 1990 ** = minimum at 1990 # = estimated at 1993 levels in line with the Frances development.

Under this strategy, the investment and new capital dormant and 'hibernating' in the coalfield would be transferred or 'franchised' to the private sector to continue capital developments and resources 'acquired' from redundant units by Monktonhall, Francis and Longannet. Calum Martin recently retired from British Coal Scotland having served as a projects manager and marketing manager. During the interview with him I was allowed to see the red contracts book with production projections made for the Scottish Coalfield. This I was informed was the most accurate assessment they had of future output trends in Scotland and are detailed in Table 3.11.

The figures confirm Clarke's pronouncements and British Coal's statement for three 'super pits' in the 1990's. With a constrained market in Scotland these high-tech production units are intended to match world coal prices. With some of the coal being low sulphur it is envisaged as a competitive premium export value coal on world markets. In Table 3.12, Winterton's figures in 1990 suggest that British Coal projections take a similar view. Unfortunately, like many comparative projections taken from British Coal, it makes no allowance for the role of opencast mining by burying the figures in the total output. For our current purpose though it is useful as a comparative measure of the future of the industry in Scotland if we use it with the projections from another source in British Coal such as Calum Martin. We then have projections from British Coal, the Scottish Area NUM leadership, who have been in the confidence of British Coal management, and a leading academic on investment and technology in the coal industry.

Table 3.14

INVESTMENT IN BRITISH COAL SCOTTISH AREA MINES 1985 to 1989		
Colliery	Nearest 'Super Pit'	Investment £ million
Castlebridge	Longannet	60.2 (1986 prices)
Polmaise	Longannet	15.8 (1986 prices)
Kinniel	Longannet	20.0 (1981 prices)
Solsgirth	Longannet	20.0 (1986 prices)
Bilston Glen	Monktonhall	60.0 (1987 prices)
Seafield	Frances	100.0 (1989 prices)
Killoch Washer /Ancillary	Opencast	10.0 (1987 prices)
Opencast	Opencast	20.0 (1986 prices)
TOTAL		£306.0 million

Source: British Coal, NUM Scottish Area, Strathclyde Regional Council.

N.B. 'Additional Sources' of some £100 million pound have been added to Opencast infrastructure and the Frances Project making £406min.

Taking a benchmark of 1990-95 in Table 3.13, at a time when the Frances project is said to have taken off, and using a comparative assessment of the three projections for employment/production, we find remarkable similarities between Jon Winterton and Calum Martin and Eric Clarke's figures. The figure for the year 2000 from Calum Martin suggests that investment hibernation was at the very least "a model on the computer". The operational imperative of these 'super pits' is that capital resources are effectively maximised, preferably round the clock. Ideally, this means that deep mine output would provide the vast majority of the total production. Of course the issue arises for British Coal of over capacity; all the deep mine capital investment would be vastly underutilized unless opencast coal provides a smaller proportion of the overall tonnage.

If we want further evidence of the foregoing then Table 3.14 makes a telling contribution. The table shows the investment for capital projects at collieries adjacent to the three 'super pits'. The contrast with investment in previous years is quite stark. Investment per head (£000's) at 10.9 in Scotland over seven years to 1983 was the lowest in all the British Coalfields (Labour Research Sept.1983). The Monopolies and Mergers Commission Report (1983 P.65) confirms that with a capital expenditure of £200 million, between the years 1974/75 to 1982/83, Scotland had the lowest absolute investment of any area; to confirm this Kerevin and Saville reported in 1985 that:

Only four investment projects worth £1 million were in operation in Scotland in 1982/83. Scottish capacity has been cut by 40% since 1974, as against all areas average of 25%.

Kerevin and Saville P.109, The Case for Scottish Coal, Jan. 1985

However since the inception of the 1985 New Strategy for Coal the turnaround is fairly dramatic. The same amount as spent in the previous ten years has been delivered in less than half the time. Capital investment, without the annual area investment outlined in Table 3.12, is available to the 'super pits' within a short space of time.

All but Castlebridge have been made redundant. It is a special piece in the intended Longannet/ Polmaise/Kincardine investment jigsaw and this along with the development of the other pits are illustrated in Figures 3.4 to 3.7. Additional investment of £60 million at the Frances Project development of a combined drift mine and opencast coal extraction at Borland, near Kircaldy to mine the Frances/Seafield/Michael reserves should have commenced in Autumn 1989. Production is meant to commence sometime after 1993 (Fife Regional Council Report into the Francis Project).

Remarkably, in the second half of the 1980's capital investment in reconstruction and new technology had risen to at least £406 million. Such a commitment to a new era in coal is quite convincing. It is very easy to explain closures directly as due to a contracting market, but extremely difficult to explain why you are injecting £406 million into the industry of which £346 million is being pumped into the deep mines. The Wheeler Plan had already been instituted, in part, at Longannet where "the objective for the colliery is to produce low cost high volume coal"(Wheeler P.158).

All across this period and in apparent piecemeal fashion we heard reports of large amounts of investment in every pit in Scotland yet the information from the men in the pits told a

somewhat different future. The investment was going into the mines but management were managing a closure programme. Upon further investigation, the evidence for hibernation of investment of capital projects for restructuring the production process and workplace practices in the Scottish coalfield became more plausible and eventually compelling. The fact that British Coal's objectives are not yet fully realised is another matter. The State's ideological approach to energy provision, electricity and coal, has meant the virtual abortion of British Coal's strategy for a new era in coal. that now lies firmly with opencast coal mining.

The attractiveness of opencast coal is not limited to its availability as a cost cutting replacement in terms of production and manpower, but also as a facilitator for radical change in deep mining. It has been a long time since the overtures of Major Braithwaite in the House of Commons on the sterling qualities of opencast coal; this has had its resonance in the 1980's with the new captain of the coalfields in the north of Britain -- Albert Wheeler and the new era of opencast mining in Scotland.

iv. Investment Hibernation - From Theory to Practice

The 1985 New Strategy for Coal, opencast coal mining, investment hibernation, new technology and privatisation are all terms synonymous with the commercialisation of the energy industry in Scotland. The rationale for this, which epitomises British Coal and Government ideology, has its origins in United States mining work practices and processes. Protagonists of U.S. mining techniques have made a dramatic impact in the coal industry here. One such landmark in British Coal's new strategy for coal production came with the presentation of a keynote address to the Annual Conference of the Institution of Mining Engineers in Edinburgh on 15th May 1986 by Albert Wheeler. "Frontiers Forward - Colliery Production and Productivity" is a zealous re-construction of a model super pit, such as the attempt at Longannet and the proposed ones of Monktonhall and Frances, to produce coal at £1.00/GJ from a one currently producing coal(profitably) at £1.437/GJ. It has been applied in refined form across the British Coalfields. The obsession with the subject matter is graphic. The paper focuses on minimising manpower and maximizing production, removing current regulations, reshaping attitudes and re-distributing tasks:

The long term aim is to generate all investment monies from current earnings and invest that capital where it can produce the best returns. In particular the Board has decided that investment in new or additional capacity must produce coal at a cost of less than £1.00/GJ.

**This paper examines the frontiers to be crossed to.....
produce coal at the same cost, that is £1.00G/J
Albert Wheeler Edinburgh 15/5/1986 para 3.1**

This zealous approach to maximising coal production has the ability to be refined according to the geopolitical landscape of each area and colliery.

Using the physical factors for that colliery it will examine the changes that would be necessary to achieve that objective (reducing costs to £1.00G/J) and identify the frontiers that now prevent the industry from achieving those objectives.

Albert Wheeler Para. 1.

Clearly, one of those 'frontiers' in the maximisation of production would be manning levels:

Maximum use would have to be made of the installed capacity and coalfaces. Manpower would have to be reduced below what would now be acceptable.

Albert Wheeler, para. 9.

In Scotland the strategy to achieve those 'objectives' entailed the use of opencast coal output 'keeping the market alive' whilst the investment, in large part, hibernated in deep mines adjacent to the proposed super pits, or, in the super pits themselves. There is a subtle but distinct difference between a mothballed pit and investment hibernated in a pit. In a mothballed pit the existing production and infrastructure, with or without additional investment, is temporarily redundant, but kept under care and maintenance. Investment hibernated in a pit is there by design; the pit, being adjacent to the proposed super pit, is then closed or, if the investment is to be the super pit itself, mothballed. Investment is, nevertheless, still hibernating in that mothballed super pit. However, there is in Scotland a combination of both investment hibernated at an adjacent pit and in the proposed super pit itself. The strategic 'objective' was to make the pits and the coalfield an attractive proposition for private investors with the

potential retrieval of a lucrative capital gain already in place at the taxpayers' expense. This potential gain is multi-faceted and cannot be overstated. Besides the capital investment, much of which can be used again, in many situations they would not be bearing the substantial cost of 'winning out' the access to the coal reserves which in themselves provide substantial revenue.

Wheeler talked openly about 'changing men's attitudes', specifically on a colliery to colliery basis, to achieve desired results (Para.6,9,11.). With Longannet now on a shift pattern advocated by Wheeler, after being identified as amenable to change, the employees that start at the other two super pits will be signing contracts with similar shift patterns to Longannet (Kerevan and Saville 1988, para. 3.3.2.). It is an additional advantage, in terms of industrial relations, that in mothballing the two pits kills off the existing working practices and creates new ones when the super pit is re-opened. All the new employees would be re-employed on new contracts with new working practices according to the needs of each pit, refined on the Wheeler model. If that investment is in place then it is a distinct possibility that production from these pits could take place at profitable levels, though perhaps not as profitable as opencast coal under current legislative practices of the Mines and Quarries Act. Despite being mothballed with hibernated investment, it is hard to deny accountancy practices may determine production developed at these 'super pits' could take the place of opencast coal. In this respect however, it is worth referring to the letter from Sir Robert Haslam, Chairman of British Coal to Gerry Steinberg M.P. (Appendix 5):

If I may refer you to Table 4.5, page 35 of the Monopolies and Mergers Commission report on the investment programme of British Coal Corporation, you will see that the operating cost of incremental tonnage for three specific projects at three collieries was well below £1/GJ, and this is reasonably typical of the cost of output obtained by capital investment.

The marginal cost of additional incremental output from our continuing collieries will, indeed, generally be lower than the average cost from new opencast sites - although not by a large margin.

Sir Robert Haslem, Chairman of British Coal to
Gerry Steinberg M. P., 18th April 1989

In 1989 the average cost of coal produced from opencast sites in Scotland at £1.12/GJ was higher than the national average of opencast at £1.02/GJ and the opencast average cost of £1.01/GJ in the North East of England (Table 3.10). Taking Haslem's assertion, and bearing in mind their arbitrary accountancy practice, there should be few reasons for the hibernated investment not to come on stream at Frances and Monktonhall and replace opencast coal - apart from continuing the hibernation of this investment. Indeed it would seem equally hard to deny that, in addition to being stored in readiness for private investors, they are being kept in mothballs until the repeal of what Wheeler saw as 'frontiers' in the Mines and Quarries Act. Drawn from U.S. models of production such de-regulation carries inherent threats to safety standards if applied across the board in British pits. However, for British Coal, the need to reduce unit operating costs, maximising production and minimising manpower and a repeal of these 'frontiers' are synonymous with The 1985 New Strategy for Coal, and privatisation of the industry.

British Coal in meeting their aspirations and intentions have taken distinctive approaches to each of the three super pits in Scotland. Longannet has maintained production and is already utilizing hibernated investment from other redundant pits as well as receiving direct capital investment. Frances and Monktonhall, both have combined elements of hibernated investment while they are mothballed. Practices of 'holing' into workings of pits previously closed and retrieving reserves using existing access roadways comes from personal experience: Harraton into Lambton colliery, Lady Park Drift and Ravensworth Shop Pit, Boldon into Hilton colliery, all in the North East area. Much of this has been confirmed by mining engineers. Halliday (1990), from a mining engineer's perspective, views 'amalgamations' as natural rationalisation of failed engineering projects. Normally, this would be acceptable to some extent if the investment were to continue to accrue to British Coal, but that is not the case. Evidence of hibernation investment in two of the three super pits is re-inforced by a letter from Billy Etherington, General Secretary of the NUM Durham Mechanics Appendix 6), referring to information recieved from Adam Smith, the NUM Mining Engineer in Scotland. For evidence on Longannet see section viii.

I questioned (Adam Smith) about the position at Monktonhall and Francis and the position is as follows:

1) Monktonhall: The workings that were in operation in conjunction with Bilston Glen have been physically sealed off. However the drivages towards Musselbrough basin are intact and all that is required to begin operations is for equipment to be placed on a face line. These roadways are all being maintained, the mine being kept free of water and both shafts are in proper working order. This would possibly explain the light that we saw on our way home when we were at the C.C. Conference two years ago.

2) The Frances Mine: All the old workings at the Francis mine have been sealed off, as has the connection with the

Seafield mine. There are drivages out into the new reserves somewhat similar to Monktonhall but there is no actual face line constructed. It would be necessary to drive face lines but the roadways are being kept maintained as are the shafts, and it is also envisaged, as you were quite rightly informed, that a drift is to be put in intercepting with the shaft area to gain direct access to these development roadways. (The Frances Project-£100 million)

It would seem that the information you had was somewhere near being correct and it is obvious that these two units are in fact being properly mothballed so that they can start production within a relatively short time.

Letter, Billy Etherington, General Secretary, Durham Mechanics to to Jim Ellison, 11th June 1990 (Appendix 2.)

Since this letter it has been confirmed by the former General Secretary of Bilston Glen Lodge, Jackie Aitchieson, that although Bilston Glen's substantial coal reserves through the 'golden mile' of investment are sealed off from Monktonhall, they are in fact only 300 metres away and can be easily accessed again. It is likely that they are sealed off for ventilation and safety reasons. Figure 3.4 and Appendix 4 detail the workings and development at Monktonhall and show it primed for relatively early production.

Etherington's letter itself is quite revealing for removing the air of doubtful existence that surrounded the projects, and not least in the confirmation of investment hibernation in mothballed pits. The scale and size of the process is dramatic and slightly disturbing. For it to happen at all demands a measure of co-operation between the NUM and British Coal which compromises the remit of the National Union of Mineworkers to federated unions on defending jobs and pits which was the central issue of the 1984/85 strike. NUM labour is maintaining these pits at an estimated cost of £4million per year on a very different agenda to the policies of the National Union. Equally, it shows from

Billy Etherington's comments on the issue just how little he knew, and, just how much the Scottish NUM and British Coal managed to contain knowledge of these developments from the rest of the NUM for some two years. To all intents and purposes both Bilston Glen/Monktonhall and Frances/Seafield Combines were closed.

Monktonhall Colliery is across the east coast main railway line from Cockenzie power station. It is connected to Bilston Glen colliery by the 'golden mile' of capital investment. George Knox, Marketing Manager, on the 10th November 1989 revealed to me that the pit was not to be closed but was part of another agenda after its nationalised life:

as part of the British Coal's policy to mothball that pit for two years or until the economic climate right.-----
Millerhill is handy and will be ready next year for freight handling.

Several observations from repeated visits to the area and the pit combined to reinforce that statement. Since the Monktonhall/Bilston complex closed Monktonhall has been on a care and maintenance basis. The £360 million investment into 'the golden mile' is complete. In Loanhead Miners Welfare ex-miners from Bilston Glen report that "production could start in a matter of weeks rather than months if they wanted".

With this strategy towards coal privatisation in place you get the distinct impression that this is not unconnected to developments on the rail network. British Rail's electrification of the east coast mainline from Newcastle to Edinburgh has to take into account all future industrial and commercial development. Under commercial directives from

government it does this to attract the highest form of revenue. However, any branch line development has to be a proven viable proposition under these government directives. One such branch line with sufficient traffic until recently that would have met that criterion would have been the Millerhill spur which connects to Monktonhall Colliery. It is probably with that in mind that British Rail electrified the spur. Added to this is the ongoing improvements to the Millerhill freightliner depot, bought by Russell of Aberdeen, one of Scotland's largest transport, aggregates and minerals firms. With Cockenzie power station 'across the tracks', the opportunity to sell coal from a super pit to the S.S.E.B. as well as 'Trainload Freight' it (pace Rail News Dec. 1991) to other parts of the country would become a very attractive proposition for private investors. When the scenario was put to Brian Burroo in the Scottish Office he replied in civil service double speak "it makes a lot of sense".

More than half of Bilston Glen's output and the reserves under development at the Monktonhall in the Lothians were intended for coal burn at nearby Cockenzie power station. The £60 million development again had been based on the 'opportunity to sell' that production on a projected S.S.E.B. take of 5 million tonnes per year. In a further effort to secure their strategy for the future British Coal offered to buy Cockenzie power station, stating that it went a long way to relieve SSEB of their problem of overcapacity. But we already know that the over-capacity was an integral part of S.S.E.B strategy on reducing fuel prices. The S.S.E.B. replied:

Now that we have at least a chance of getting cheaper fuel why should our customers be expected to give up Cockenzie. We have an important role for Cockenzie in the future and the only problem relating to it is the fuel price.
The Scotsman 12/2/89

We have been reminded already what that role may be:

In addition to meeting Scottish electricity requirements, British Coal also supplies -- under a separate agreement -- additional coal to the SSEB to be burnt in its modern coal fired capacity for onward transmission to the CEGB system Energy Committee Report p.xxiii, para.30, taken from Evidence of SSEB P.113 para.18 1986

However the best aspirations and intentions may not come to fruition.

There are elements of uncertainty for coal supplied to Cockenzie.

Secure supplies already come from Blindwells opencast. Moreover, with electricity privatisation the complex sourcing arrangements directly affect Cockenzie and it remains to be seen how these are arranged. So if Monktonhall was depending upon Cockenzie alone it could be squeezed especially by opencast as well as the burning of other fuels at other stations on the 'grid'.

In its entirety the Longannet complex symbolises the grand era of nationalisation, representing a huge investment in manpower and public capital investment. The mine itself, surface plant and power station are interlinked and have many new innovations. However, in maintaining production at the combined operation there has been a remarkable exercise in rationalisation. Over the years it has incorporated the surrounding pits of Comrie, Solsgirth, Bogside and Kinniel and added the £61 million sinking of Castlebridge to its portfolio. The capital investment in mining alone is difficult to measure as the displaced jobs at these pits. At the best estimates 4,000 men were on these

collieries' books. In contrast, Longannet complex in 1988 had 1200 men on colliery books. Ned Smith, former NCB Industrial Relations Director, has confirmed Castlebridge was one of the corporatist trade offs, quietly developed whilst other units were run down. One of those nearby, Polmaise east of Stirling, has reserves accessible from Castlebridge/Longannet and capital investment in development work of some £22 million. Eric Clarke, having the benefit of inside knowledge, certainly sees a future in retrieving the capital and reserves invested in the Hirst seam developments at Polmaise. (Figs. 3.6, 3.7)

But more than that the Forth Valley all the way up to Stirling and into the Doon Valley in Central Region is a mass of coal.....The Longannet complex with Solsgirth and Castlebridge, going west in the Hirst seam where the quality of coal is better, with a sinking, probably because of the distance away, in Kincardine in the near future will guarantee the jobs of 2,500 men.

Eric Clarke, General Secretary Scottish Area NUM, 24/2/1988, Coalfield Communities Campaign Conference(CCC) P.N4

What is most revealing about this statement is the probable sinking of another additional shaft in Kincardine(area?) in the near future to retrieve what in fact are the Polmaise reserves.

Longannet has seen some remarkable improvement in productivity as a result of restructuring, supported by flexible working, forming the 30 per cent bulk of deep mined output in Scotland. The men at the new faces to the north of the shaft have repeatedly beaten the Scottish output record and their colleagues along side them beat the European drivage record of 126.7 metres. Despite this, Longannet, being the only productive British Coal mine in Scotland, has yet to make significant inroads in the total share of total coal production, yet obviously

British Coal and the Scottish NUM have great intentions beyond the current production profile. In the meantime opencast coal mines continue to supply the largest share of saleable coal to Longannet power station.

Finally the Frances project, which potentially has the largest direct capital investment and arguably the largest available indirect capital investment and coal reserves, the extent of which is known only to British Coal. Kerevan and Saville (1987) as well as the miners had serious misgivings over the way management handled the run down of the Seafield/Francis combine nevertheless the outcome was a positive one for British Coal:

British Coal had operated a combined Seafield/Francis complex since the collieries were linked in 1980..... Following a fire caused by spontaneous combustion the sole production face was lost in 1985 and *the colliery was retained on a care and maintenance basis to safeguard valuable coal reserves which lie mainly in the area of the former Michael colliery.* In January 1987 a fire at Seafield resulted in the loss of a production face. In January 1988, an announcement was made to close the colliery. However, following an evaluation *British Coal formed the view that it was possible to develop a new low cost drift mine to exploit these reserves.* (my emphasis) Planning and Development Committee Report from the Director of Planning "Proposed Frances Project", September 1988, para.1.3

In relation to market requirements British Coal have pointed out that the proposed Frances opencast is needed to maintain existing particular markets following the loss[sic] of Seafield production.

Ibid. para. 5.1.2.

According to British Coal's application, 45 million tonnes is directly available from the drift mine and 1.5 million tonnes from the opencast. Employment from the Frances project is highly optimistic with British Coal estimating that it is set to provide work for 1130

miners, 30 management, 20 clerical staff and 90 during opencast operations. Moreover, in addition to stating these figures in their application to Fife Regional Council, British Coal revealed evidence of how the miners were to produce Dysart seam coal from April 1993.

British Coal's estimate for the employment in the drift mine is based on assumptions of the method of working (full retreat system), the use of latest technology in a drift mine (as opposed to a deep mine) and the implementation of flexible working systems. (my emphasis)

Planning and Development Committee Report from the Director of Planning "Proposed Frances Project", September 1988, para.2.2a

Graphically, this explains the super pit strategy of a high-tech Wheeler Plan approach that is inextricably part of any hibernated investment strategy. In other words, the commercial package consists of the hibernated investment imbued with 'new era' industrial relations, new working practices and processes within a high-tech management controlled production set up.

The proposed super pit is within striking distance of the now abandoned Seafield/ Frances complex (Fig. 3.5). Though Seafield shafts are now 'capped', the Frances shafts are being maintained to enable the drivages to be pumped free of water. Machinery and infrastructure left in the complex are intact, much of which may have been written off at time of closure for the accumulation of capital to the private sector. The evidence from Billy Etherington on Frances is supported by the Director of Planning in Fife Region. Retrieval of hibernation investment is at least possible and a prominent part of British Coal strategy at Francis:

British Coal have advised that the overall quality and quantity of the coal is not in doubt. The project envisages

the drivage of twin surface drifts from a location east of Boreland Village to intersect the Francis Pit bottom..... and maximise output initially in the Dysart seam and simultaneously provide means of access to the reserves in the upper seams.

Planning and Development Committee Report from the Director of Planning "Proposed Frances Project", September 1988, para.2.2c

Seafield/Frances coal is of superior quality to most opencast coal in Scotland but the colliery was closed because British Coal had a lower cost alternative supply for the S.S.E.B. - opencast coal - to 'keep the markets alive'. British Coal have assets available in the Frances mine and plan to retrieve coal from the same seam in which it was last working by entering via the old Frances shaft and drivages. The very fact that it is the 20 foot Dysart seam makes it very improbable that some of the previous investment laid down in that seam over the last five to eight years is not available for retrieval at a later date.

There are common denominators in the development of all three super pits. **First**, they all have well developed rail links. **Second**, they are all close to fossil fuel power stations at Methil(Frances), Longannet(Longannet) and Cockenzie (Monktonhall). And **third**, they have all received direct and have access to indirect(hibernated) investment. One can't help but wonder at the apparent co-ordinated manner in which this situation has developed. The industries concerned Coal, Electricity and Rail are strongly interdependent and all scheduled for some form of privatisation. To imagine that the privatisation of one industry occurs in isolation from the privatisation of another may be denying the fact that their development has often hinged upon reliance upon each other. Commercialisation leading to privatisation, ultimately means the extension of past relationships and the invention of new ones.

As events unfold we find opencast coal has a more integral role for the government in the commercialisation of the energy economy than we first would have ventured. The human cost from exacting such changes should not be understated:

I worked at Cardowan, my mates are now travelling to Longannet. only the younger ones were really wanted.--- Aye, I believe that Kinniel was left for Longannet, and Polmaise; that's what the boys are saying anyway.

Councillor James Slaven, Strathclyde Regional Council, 25/11/1989

"Only the younger men are wanted for the super pits" as the old ones have attitudes which are difficult to change in the new scheme of things. Some are travelling over 40 miles each way to Longannet and some have gone to England, the older ones took redundancy. A most telling comment on the passing of control from the public to commercial hands came from Councillor Pat Burt, chairman of the Industrial Committee in Central Region, which has unemployment rates of 20 per cent.

If Longannet closes I believe history will judge it not only as the day in which deep mining in Scotland died, but our ability to be masters of our own future energy needs was thrown away.

The Scotsman 27/3/1989

Longannet, Monktonhall and Frances were intended as refined models of Wheeler's super pits. Rationalised, restructured with investment hibernating these were packaged with new methods of working and working practices. Without opencast coal production 'keeping the markets alive' it may not have been possible. However, even with the best of intentions only Longannet performs as a 'super pit', Scottish Power and the financial regulation of British Coal have determined that. Francis and Monktonhall await, with optimistic support of NUM President

George Bolton, their future under private ownership. In the west of the country deep mines such as Cardowan, Sorn, Killoch, Barony and Polkemmet closed in the 1980's with men 'proud and bitter' from their experience (MacIlvanney 1991). All were displaced by production from that other 'super pit' opencast coal mining, gearing up in its own right for private ownership. Starkly, control over the future operation of these super pits, proposed and otherwise, now lies with the commercial world and not the public world of Councillor Burt and his colleagues. Despite their well intentioned efforts for the miners and the coal industry, their keenness to co-operate with British Coal may have been the downfall of some remaining form of public control in the industry.

Part Four - The Boys of Ballymoney and Coalburn: The State's Agenda
for Energy Provision in Northern Ireland

i The Irish Market for Scottish Coal

Sales of coal production from opencast mining in the west of Scotland rest substantially upon the demand for 'coal burn' in Northern Ireland power stations. Recent expansion of opencast coal production to meet this demand, in planning and political terms, has been predicated upon the "opportunity to sell" to a specific market. That market depends upon feeding West Belfast, and Kilroot '1' power stations and specifically developing a coal fired operation at Kilroot '2' in Northern Ireland. Both operations are being created with public money for the benefit of private wealth in the privatisation of NIES and British Coal. However, British Coal's projections to 'nest' its expanding opencast production within the configuration of power station development and generation demand in Northern Ireland, could flounder upon the Northern Ireland Electricity Service's (NIES) future strategy of flexible sources of fuel supply. These include the planned development of a lignite fired power station and the possibility of an interconnector with Scotland taking nuclear generated electricity from Hunterston 'B'. Despite this, further planned expansion of opencast coal mining in Strathclyde region is based upon meeting the needs of Kilroot '2'. The interdependence of the two industries is disturbing. For the development of this power station, which has lain unassembled for 15 years, has been predicated upon a political imperative buttressed

by an unsound economic report (NIEDC, 1987) favouring a coal fired station against a lignite one.

Curiously, Parliament had approved the Electricity Supply Amendment Order 1987 to provide for the establishment of a privately owned power station in the North of Ireland. What is ignored by government proponents is that under commercial operating conditions a substantial amount of Kilroot '2' power station's coal burning capacity is unlikely to compete with a privately built power station burning the indigenous resource of lignite. Even so, Tom King, then energy minister, announced on the 15th July 1988 that energy generation requirements in the short term would be met by the completion of the Kilroot '2' power station, and privatisation of NIES has since been brought forward to commence before the 1992 general election. At best, opencast coal will have to remain extremely competitive at or below world prices with production efficiently targeted and timed to meet the competition from a lignite fired power station at Ballymoney. The reason for this is that the Ministerial decision to convert Kilroot 2 to coal firing did not exclude the development of lignite but rather implicitly encouraged its development as increased competition in the market place. The person who helped to devise the privatisation scheme told me that:

NIES will be privatised and the supply of coal to Kilroot will be open to bid from any quarter. The development of lignite will follow later.

Brian Buroo 26/7/88

Arguably, the decision over Kilroot was made to support the flotation in the private sector of NIES and British Coal. Plainly, there is no

financial gain for the government by allowing a private sector Ballymoney to go ahead of a public sector Kilroot `2'. Quite simply, an assembled Kilroot `2' commands greater revenue than lying in an unassembled state during the sell-off of NIES public assets.

Recognition of lignite as a viable fuel in the North of Ireland, as we shall see, has been vindicated by a number of prominent bodies.

Accumulative evidence that it may make redundant elements of `coal burn' generation at Kilroot power stations and diminish British Coal's market for its opencast operations in the West of Scotland does not seem an immediate concern of the government and their supporters, but ideological imperatives do.

ii Opencast Coal Costs and Operations to meet the Irish Market

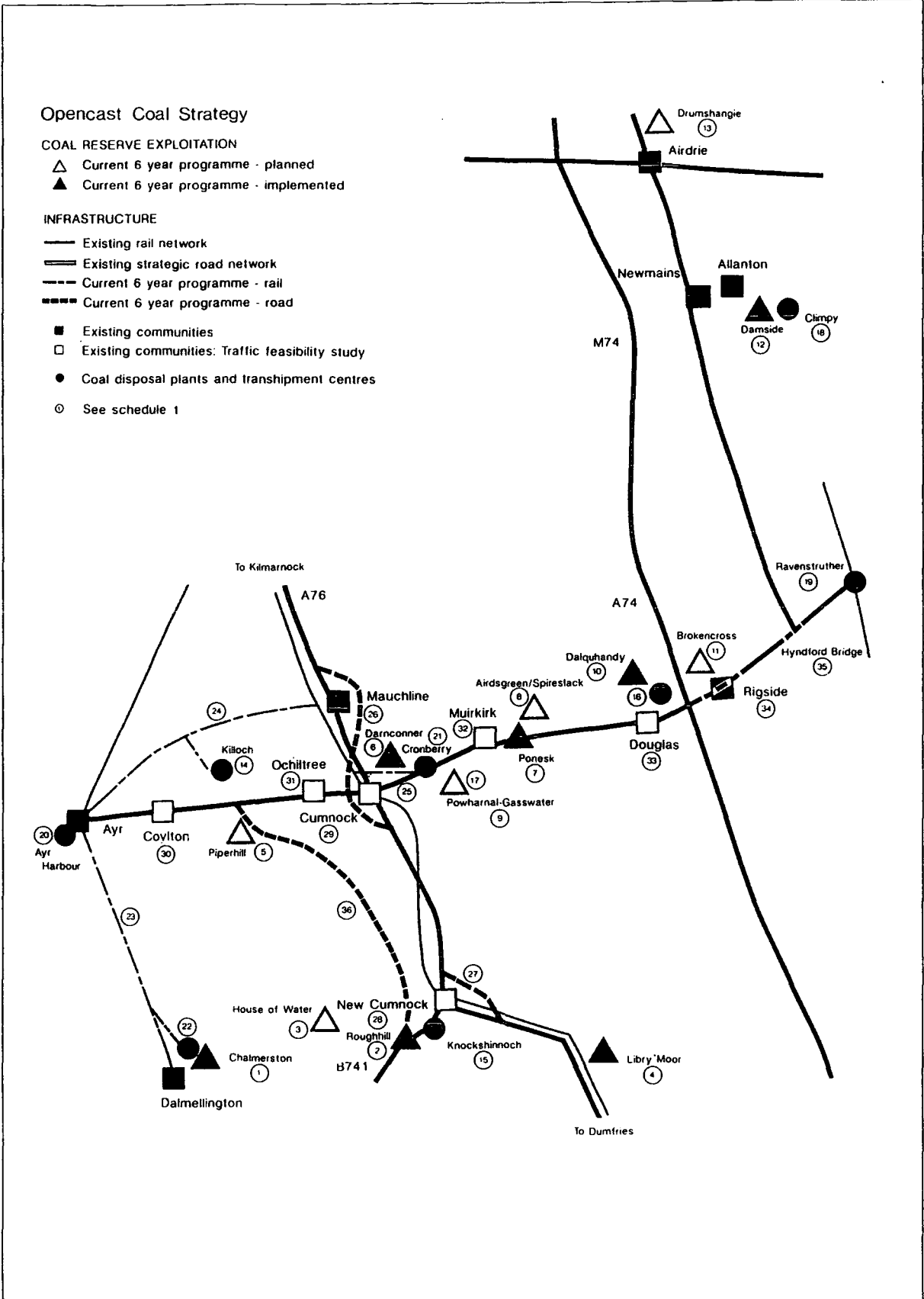
Opencast coal production in the West of Scotland is concentrated under the jurisdiction of three main District Councils of Strathclyde Region. Motherwell, Clydesdale and Cumnock and Doon Valley in the old Ayrshire coalfield provide the bulk of operations supported by a new and large investment in supportive infrastructure. Once closely associated with deep mining, these and other areas in Strathclyde Region are now synonymous with opencast coal mining and its infrastructure (Fig. 3.8). The only deep mines are small private mines such as the recently developed Viaduct mine. Dumfries and Galloway Region has opencast development on a smaller scale though interest is expanding in the Canonbie coalfield. The West of Scotland operation is intensive. The expansion from 1975 has been quite startling. In Strathclyde Region in 1975 there were 8 N.C.B. deep mine production units and only one million tonnes of opencast reserves in production. However, in 1984 British Coal indicated to Strathclyde Regional Council that:

Opencasting could increase by 50 - 100 per cent in the next 5 years.

Strathclyde Regional Planning Dept.: Technical Working Paper,
Note 6-1: Para 2:2

By 1987 there was one deep-mine production unit, 19.1 million tonnes of opencast coal with planning permission 7.5 million tonnes of which were in production in the management of British Coal. At the end of 1989 this had changed into 21 million tonnes of opencast coal with planning permission and over 10 million tonnes in production. Compounding the situation for people in the community and their environment is the

Figure 3.8



Source: Strathclyde Regional Council, Joint Strategy Statement 1988

predominance of private operated sites in Strathclyde. Since 1986 there have been over 30 private opencast sites operating with permission for a total tonnage of nearly 1.5 million tonnes. Testimony to a commitment to the expansion of the opencast industry is the largest opencast site in Europe with over 20 million tonnes of coal at Dalquhundy, near Coalburn in Lanarkshire. Stewart Graham, British Coal's Deputy Marketing Manager in Scotland has talked enthusiastically about the future for opencast mining and the giant Dalquhundy site where:

**it had its first Box Cut from the first of the 32 seams
of coal to become a major feeder to the Irish market -----
(and that) Canonbie coalfield was investigated some time ago
and is set to supply Kilroot 2 partly by using opencast methods.
Graham Stewart, British Coal Scotland, 12/7/1989**

The additional information on Canonbie is most interesting. The coal reserves lie very deep in a geological 'bowl' and the top seams were last worked in the 1930's. Until recently they had been considered too difficult and expensive to extract. During 1989 senior officials in the NUM had shown interest over its status and development, voicing concern over the future use of Canonbie. However, there is no doubt that British Coal have prospected opencast reserves not only in the west but in the south of Scotland to meet an "opportunity to sell" a projected output to the Kilroot stations over a period of several years.

**We have a 3 year deal with NIES for Kilroot 1 and we have
been talking to them about Kilroot 2 and hope to get a 20
year deal for the whole of Kilroot.
Graham Stewart, 12/7/89**

Canonbie could well be the longer term target for Kilroot '2' power stations. However, this may not only have to be justified on the grounds of 'opportunity to sell' coal to NIES,

but on the economies of scale and extraction. Costs of production are of primary importance. British Coal Opencast Executive Director Mike Proctor had provided average costs of opencast coal to justify the expanded development of opencast coal.

We have to exist in fiercely competitive conditions where the scarce resource is low cost indigenous coal - i.e. opencast coal. The average cost of deep mine production is £41.90 per tonne, and the average opencast is £26.90 per tonne. The average cost per G/J for deep mine is £1.65/GJ and for opencast it is £1.02/GJ. The cost advantage of opencast coal over deep mine coal is some thirty five per cent.
M. Proctor, Executive Director, British Coal Opencast, Opencast Mining Seminar, Newcastle University 28/2/1989

From Table (3.10) we know the average cost of opencast coal in Scotland from disposal points to be £1.12/GJ. already well above the national average but still much lower than deep mined coal. Looking at the Disposal Points in Strathclyde (Table 3.15 and Fig. 3.8) the average costs of opencast coal from here are not much better than the Scottish average.

Table 3.15

PRODUCTION COSTS £/GJ AT DISPOSAL POINTS - STRATHCLYDE REGION					
	Killoch	Climpy	Knockshinnock	Dalquhandy	Average
	1.35	1.14	1.05	0.90**	1.11

Source: British Coal Scotland
** Best Estimates from British Coal

As a vast proportion of this coal is shipped through Ayr harbour to the North of Ireland the average costs of opencast coal from these Disposal Points will be £1.11GJ. However, the average costs of coal is relative to the configuration of tonnage and British Coal would argue the greatest tonnage comes from the biggest site at Dalquhandy, consequently the

average cost to NIES would be much lower. Ironically, both stocking costs and transport costs of opencast coal have been underplayed by British Coal in North East England, until established as additional to production costs at Public Inquiries (P.I.) (Prior, Para. 7.4, Billingside P.I.; Gladstone, Para.9.3, Marley Hill P.I.). In Scotland however, the importance of transport costs in opencast production is given the highest regard:

British Coal's ability to sell coal in the market is entirely dependent on the cost of production. A substantial part of the costs involved in producing coal from any mine is the cost of transporting that coal to the customer. We must therefore when considering any transport arrangements for coal from any site give due regard to the effect that the cost of such transport will have on the final selling price of the coal.

The decision to transport the coal eastwards to Ravenstruther (road/rail transshipment facilities to Ayr harbour) has been taken after lengthy discussions with full-time and elected Officials of Strathclyde Region and representatives of District Councils.

William Rowell, Opencast Manager (Scotland) to E. Wright J.P., Leader of the Labour Group, Clydesdale District Council 24/2/1986

Combining coal sourced from Killoch(15m) and Knockshinnock(28m), being the nearest Disposal points to Ayr harbour, reduces the average cost to between £1.04G/J and £1.10G/J (£30.00t) depending on Dalquhundy proportions. Taking the figures in Table 3.16 and adding 'stocking costs' at a very conservative £5 tonne and transport costs at £5 tonne FOR(Free on Rail), we arrive at a figure of well over £40 tonne making opencast coal now around £1.60G/J delivered to Northern Ireland power stations.

TABLE 3.16 CENTRAL ASSUMPTIONS USED IN ECONOMIC ASSESSMENT OF ALTERNATIVE GENERATION PROJECTS

	Lignite Fired	Kilroot Phase II (a)	Kilroot Phase II (b)
Station Rating (MW)	450 (3 x 150)	520/360 (2 x 260/180)	450 (2 x 225)
Station Load Factor (%)	70	70	70
Capital Costs (£m 1986) (ex interest during construction)	405(1)	190(2)	260(3)
Operating Life (Years)	30	30	30
Thermal Efficiency (%)	33	35	35
Construction Time (Years)	6	4	5
Fuel Prices (£1986/tonne)	Lignite	= 10	
	Coal	= 35(low) = 38(central) 42(high)	Constant in real terms from 1995 onwards
	Heavy Fuel Oil	= 106(low) 115(central) 127(high)	
Fuel Calorific Values (Gj/tonne)	Lignite	= 10	
	Coal	= 26	
	Heavy Fuel Oil	= 42	
Discount Rate = 5% per annum			

Notes (1) Includes cost of new transmission equipment.

(2) Includes nominal allowance of £20m for opportunity cost of generators in storage.

(3) Includes £70m for new coal boilers.

Source: NIEDC

iii Lignite: The Brown Opencast Coal Alternative for
the Irish Market

It is perhaps ironical that one form of opencast mining will be competing with another for the same market. The Jefferson and Hewitt Report(1988) commissioned by the Northern Ireland Economic Council (NIEC) (as distinct from NIEDC) established the value of the Lignite resources in the North of Ireland for future power generation. Responding to the recognition of lignite as a viable commodity, the Chairman of the NIEC in turn expressed his keenness to exploit those resources. One reason he had in mind was that the highest energy costs in the United Kingdom are in the North of Ireland because it is not 'wired in' to the national grid:

The Economic Council's general view is that, if lignite is reasonably competitive in price with other energy resources, it would be desirable to exploit it as soon as possible.
Sir Charles Carter May 1987 Chairman of NIEC Report 65.

Evidence to the Commons Select Committee on Energy given by the Northern Ireland Electricity Service (NIES.) made clear that they were to reduce their dependency on coal and oil by increasing the use of indigenous resources, lignite in particular. According to the Chemical Engineering Division of Queen's University of Belfast, "lignite offers a whole new industrial base in the Northern Ireland community" in a range which includes the various markets for coal from the British mainland (McKay G. et al., Energy World, Aug., 1988).

Graphic reinforcement of lignite's potential to replace a substantial proportion of coal burn in power stations the Chairman of NIES Mr. John

Gaston, speaking at the meeting of Lisburn Economic Development Organisation (L.E.D.O.) stated that:

There is every prospect that lignite could be delivered to the power station at a coal equivalent price of around one third of the current international price for coal, and no more than one sixth of the current price of heavy fuel oil.

L.E.D.O., Minutes, 16/4/1985

On Friday 22nd of January 1988 the 'City of London' Public Relations Company issued a press statement on behalf of Meekatharra Minerals Ltd. It was headed by the statement:

BALLYMONEY PROJECT COULD CREATE UP TO 3,000 CONSTRUCTION
JOBS AND MORE THAN 1,000 PERMANENT JOBS

Employment Aspect of the Project "Unmatched" States Ministerial Briefing

Confirmation came from Don O'Callaghan of Meekatharra Minerals of the economic viability of the lignite mine. He has argued that the deposits at Ballymoney could be mined and marketed at £7.00 - £8.00 per tonne. This means that lignite fired electricity station could sell its output for less than 40 per cent of the current 1988 price of electricity. The feasibility study done by Meekatharra in 1986 was based on NIES requirements for an average of 3.1 million tonnes a year for the 30 year life-span of the proposed new power station. Meekatharra believed it could produce suitable fuel at £7.10 tonne from Ballymoney (Fig.3.9) for £5.00 to £8.00 per tonne less than British Petroleum (B.P.) Would at its Crumlin site. This assessment has since been justified by B.P. putting up for sale all B.P. Coal assets, including its lignite developments at Crumlin and Coagh. To reinforce its position Meekatharra has signed an agreement with another Australian mineral group, BHP - Utah, a unit of

FIGURE 3.9 NORTHERN IRELAND LIGNITE DEPOSITS AND PROSPECTING AREAS



Source: NIEDC

Broken Hill Proprietary, to continue further exploration of lignite at Ballymoney. BHP - Utah will assume responsibility for project development, construction and operation to fuel the lignite fired power station in the late 1990's. Underpinning these efforts, Cecil Parkinson Secretary of State for Energy, in a speech to the Coalfield Communities Campaign conference in Edinburgh called the development of a lignite fired power station in the North of Ireland "a very interesting project" (23/2/1988). Despite the environmental problems there is no doubting that there are sufficient resources of lignite to supply the power station:

Table 3.17

ESTIMATE OF RECOVERABLE LIGNITE RESERVES IN NORTHERN IRELAND AUGUST 1988

Ballymoney 500 million tonnes
Coagh 450 million tonnes
Crumlin 420 million tonnes

Source: McKay et al. Energy World, August 1988

Political diplomacy was exercised by the Meekatharra directors when they said:

The Government's 1988 decision to complete the Kilroot '2' power station as a 360MW coal fired facility has been to satisfy short term needs. However the relevant UK Minister has publicly indicated that the next power station will be lignite fired.
Annual Report 1989, Meekatharra Minerals, page 3.

Clearly the State had another agenda, one which gave the British Coal boys back at Coalburn priority over the Meekatharra boys at Ballymoney.

iv Meeting the Irish Power Station Market for Coal

The siting of a private lignite power station at Ballymoney would, similar to S.S.E.B. policy, increase the amount of energy and fuel sources available to the electricity grid system. And similarly, the relationship with British Coal then underwent a commercial metamorphosis forcing the price of coal downwards. However, from this point the similarities disappear. In Scotland, the unbridled expansion of other fuel sources was unleashed on an already depressed market for coal upon electricity privatisation; this forced further reductions in the price of and demand for coal. British Coal's response was to increase further the supply of lower cost opencast coal to the detriment of deep mine production.

In the North of Ireland, the future political strategy of NIES (1982) developing 'one third fuel options' (Fig.3.10) by the end of the century pre-determines the level of coal demand. By doing so it has the tendency to constrain the price of coal and the current relatively high profit margins enjoyed by British Coal up until 1988 (Brian Buroo 1988). Quite starkly, the NIES strategy would directly affect the current level of coal demand and reduces any hopes the Scottish coal industry had of increasing its market share of energy fuel supply to the NIES beyond their recent shipments (Tables 3.18, 3.19). Patently, a corollary develops similar to the SSEB experience yet from a different strategic political base. Diversification of fuel supplies gives NIES increased control over the choice of fuel to be burnt, it follows that NIES also will achieve greater control over the price of fuel supplied to the

Figure 3.10

NIES Projections of Fuel Burn to the Year 2010

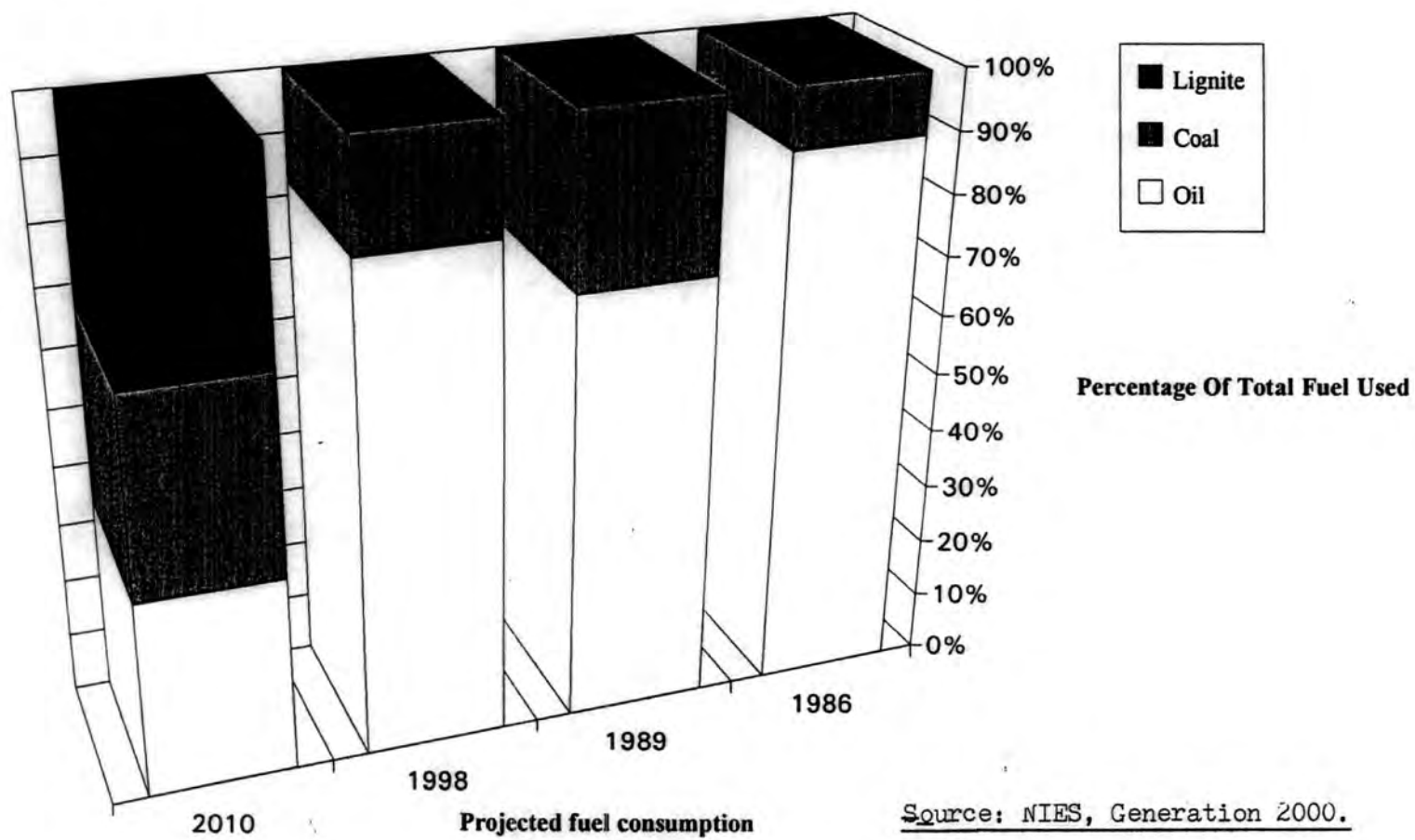


Table 3.18

SHIPMENT OF COAL INTO NORTHERN IRELAND 1977 - 1986 (thousand tonnes)				
	Domestic	Industrial	NIES	Total
1977	921	106	730	1457
1978	905	104	501	1510
1979	1064	107	525	1696
1980	898	75	577	1550
1981	856	28	487	1371
1982	978	47	518	1543
1983	1506	45	547	2098
1984	1225	27	144	1396
1985	1638	61	496	2195
1986	1310	91	288	1689
1987				

Source: Northern Ireland Abstract of Statistics 1987, Table 12.10, P.137

Table 3.19

EXPORTS OF OPENCAST COAL FROM AYR HARBOUR TO NORTHERN IRELAND (thousand tonnes)								
1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89
600	550	565	625*	165*	543	369##	630	475

Source: British Coal/Ayr Harbour Master

* Years affected by national coal strike

Tonnage affected in part by reconstruction of facilities at Ayr harbour

** Problems experienced with ship discharger at Kilroot

N.B. Figures include 100,000 tonnes of industrial coal contracts each of last 2 years.

Table 3.20

BRITISH COAL PROJECTIONS FOR KILROOT AND WEST BELFAST (Power Stations --- 000' tonnes)			
	Kilroot	West Belfast	Total
1988/89	145	610	755
1989/90	650	585	1235
1990/91	740	560	1300
1991/92	740	535	1275
1992/93	740	510	1250

Source: British Coal Scotland

Table 3.21

GENERATING PLANT IN NORTHERN IRELAND 1990					
Station/Units	Fuel	Thermal Efficiency	Plant Load Factor	Units Gen. MWhours	Commissioned Retirement**
Belfast West					
2 x 30MW	Coal	27.5	59.6	1,253.8	1954-1958
3 x 60MW					1994-1999**
Ballylumford					
3 x 120MW	HFO	31.3	32.5	2,733.8	1968-1974
3 x 200MW	Dist.	23.3	0.3	3.2	1999-2005**
2 x 60MW	G.T.				
Kilroot 1. (1)					
2 x 250MW	HFO	33.0	41.0	1,797.7	1981-1982
2 x 30MW(G.T.)	Dist.	23.3	0.3	1.4	2011-2012**
Coolkeeragh (2)					
2 x 30MW	Oil	19.5	6.8	179.9	1959-1967
5 x 60MW	Dist.	21.2	0.6	3.0	1990-2002**
1 x 60MW	G.T.				

Source: NIES Annual Reports and NIEDC.

(1) Kilroot Phase 2. was to be commissioned alongside Kilroot 1. generation sets with a combined design rating of 520 MW burning oil and 360 MW burning coal.

(2) While Kilroot 1. was being converted 60 MW of Heavy Fuel Oil (HFO) plant at Coolkeeragh, in storage since 1982 has been recommissioned to make up some loss in the grid.

N.B. Dist. = Distillate Oil

G.T. = Gas Turbine (standby)

power stations by choosing the lowest cost fuel. With little room for cost cutting in opencast mining it is difficult not to envisage a cut in demand for coal burn. Uncontrolled, the consequences could be quite traumatic for employment in the coal industry. The surplus opencast coal production from Scotland and North Cumbria that could not meet the cost criteria of NIES would either be closed or challenge the market share of deep-mine production in Scotland and the North of England.

Only by comparing British coal projections (Table 3.20) with NIES generation demand projections and adding in some smaller variables can we achieve an assessment of the viability of British Coal's "opportunity to sell" to the North of Ireland market. Figure 3.10 also shows us the potential capacity of supplying the market for coal in NIES strategy for the coming years. The variations in different sources of fuel supply are related to the timing of commissioning of the Kilroot stations and the de-commissioning of Belfast West and Coolkeeragh as well as their stated "one third option" each of coal, oil, and lignite for the future.

Production and shipment of opencast coal to the North of Ireland is not so much about maximising market advantage by increasing the size of take in that market, but with the market limited by the maximum coal burn the ethos has been to maximise profit from supplying coal with the highest profit margins. Ninety eight per cent of exports from Ayr harbour is coal from opencast sites in Strathclyde supplied to NIES and 'Industrial' customers. 'Domestic' coal is imported from Cumbria and North East England as well as from overseas sources such as Poland. This market is set to decline with the development of gas fields in the

Irish sea. Unless privatisation accelerates the NIES strategy indicated by projections in Figure 3.10 there is to be little diversity of supply until after 1998. By extrapolating the tonnages from Table 3.19 to Figure 3.10, and given that the British Coal export tonnage has never been more than 630,000 (including industrial coal) against a minimum projection of 755,000 (Table 3.20), then 1998 with NIES coal burn reduced to 18 per cent the most Scottish coal can hope to export is 400,000 tonnes. In 2010 against a projected coal burn of 33 per cent, the generous maximum looks likely to be 1 million tonnes. Clearly, unless there is a strategic swing towards more coal burn in Northern Ireland power stations opencast production in Strathclyde at over 2 million tonnes a year and 18 million tonnes of 'approved' reserves (Opencast Coalmining Statistics [CPOS] 1990) would appear to be over producing for this market in the 1990's.

The retirement programme for existing power stations in the North of Ireland has as much a bearing on future demand for fuel requirements as the introduction and timing of new generation sets. It is worth bearing in mind that new plant has always been a desirable aim for electricity engineers, mainly from their remit to develop and commission generating plant ahead of load growth needs in terms of fuel cost savings and the Generation Security Standard (GSS). We can see from Table 3.21 that the generating capacity in Northern Ireland was 2,400 MW. at the end of 1990 and note that electricity demand is set to grow between 2 and 3% per annum to the year 2000 (Table 3.22); however by that time some of the generating plant will be coming to the end of its useful life. Kilroot 1. was only converted to dual oil/coal fired in 1989 as part of

NIES policy of strategic flexibility. During that commissioning period, coal fired capacity represented 10 per cent of the total capacity. Upon commissioning it represents a potential of more than 28 per cent.

(NIES). For this to create a market for opencast coal from Scotland it must be matched by demand for coal burn generation.

The retirement programme for power stations is also dependent upon the running age of the plant. The life of coal fired plants is limited by the durability of the boilers rather than their generators. In the case of Belfast West, its coal fired boilers have seen intensive burning.

Its continuous use, in contrast to the Coolkeeragh oil fired plant, has been determined by fuel price differentials. From Figure 3.10 we can also see how projections for coal demand will decrease by 10 per cent all through the 10 years from 1989. Yet when you look at British Coal projections for the first half of the next decade there is no account taken of this decrease by a consequent reduction in output projection figures (Table 3.20). When other competing factors are taken into consideration it makes the projections even more incredible. Opencast mines will be over producing in the 1990's for the NIES market. Coal demand may even be decreasing below existing levels as British Coal ignore the future, determined by NIES and graphically portrayed in Figure 3.10.

NIES in their 1982 Generation Strategy Report projected that demand for electricity would grow at 'a trend rate' of 2 per cent per annum up to 1989-90 and at 3 per cent per annum in the 1990's. Their central load growth projection of 2 per cent per annum is the basis for forward

TABLE 3.22 ELECTRICITY DEMAND(1) 1983-84 TO 1999-2000 - NIES

	Central Load (GWh)	Growth Case (2% pa) (MW)	Higher Load (GWh)	Growth Case (3% pa) (MW)
1983-84	5,474.9	1,199	5,474.9	1,199
1984-85	5,670.2	1,260	5,670.2	1,260
1985-86	5,972.8	1,312	5,972.8	1,312
1986-87	6,092.3	1,337	6,152.0	1,351
1987-88	6,214.1	1,364	6,336.5	1,391
1988-89	6,338.4	1,392	6,526.6	1,433
1989-90	6,465.2	1,419	6,722.4	1,476
1990-91	6,594.5	1,448	6,924.1	1,520
1991-92	6,726.3	1,477	7,131.8	1,566
1992-93	6,860.9	1,506	7,345.8	1,613
1993-94	6,998.1	1,536	7,566.2	1,661
1994-95	7,138.0	1,567	7,793.1	1,711
1995-96	7,280.8	1,598	8,026.9	1,762
1996-97	7,426.4	1,630	8,267.8	1,815
1997-98	7,575.0	1,663	8,515.8	1,870
1998-99	7,726.5	1,696	8,771.3	1,926
1999-2000	7,881.0	1,730	9,034.4	1,983

Note (1) Strictly speaking, demand forecasts should be temperature corrected to be consistent with standard weather conditions, normally taken to be the median weather condition over a run of years (the average cold spell). These forecasts ignore this complication. The error involved in doing so is not significant.

planning. Northern Ireland Electricity needs a third fuel option in the medium term if it is to maintain its customer objective of providing the most efficient, reliable and economic electricity it possibly can. ----
"it recognises the future role of lignite as Ulster's indigenous power station fuel" (NIES, "The Next Generation", 1982)

With the advent of Lignite development as an additional fuel source it changes past conventions on fuel supply to its stations, potentially affecting the ability of British Coal to supply fuel at a competitive rate. Coal burn demand is not the same as coal burn capacity in coal fired power stations and further expansion of opencast in Scotland may become a 'model on the computer' that may not be realised given the history of this situation and the advent of a Brown coal (Lignite) fired station. The State have seen that British coal does not have a monopoly on the market for coal. But then the State would argue that demand is not the sole criterion for the development of new opencast sites and they have proven that.

v. Arguments for Coal and Lignite - NIEDC Rebutted

Northern Ireland Economic Development Council (NIEDC) made an assessment of the economic virtues of bringing on stream a coal-fired Kilroot 2 and an alternative Lignite fired power station. While an extremely useful document, it neglected certain evidence and made some assumptions, which while admissible at the time of analysis are flawed now. NIEDC ignored the claims of Ballymoney and wrongly assumed that any lignite will be mined at Crumlin, near the environmentally sensitive area of Lough Neagh. Their assessment uses the supply price of £10 per tonne based upon the supply of lignite from that mine (Table 3.16). What is revealing is that they and the government must have been aware that Meekatharra chairman Don O'Callaghan stated as early as December 1986 in the Belfast Telegraph (6/12/86) that lignite from "Ballymoney deposits could be mined and marketed at £7.00 per tonne". Consistent with this, the stated offer price of lignite mined by Meekatharra Minerals at Ballymoney to the Minister in the Ministerial Briefing (22/1/88) was £7.10 per tonne. When NIEDC did their calculations, in equating lignite with coal to generate the same amount of electricity, they costed lignite at 3 times £10 per tonne instead of 3 times £7.10 per tonne. Therefore the cost of lignite was disadvantaged by 30% per tonne above its true price, making Kilroot a better economic prospect than it really was. However, cost was not the only factor ignored in the NIEDC assessment and in government decision making. It is internationally known that lignite has a much lower sulphur content than coal and burns with extremely low sulphur emissions (Crouch G.R., 1988).

NIEDC deduce, using figures based upon Crumlin lignite, that in terms of cost:

The lignite station offers no benefits over the Kilroot option from electricity generation since the system savings in both cases are similar.

NIEDC, May 1987 The Impact of Lignite P.73,

Then equally, it surely follows that the Kilroot option offers no benefits over the lignite station from electricity generation seeing that the "system savings in both cases are similar". NIEDC Table A3 is reproduced as Table 3.23 to show the assessment of costs for Lignite and Kilroot options based upon their above assumptions, with opencast from Scotland supplying Kilroot. Remarkably, the authors admit that if simple net costs are applied as the "choice criterion" then Kilroot options have the distinct advantage over the Lignite station only at the lower coal price level (Table 3.23). And even this is before the adjustments for Ballymoney costs and burning profile are made. Once made, the argument for Kilroot '2' and the "opportunity to sell" opencast coal from Scotland in the Irish market is markedly diminished. Crumlin lignite costs 30% more than Ballymoney lignite. If we adjust their lignite fuel cost to the Ballymoney levels of 30 per cent less, with its better burning profile, lignite generated electricity becomes the favoured option over Kilroot '2' in an even competitive market. The government and its agencies patently were not unaware of this. Evidence detailed in a coloured brochure issued in March 1988 by Meekatharra (N.I.) Limited made fuel cost comparisons between coal and lignites in costs per gigajoules.; this is the standard unit of heat applicable to

Table 3.23

TABLE A3: ECONOMIC ASSESSMENT OF ALTERNATIVE GENERATION OPTIONS

	Coal Price Assumption								
	Low			Central			High		
	Lignite	K-II(a)	K-II(b)	Lignite	K-II(a)	K-II(b)	Lignite	K-II(a)	K-II(b)
Annual Capital Charges (1)	31.36	13.98	19.63	31.36	13.98	19.63	31.36	13.98	19.63
Annual Operating and Maintenance Costs	9.66	5.52	6.90	9.66	5.52	6.90	9.66	5.52	6.90
Annual Fuel Costs	30.10	30.57	38.21	30.10	33.19	41.48	30.10	36.68	45.85
Total Costs	71.12	50.07	64.74	71.12	52.69	68.01	71.12	56.18	72.38
Less System Savings from Displacing Higher Cost Plant	86.37	69.10	86.37	93.82	75.06	93.82	103.75	83.00	103.75
Net Annual Cost	-15.25	-19.03	-21.63	-22.70	-22.37	-25.81	-32.63	-26.82	-31.37
Net Effective Cost (2) (£/kWpa)	-33.89	-52.86	-48.04	-50.44	-62.14	-57.36	-72.51	-74.50	-69.73
Cost per kWh of Units Generated (pence)	2.58	2.27	2.35	2.58	2.39	2.46	2.58	2.55	2.62

Lignite = 450MW minemouth station

K-II(a) = Kilroot Phase II 520/360MW option

K-II(b) = Kilroot Phase II 450MW option

Notes (1) Total capital costs (including interest during construction) annualised over 30 years at 5 per cent.

(2) Net Annual Cost normalised for design rating of station.

Source: NIEDC

all fuels delivered to the power stations. Table 3.24 marks out in clear terms the differences in price between imported opencast coal, Crumlin lignite and Ballymoney lignite.

Table 3.24

PRICE OF COAL AND LIGNITE DELIVERED TO THE POWER STATION(1987 prices)			
Coal Source	Ballymoney	Crumlin	Imported Coal
Coal price at power station	£0.80G/J	£1.19 to £1.46G/J	£1.37 to £1.66G/J

Source: Meekatharra (N.I.) Ballymoney Lignite, Brochure, March 1988

Imported coal can cost twice as much as Ballymoney lignite and Crumlin lignite is at least 50% more expensive according to these calculations. Previously, I assessed the cost of opencast coal delivered to Northern Ireland power stations by British Coal as around £1.60G/J., this finds common ground with the figure for imported coal in Table 3.24. While costs per gigajoule is the most accurate way of costing coal, further information reinforces the argument that lignite outstrips other fuels on other measurements of cost. In a discussion with Jim Quigg, Senior Manager of Meekatharra (N.I.)(27/4/90), he argued that the true cost in terms of 'tons of coal equivalent'(t.c.e.) of importing coal from Ayrshire was £34 t.c.e. and lignite was available at £22 t.c.e. (i.e. £8 a tonne (high level) multiplied by two and two thirds to achieve the energy equivalent). Even allowing for commercial prejudice, on any scale of measurement there is a marked difference between the cost of lignite at £0.80G/J and £22 t.c.e. to coal at £1.60G/J and £34 t.c.e. respectively.

At the Sizewell Public Inquiry, British Coal gave evidence that the most accurate price of coal to the year 2025 was between £40 and £60 per tonne. In Table 3.16 coal is given as 'constant in real terms from 1995 onwards' at three levels. Coal 'delivered' to Kilroot is given as £38 per tonne in the central estimate, coal discount price is £33/t.c.e. (Quigg-£34 t.c.e.). We are aware that three times more lignite is needed than coal to generate the same amount of energy. Even using the Crumlin price of £10 per tonne this still gives a price advantage to lignite. Jim Quigg also believed that British Coal and the Government were in:

an awkward position having to buy in 'scrubbers' for Kilroot`2' at £3 million each to keep within the EEC Emission Standards or continue to buy in low sulphur coal" (this implies that British Coal also buy in low sulphur coal from overseas)..... Then there is the cost of dumping the sludge..... they have spent so much on Kilroot they will probably go ahead with it regardless of cost as the government have told us they are looking ahead to privatise NIES and Scottish Coal.
Jim Quigg, Meekatharra (N.I.), 22/1/1988

This assessment and testimony is graphic and most telling. They bring sharply into focus the political reasoning of the State and its agencies, artificially stimulating privatisation of the public sector, NIES and British Coal, by contriving to achieve the ideologically 'right outcome'. Having ignored the cost advantages of Ballymoney lignite, the advantages of burning fuel with a high volatile matter and much lower sulphur emissions (of Lignite) are also set aside. This is despite the onset of EEC Directives and the extremely high cost of compensating for coal with a higher sulphur content with 'scrubbers' or low sulphur coal imports (Crouch G. R., 1988). Here two important issues, cost and the

environment, appear to be overridden by government ideology in their determination to pursue the advantages of a privatised coal fired Kilroot '2' and secure a market for a private sector opencast industry in Scotland. Yet remarkably, we learn that they were constantly made aware of the significant advantages of a lignite fired station.

The technical proposals in the Company's 1987 feasibility study to supply an on site 450MW power station were accepted in May 1988 by the Northern Ireland Department of Economic Development and data have been continually upgraded from that date. The Company has maintained a policy of ensuring that all relevant government bodies have been kept fully informed of progress by regular briefing sessions.

Detailed costing has demonstrated that Ballymoney coal is the cheapest fuel currently available to supply power in Northern Ireland. On the basis of cost per energy unit (1987 real costs) imported Scottish black coal is from 36 to 79% more expensive than Ballymoney. It is clear that a fully integrated Ballymoney mine and base load power station could produce the cheapest thermal electricity in the U.K. Meekatharra Minerals, Annual Report, 1989, P.3

Having disregard for the impact of Ballymoney lignite station after bringing Kilroot '2' onstream beggars belief. Constructing a power station knowing that in a few years time its capacity will be greatly underutilized is a mis-use of public money. Costs of electricity generated at Ballymoney will be considerably lower than those at Kilroot. Therefore, given the commercial intentions of NIES, only the cheapest coal burn electricity will be demanded by the system seriously squeezing both Kilroot capacity and opencast coal demand from Strathclyde.

Unequal comparisons also exist between the capital charges of Kilroot and Ballymoney. Omitted in the costing of Kilroot (Table 3.16) and

opencast coal are the huge amounts of investment into the road, rail, harbour discharging and disposal point infrastructure in Strathclyde and Kilroot necessary for the extraction and transportation of coal to Kilroot. The extent of this investment is quite startling:

In terms of disposal plants, the picture is dominated by roads linkages into the disposal plants and rail linkages from the disposal plants. A major element in this has been heavy investment by British Coal, as part of the strategy, in rail-orientated unloading and loading infrastructure at Killoch and in re-opening formerly closed railway lines from Doon Valley and also from the main Dumfries line via the Mauchline-Annbank line. As part of the future development of Powharnal-Gasswater, British Coal and British Rail are to promote a new line from the Cronberry area to Auchinleck to join the main Dumfries line.

Opencast Coal Liaison Group, Joint Strategy Statement, Para. 27

It is difficult to ascertain where the funds for all this investment came from as there are so many bodies involved, not least the government and the EEC. Kilroot is inextricably linked to the Strathclyde operation and simply could not operate without this new infrastructure. Equally if Kilroot '2' was not developed this investment in infrastructure would be vastly underutilized. Obviously, the lignite fired minemouth station does not require that type and cost of investment as the power station would burn lignite directly from the mine to generate electricity straight into the system. Given the State's privatisation agenda for British Coal and NIES, the size of the Strathclyde investment makes Kilroot '2' more than a vested interest; crucially it is an ideological imperative to come on stream within the NIES privatisation time limits. Because of the State's imperative a lignite fired station at Ballymoney, despite its claims to be economically superior, has been relegated behind a privatisation agenda

for NIES and British Coal.

There are some disturbing truths and parallels in this process. If the purpose of the report was to buttress the government's case for increasing the revenues from developing Kilroot '2', Strathclyde's publicly funded opencast infrastructure and British Coal it would appear, that despite its flaws, it has served that purpose. Again, it would appear the report tried to influence the decision on the configuration of power stations during the next two decades to time the preference for Kilroot "2" before Ballymoney. Similarly with the deep mines, the dubious accountancy practices of British Coal contrived to exalt opencast coal's value beyond that of deep mine production; and apparently for the same ideological agenda.

Tilting the economics in favour of the 'Boys from Coalburn' (British Coal) to the disadvantage of the Boys from Ballymoney (Meekatharra Minerals) and to the final advantage of the 'Boys in the City' may be far removed from the minds of ex-miners in Ayrshire and Lanarkshire. Ironically however, they may yet live to see the demise of another 'economic cipher' that contributed to their own destiny as "proud but bitter economic ciphers" (MacIlvanney 1991) - opencast coal mining.

iv Conclusion to Chapter Three

In Scotland, the expansion of opencast coal mining has to a large extent depended on the utilization of 'co-operative political alignments', based upon 'economic nationalism', developing thus into a form of corporatism. This expansion of opencast coal production was part of the intended transformation of coal production and the labour process towards a private sector operation. The miners leadership amongst others in the labour movement placed the NUM in Scotland in a compromised position by accepting British Coal's strategy of rationalisation of the industry into a commercial entity as a 'necessary evil'. The NUM leadership especially, provided no differentiation between opencast and deep mined coal production. Opencast coal production was dealt with within the context of economic nationalism as 'Scottish coal' and given favourable pricing arrangements by British Coal compared to deep mining (Kerevan and Saville 1988).

Corporatism and opencast expansion were synonymous with the decisions made by several councils, not least Fife Regional Council over the Francis Project, turning logic on its head and using English planning guidance notes to push through the application. The watershed of corporatism was clearly marked by British Coal in the closure of Monktonhall/Bilston Glen colliery and their disregard for custom, practice and procedures with the NUM leadership in April 1989. Bilston Glen was summarily closed without reference to the NUM leadership once Blindwells opencast came fully on stream and the capital investment at Monktonhall was in place.

The end of corporatism is linked to the psychology of closure engendering alienation and fatalism which itself affects attitudes to production and this was apparent across the breadth of the coalfield. The Wheeler Plan(1986) which constituted a dramatic shift to a new era in coal mining in Scotland could not have been possible without the historic corporatist attitude of the labour movement in Scotland in allowing the full blown expansion of opencast mining to supplant deep mine production.

At the High Court in Edinburgh the 'divorce' of the SSEB and British Coal marked the end of a longstanding symbiotic relationship in energy production in Scotland. It also ensured the dominance of opencast coal in coal production at Longannet and Cockenzie power stations in the east of the country on grounds of 'cost'. Its impact at personal level can not be measured by the statistical loss of jobs resulting from deep mine closure even though these have numbered more than 20,000 men on colliery books since 1977/78.(Table 3.3).

Expansion of opencast output has maintained the markets for coal while supplanting deep mined coal output and jobs. During this period chosen deep mine production units underwent technological change and investment, namely investment hibernation, ready for the new commercial era of mining in Scotland. Output projections (Tables 3.11-3.13) confirmed the purpose was the reconstruction of the Scottish coalfield towards a new era in coal mining based upon the three super pits at Longannet, Francis and Monktonhall, and of course opencast mining. Only Longannet is operational with the opencast sector.

Higher investment was directed at various pits within the geographic locale of the three designated super pits. Capital investment was also taking place when "opencast coal output was expanding at an increased rate to cover the lost output from the closure of deep mines" (Tables 3.1 & 3.8). Yet, despite British Coal having sufficient replacement capacity in opencast, they continued to invest large amounts of capital into pits that for many years fell drastically short of their own financial criteria for investment. One reason was that capital investment was not fully in place and British Coal would not and could not shut pits even if they had enough opencast coal to supplant deep mined output.

Opencast had its own investment, largely in the west of Scotland, amounting to sizeable amounts of capital related directly to maintaining the Irish market. The State's approach to commercialisation of the energy industry was further illustrated by the relationship between the expansion and infrastructural investment in opencast mining, the development of Lignite as a competing fuel, and British Coal's markets in Northern Ireland. The situation has been extremely complex and politically volatile on both sides of the Irish Sea amounting to a contest between Coalburn and Ballymony developments.

The State monitored and controlled decisions made on energy provision and production in Northern Ireland and opencast expansion and infrastructure in Western Scotland. Subsequently, the decisions over developments in energy production in Northern Ireland have been based upon ideology rather than any economic or social logic. The market for

opencast coal was 'rigged', in favour of developing a coal burning power station at Kilroot against a Lignite fired one at Ballymoney, to suit the privatisation agenda for NIES and British Coal.

THE INFLUENCE OF OPENCAST MINING IN NORTH EAST COAL PRODUCTION

Part One Employment and Production

i Re-Organisation and Commercial Realism

The pattern of deep mining in the early 1990's in the North East has been characterised by the trend since the 1884/85 strike to increasing productivity and profitability and decreasing costs often from the dramatic loss of manpower and production units through rationalisation. In stark contrast, opencast mining has enjoyed a steady expansion on a plateau of low costs and profitability. As the deep mines improve their productivity and the costs of extracting opencast coal begin to lift off the comfort of that plateau of profit, questions arise over further expansion of opencast mining. Indeed, whether there really is a market for the current amount of opencast coal now produced is brought into focus by the very success of the deep mines. Furthermore, there is a growing problem of over-supply of coal by 1992 that presents a political challenge to the relationship of opencast to deep mine production at current rates. Moreover, there are complex technical questions previously hidden from public gaze that, given adequate scrutiny, decisively challenge existing thinking on the need for opencast coal expansion.

Overall, the contraction in the deep mine sector and the development of the opencast sector in the North East has taken on a different pattern than that in Scotland. The trends however, in terms of deep mine contraction and in the increasing dominance of opencast mining are striking in similarity, despite the opposition to opencast in the North East. But how the mining of coal in the North East arrived at this situation to become a commercial business has yet to be fully explained.

After nationalisation, in 1948, there were 185 collieries in the North East with a manpower of 149,445 producing 36,8 MT. The first major 'rationalisation' of the industry was evidenced by both the number of pits and manpower going below the hundred mark for the first time. In 1965/66, there were 98 collieries in the region with manpower on the books of 83,718 producing a tonnage of 29.8 MT. By the time of the 1972 coal strike that had been halved again, leaving 47 collieries with a total manpower of 42,959 in the operating year 1972/73 which produced 18.3 million tonnes. This downward trend was less pronounced during the 1970's, even so the region has a 'creeping' loss of 20 production units. So that in the year 1980/81 there were only 25 collieries in the North East with manpower reduced to 31,968, producing 14.0 MT. By April 1990 the 7 pits remaining with 9,000 men on Colliery books produced over 10.0MT in the previous twelve months. North East deep mining rationalisation and the trend in contraction can be clearly seen from Table 4.1.

Table 4.1

NORTH EAST DEEP MINED PRODUCTION, MANPOWER 1947-1990					
Year	Saleable Output (000 tons)	(cwts)	Overall OMS End	Manpower at Year at Year End	Number of Collieries
1948	36,848		19.2	149,445	185
1965/66	29,750		30.8	83,718	98
1972/73	18,027		38.1	42,959	47
1980/81	14,008		47.61	31,968	25
1989/90	10,000		93.84	9,000	7

Sources: British Coal, North East Coal Digest 1987 *Tonnes 23 cwts = 1 tonne

What is often forgotten is that the coal industry has a large administrative arm supporting mining operations. This is administrated by Colliery Officials and Staff Association (COSA) members who belong to the National Union of Mineworkers. Equally, like the mines they have been subject to recent and dramatic changes in the last decade.

Organisational changes to the structure and process of coal production in the North East coalfield since the 1984-5 strike have been designed to inculcate a commercial realism into all their operations. This has been applied equally at white collar level as much as at the point of production in deep mines and opencast mining; the only difference being that opencast mining has not undergone contraction in production or staff levels. One of the the first visible signs of change came when the North East Area of British Coal which consists of the Durham and Northumberland Coalfields moved from its large, long standing home at Team Valley, Gateshead. In 1974 there were 3,300 white collar staff on the N.C.B. books, the vast majority at the 'The Crystal Palace', Team Valley. By 1988 this was reduced dramatically to 950 staff with 400 at Team Valley(Reid, May 1988, B.C.). Indicative of this rationalisation was the shift from a production orientated operation to a cost culture one:

We have a cost culture here.... There was not the awareness that this is a 'business', even some management don't understand this.

Mr. Reid, Assistant Personnel Manager, North East Area:
- from a Management Survey, New College Durham, May 1988

The North East headquarters is now sited in Ryhope, but still contains one old characteristic: the Marketing Department have responsibility not

only for deep mine coal but the output from opencast mines too. One most telling fact is that it is more efficient to 'run' all coal, which is destined for the same market anyway, through one centre of operation. All other Opencast Executive operations are administered from their Newcastle headquarters. From Ryhope, in 1989, are controlled the operations of the seven deep mines employing 10000 people, profitably producing around 10 million tonnes annually since 1988. Contrast this, over the same period as the reductions of over 70 per cent in the white collar sections; to 1974/5 when the number of pits in the area was 35 and the manpower stood at 37,655.(Table 4.2).

Table 4.2

EMPLOYMENT IN THE NORTH EAST COALFIELD 1974/75 AND 1988/89			
	1974/75	1988/89	Reductions
White Collar Staff	3,300	950	2,350 (71.2%)
Manpower in Area	37,655	10,000	27,655 (73.5%)
Saleable Output	14,551	10,000	4,550 (31.3%)
	(000 tons)	(000 tonnes)	(000 tonnes)

Souces: Reid, 1988, British Coal, North East Area: North East Coal Digest 1986-87: Coal News Editions 1989-90: British Coal Annual Reports:

The white collar staff have 'gone quietly' compared to the miners over this 15 year period. Losses of jobs in the industry are dramatically drawn into perspective by the figures in Table 4.2, together with combined reductions in output over a longer period in Table 4.1. A seventy three per cent loss cuts right at the heart of the mining

community and culture. Given such a devastating loss, it is indeed a tribute to the North East people that so many more thousands turn out each year on the second Saturday in July for the North East Miners Gala Day. The effect it should have had on esteem and morale is certainly not reflected in the production figures. On the contrary the trend in productivity is decidedly upward. But the graphic fact is that in the classic operation of capitalism the reductions in the workforce are disproportionate to what is a much smaller reduction in output. Control of this process is at the heart of debates over the accumulation of capital versus increasing standards of living for society as a whole. Community and culture are equally important in the process of controlling the political economy of energy production.

ii Productivity, Performance and the Future of the Deep Mines

Productivity by any measure has increased steadily since nationalisation and more rapidly in recent years (Tables 4.1, 4.3); even the State directive of a new profitability benchmark of £1.50/GJ applied by British Coal to all deep mine production has been overtaken. Despite short term problems, Wearmouth, Westoe and Easington managed performances down to around £1.40/GJ that even brought congratulations from British Coal (Coal News, May/September 1990). Lord Haslem, chairman of British Coal in 1990 described the region's seven collieries as "the jewel in British Coal's crown" with an operating profit of £66 million which matched that of the region's Opencast Executive in 1989/90. With productivity rising by 7.3 per cent coal production was maintained at 10.2 million tonnes.

It is perhaps surprising that despite the performance of the deep mines there were few ambitious plans for expansion. Even the announcement of some £22 million new investment in the May 1989 issue of the Coal News would have hardly be enough to develop three new coal faces. Yet in the face of this cost effective productivity in a contracting deep mine sector we are presented with continuing expansion of opencast mining. Bearing in mind the contracting market for British Coal output, with competition from imports and other energy sources, there is bound to be a problem of over-supply in the reduced demand for coal. Table 4.3 shows the improvements in performance, though it should be understood that deep mining is not a production line - yet:

Table 4.3

NORTH EAST DEEP MINES PRODUCTION AND PERFORMANCE				
	thousand tonnes			
	Production 1981/82	Production 1985/86 & Costs £/GJ	Production 1988/89 & Costs £/GJ	Production 1989/90 & Operating Profit £/T
Dawdon.....	1061	1237(1.64)	1323(1.38)	1120(6.00)
Easington.....	1291	1285(1.86)	1525(1.57)	1610(1.92)
Ellington.....	1763	2118(1.49)	2326(1.34)	2310(6.84)
Murton.....	1219	961(2.63)	1350(1.46)	1160(0.78)
Vane-Tempest.....	525	910(1.87)	894(1.41)	860(1.51)
Wearmouth.....	1105	1184(1.84)	1291(1.59)	1290(2.97)
Westoe.....	1412	1228(2.10)	1407(1.74)	1630(4.10)

Source: British Coal, Coal News 1990 editions.

Despite the contraction in the deep mine sector in the North East in pits, employment and production the situation in the deep mines until 1992 was remarkable. The cost effective performance of the North East's deep mines increasingly challenged the need for expanded production in the opencast sector. The intended productive pattern of North East deep mines is laid out in Table 4.4. However, there were signs that even with the best endeavour the future of deep mining was to be further curtailed whilst applications to mine opencast increased in the North East. In depth analysis of 'shadow pricing' and the arbitrary accountancy practices of British Coal are beyond the scope of this thesis. However, following Berry (1985b) and Hopper (1988) work by Kerevan and Saville(1988) detailed and accepted earlier (Chpt 3.2.iv) again calls into question the process of supplanting deep mined output with opencast coal on price allocation grounds. In a bid to beat imported coal, and with a "dash for gas" to replace coal fired generation and a subsidized nuclear sector (£1.5 billion p.a.), it would

appear that the State in the process of extracting surplus value was giving British Coal no alternative than to expand the opencast sector and run down the deep mines to a mere 'rump'; in this respect Table 4.4 may be more than optimistic in its projections.

Table 4.4

NORTH EAST DEEP MINES FUTURE PRODUCTION PATTERN AND TREND						
Colliery	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Dawdon.....	300	560	-	-	-	-
Easington..	1500	1500	1500	1500	1500	1500
Ellington..	2300	2300	2300	2300	2300	2300
Murton....	1350	1300	1300	1300	650	-
V.Tempest..	900	900	900	900	900	900
Wearmouth..	1300	1300	1300	1300	1300	1300
Westoe....	1400	1400	1400	1400	1400	1400
Total	10050	9260	9350	8750	8050	7400

Source: British Coal: Compiled from submissions by British Coal at Various Public Inquiries Between 1986 and 1990

The State may protest that it maintains a hands-off approach to the management of British Coal but it is not just existing internal research into internal management that cries foul! (Hooper et al. 1988; Davies and Metcalf 1984; Berry 1985^a). In research and conversation with management from both deep mine and opencast sectors it is clear that there has been a certain amount of political cleansing in British Coal. Management that met the criteria of political correctness were speedily promoted via intensive courses with outside consultants. Andrew Horsler was one such person from Oxbridge going on to uninspiring performances as Marketing Manager at public inquiries, then to Marketing Director of British Coal. Others who have given years of service who

failed to have the necessary 'commercial attitude' and the 'right political awareness', even in the opencast sector, have been demoted or 'shed'. Senior management such as Director Clarke have been bought in to British Coal from the private sector to ensure conformity on hard commercial lines in the new regime. Existing British Coal management essentially are the product of, and conform to, the new cost-centered/accumulation culture directives of the State machine. From this, the culture of cost centred commercial realism has become embedded into the operations of British Coal. The 12 month in-house education courses for management have been progressively evident at public inquiries into opencast mining. It is at these inquiries that the comparative cost and improving performance of deep mines against opencast production have been brought ever more sharply into focus.

iii British Coal Opencast Mining in the North East

Opencast coal mining in the North East is now operated within the Northern Area Opencast Executive. Including Cumbria since the 1989 re-organisation, it is administered by a team of re-trained management at its suburban headquarters in Newcastle. The style of management which is often displayed at public inquiries reflects the new priority and direction of opencast mining in coal production towards a commercial orientated private sector approach. For while less profitable deep mining has suffered continued contraction from 1980 to 1990, opencast has enjoyed a consolidated expansion. Though the ascent of opencast mining has not been quite as dramatic as it has in Scotland, mainly because of persistent opposition, its impact in the coalfield has not been any less marked. Table 4.5 shows the expansion of opencast mining in recent years where a marked 'hike' in output occurs after 1985/86.

Table 4.5

OPENCAST OUTPUT IN NORTH EAST ENGLAND ('000 tonnes)						
1983/84	1984/85	1985/6	1986/87	1987/88	1988/89	1989/90
BCC....3067 Sites	2699	2801	3121	3298	3392	3544
Lisc....341 Sites	366	355	626	559	584	548
Total..3408	3065	3156	3747	3857	3976	4092

Source: County Planning Officers (CPO), Opencast Coalmining Statistics.

Opencast production has risen by more than 25 per cent since 1985/86 against the national rate of 20 per cent. Remarkably, despite all the opposition to opencast mining in the region, it has in 1989/90 exceeded

the 4 million tonne mark for the first time in the region. Such expansion is related to British Coal's "New Strategy for Coal" in 1985 which clearly marked out its commercial intentions. Since then the deliberations of the opencast sector have been the subject of several public inquiries, but this belies the number of applications to the Mineral Planning Authorities to operate sites:

There is a continuous pressure for opencast coal workings in County Durham. Durham County Council dealt with 57 opencast coal applications in three years 1987 to 1990, 49 by licensed operators. This was nearly twice that dealt with by the second 'busiest' authority, Strathclyde with 31. Proof of Evidence, Richard Hird, Environment Dept. Durham County Council, Whiteside Public Inquiry, Burnhope.

It is relevant to mention here in relation to Table 4.5 and 4.6, that from 1987 licensed sites originally granted permission in which their output exceeded the licensed limit have been included in British Coal figures. The sum total of opencast production still represents a trend in expansion and a new approach to production. British Coal have intensified their operations in Northumberland since 1988 with plans for larger sites at Allerdene and Unthank near Berwick (Fig. 4.1, 4.2) to improve the economics of extraction. They have already been successful in Durham applying for Rye Hill and Eldon Deep with a combined annual output of 350,000 tonnes from 1993/94. With Hatherly Lane in Northumberland it would bring the total of these three sites to around 7 million tonnes (BCC, Marley Hill P.I.). It is worth bearing in mind that in 1988/89 twenty sites with a total reserves of 15.35 million tonnes received planning permissions and they are not always direct replacements for worked out sites: moreover, another 3.2 million tonnes were approved after successful appeals against planning consent refusal.

Table 4.6

OPENCAST COAL OUTPUT OF BRITISH COAL SITES IN THE NORTH EAST TO 1995						
Sites(000'ts)	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Butterwell.....	1071	320	-	-	-	-
W. Chevington...	450	458	-	-	-	-
E. Chevington..	387	380	370	220	300	-
Chester House...	386	386	420	420	320	-
Stobswood.....	170	750	1000	1000	1000	1000
Linton Lane.....	105	234	260	260	260	170
Plenmeller.....	-	-	40	260	260	260
Jacks Law Ext...	150	150	150	100	-	-
Colliersdean.....	-	-	-	300	300	150
Chapmans Well...	156	200	330	200	-	-
Red Barns.....	112	-	-	-	-	-
Daisy Hills.....	238	207	170	110	-	-
Thrushwood.....	46	110	150	-	-	-
West Carr.....	-	110	130	-	-	-
Hilton Moor.....	-	-	110	110	5	-
Inkerman.....	37	64	100	60	60	-
Priors Close....	152	141	60	-	-	-
Park Wall East..	210	-	-	-	-	-
Total	3670	3510	3298	3040	2505	1580

Sources: British Coal: Collated from proofs of evidence and submissions at various public inquiries between 1986 and 1990: British Coal applications to MPA's

Table 4.7

FUTURE OPENCAST OUTPUT FROM CURRENT SITES IN NORTH EAST ENGLAND (000's tonnes)						
	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
British....	3510	3298	3040	2505	1500	1500
Coal						
Private.....	500	500	500	500	500	500
Sector						
Total.....	4010	3798	3540	3005	2000	2000
Source: <u>British Coal,</u>			<u>C.P.O.</u>	<u>Opencast Coalmining Statistics</u>		

FIG. 4.1

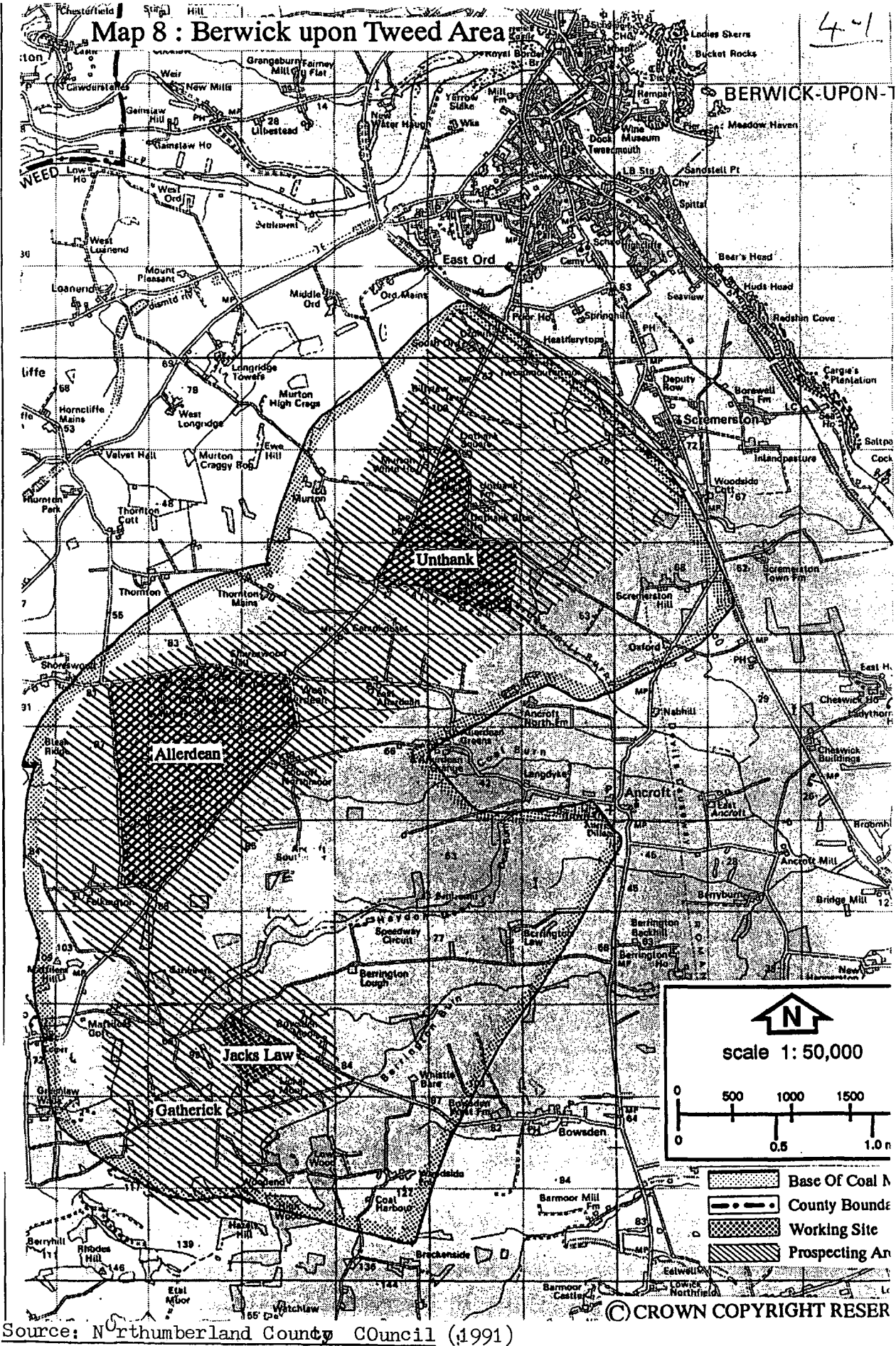
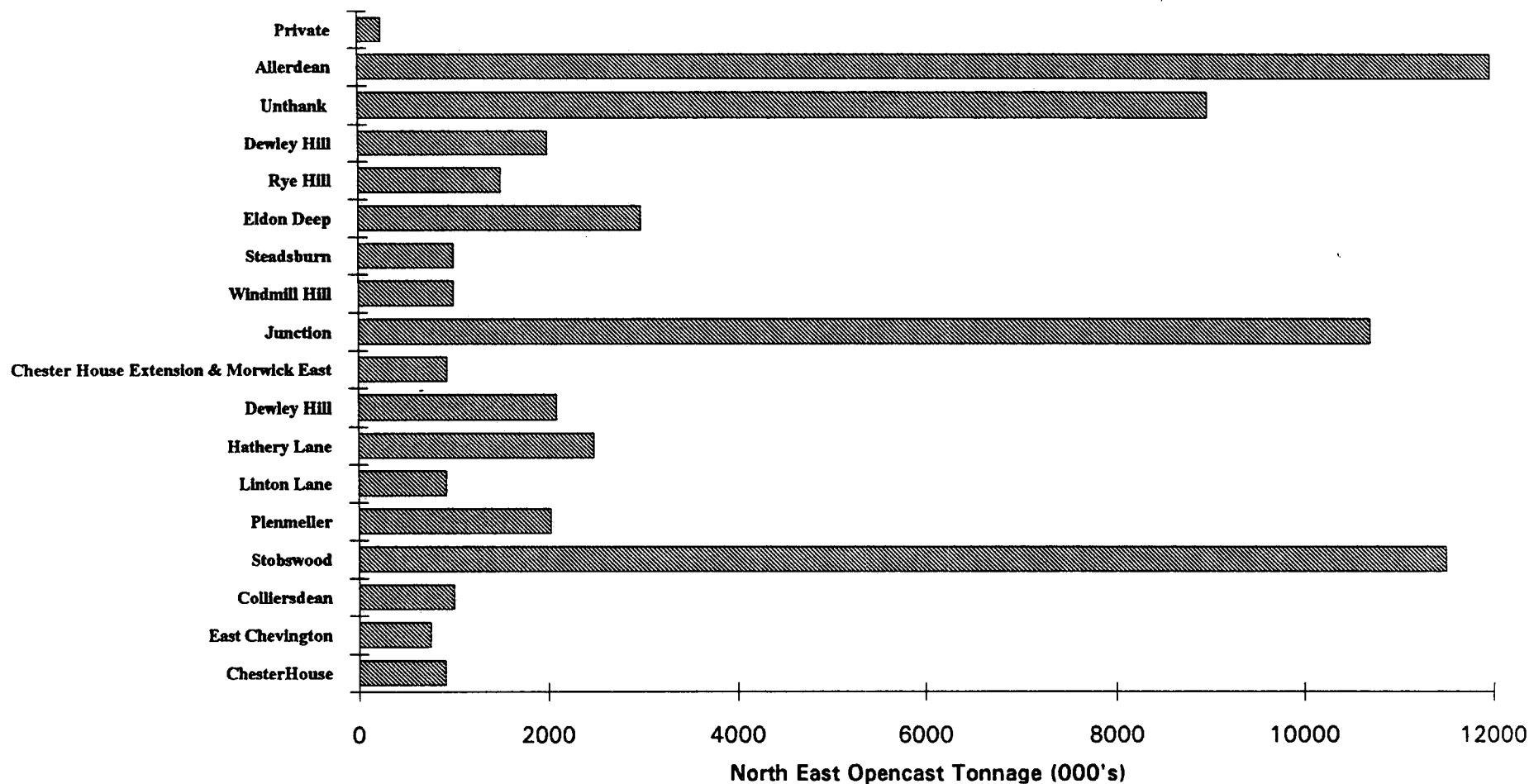


Table 4.2

Expansion of Opencast Coal Mining In The Next Decade



Sources: Various Public Inquiries into Opencast Mining 1986-1991

While some of this tonnage is represented in Table 4.6 a significant proportion has yet to feed through the process of development (Fig.4.2). This will of course bolster the apparent declining rate of extraction in the 1990's, outlined in Table 4.7, from much larger sites in the north of the region towards the 6 million tonnes per annum mark. Remarkably, even without the private opencast sector, the trend of expansion continues in contradiction to the background of a declining market for coal and regardless of a cost effective deep mine sector in North East England. After considering the pattern and trends in British Coal's deep mines and opencast sectors we can now turn our attention to the relationship between output, supplies and their market.

iv. Output, Supplies and their Market

Having a general perspective on opencast and deep mined production in North East England allows us to establish whether there is an over-production of coal; to determine if there is an unnecessary production of coal from the opencast sector we need to know the market requirement for North East output. The programme for this is shown in Table 4.8 and wider discussion follows later on this complex and challenging issue.

Table 4.8

THE POSSIBLE MARKET FOR NORTH EAST COAL(ooo's tonnes)						
	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Power Stations	6500	6500	6500	6500	6000	6000
Industrial users	2400	2300	2200	2000	1900	1900
Other Users	1000	1000	900	900	900	900
Total	9900	9800	9600	9400	8800	8800

Source: British Coal, Submissions at Various Public Inquiries, 1986-90

Deliveries to what are called the 'rogue' markets of Yorkshire are not included as Selby mines may displace this output sometime in the near future, although the production of high sulphur coal may also become an issue here after 1992. Still, this is an uncertain market for North East coal. Supplies to Thames power stations are threatened by imports following the privatisation of electricity and the contract with British Coal to supply Thames ceases in March 1993 increasing the probability of further imports. The two generator sets at Blyth power station,

being at the end of the grid, are under review as the import of Scottish Electricity via the interconnector increases and Hartlepool nuclear station gradually imposes the 20 per cent nuclear levy on the PGI. The import of nuclear generation undermines the market for coal burn and some 3 million tonnes coal equivalent (mtce) is brought to the south of England via the 'French Link'. 'Industrial' deliveries will suffer especially in 1993 when I.C.I Wilton commences with its gas fired CHP power station replacing a large chunk of opencast coal burnt at its coal fired plant.(Horsler, B.C.,Daisy Hills P.I.). So with this information to hand we can assess the supply and markets for coal from Table 4.9.

Table 4.9

OUTPUT AND MARKETS FOR NORTH EAST COAL(000's tonnes)						
	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
<u>Output</u>						
Deep Mine	10050	9260	9350	8750	8050	7400
Opencast/ Brit Coal	3510	3298	3040	2505	1500	1500
Opencast/ Private	500	500	500	500	500	500
Drifts/ Private	160	160	160	160	160	160
Total	14220	13218	13050	11915	10210	9560
<u>Markets</u>	9900	9800	9600	9400	8800	8800
<u>Oversupply</u>	4320	3418	3450	2515	1410	760
<u>Sources: Compiled from Tables 4.1 to 4.8</u>						

I have tried to determine whether there is over-production of coal in North East England, and further, to establish that expansion of opencast is a major contributor to this problem. In table 4.9 I have combined the estimates of future output from different sectors and set them against the available markets for the same period.

With their continuing levels of productivity, there being no reason for closure other than exhaustion at Dawdon and Murton, in theory they could supply around 90 per cent of the market total. With homogeneity of production blurring the distinction between public and private sector opencast output, deep mines could supply in theory the extra production needed to fulfill market obligations. That leaves 2-3 million tonnes of opencast from British coal each year. But as we shall learn later that is not how the market can be or is supplied. In British Coal's operation a certain amount of 'blending' of deep mined and opencast is necessary for their markets, for the purpose of optimising costs as much as meeting a specification.

Deliberately, in Table 4.9, no account is taken of additional opencast from British Coal that would be coming on stream over this period. The purpose of this is to bring into focus the fact that should there be no new sites brought on stream during this period there would still be considerable over-production. So the introduction of more opencast coal onto the market would only tend to displace higher cost supplies from elsewhere and thereby reduce employment in the deep mines, even though those supplies were profitably produced. With stocks still at very high levels it would be difficult to take more than one million

tonnes for the replenishment of stocks out of each of the first five years' totals. This still leaves a cumulative total oversupply of over 10 million tonnes from 1990/91 up to and including 1994/95. In confirmation of this Her Majesty's Inspector at the Marley Hill Public Inquiry concluded:

For the foreseeable future, coal output in the North East will exceed the requirements of available markets. To the extent that the blending of opencast with deep mined coal is already necessary to meet customer preferences, I accept the authorities' evidence that it could continue until 1994 without any further grant of planning permission. That period could be very considerably lengthened if it were thought appropriate to bring the resource to the market at a rate consistent with full utilization of its special qualities and allegedly superior handleability.
Report of H.M. Inspector to the Marley Hills Public Inquiry, paragraph 458:

Markets for North East Coal production will be oversupplied from current sources from 1990. This is without taking account of new opencast output coming on stream from sites with permissions such as Eldon Deep(500,000 tonnes). This site has the tacit approval of Shildon Town Council as it is known to have toxic waste in the quarry section of the site which they want disposed. While British Coal would be complimented on this action, there seems little justification for the expansion of opencast production through working other sites to the detriment of cost effective deep mine production and employment. The simple fact is that there is over production and it comes largely from the expansion in the opencast sector. But if like British Coal you tilt the economic balance in favour of opencast as the lowest cost production then inevitably some deep mine production, profitable though that may be, will be 'taken out' with inevitable consequences on the region's compliment of miners jobs.

Part Two

Narrowing the Gap: Competing Costs of Mining in North East England

i Comparative Trends

In keeping with national trends which saw a two hundred per cent increase in profits and turnover in the deep mines, and a thirty three per cent drop in profits and turnover in the opencast sector (B.C. Annual Reports 1987-1992), North East deep mines were continuing to close the gap in costs with the costs of opencast coal production. In terms of cost alone, it went beyond the financial criteria laid down by British Coal and provided a challenge to any further expansion of opencast coal in the North East. Moreover, it does appear that the ability of opencast mining to reduce its cost in a similar manner as the deep mines was limited by scale, technology and geology. Justification for replacing deep mined output with opencast coal, even on British Coal's terms, may be limited. To counter the problem caused by 'economies of scale' British Coal applied for larger scale sites such as Stobswood, and Marley Hill. Trends such as this, and the reduction in the higher cost tail of mining, are not unrelated to the intent to privatise the coal industry. However, as we shall see these measures may be short sighted for they ignored the incremental cost of coal and the potential of North East deep mines to close the gap with opencast production even further.

Table 4.10 shows the increasing productivity of North East miners since

the strike and the consequent narrowing of the gap between average opencast and average deep mine costs. Until 1986/87 opencast coal costs stayed above £1.15/GJ, since 1986/87 opencast costs have risen upward from a low of £1.02/GJ to a current 'ceiling' of £1.08/GJ in 1989/90. In contrast, deep mine costs during the same period show a downward trend from £1.58/GJ in 1986/87 to £1.40/GJ in 1989/90. While deep mine costs were falling progressively on the back of static levels of production, opencast costs have risen to a plateau on the back of increased production. This confirms that incremental output from opencast is costing more while the costs of every tonne of deep mined coal is gradually decreasing. But equally important, it clearly shows that the gap was closing between costs of opencast and deep mine production. Moreover, the rising average costs of opencast are on the back of a slowly increasing share of total production. With a 23.3 per cent share costing an average of £1.02/GJ in 1986/87, expansion took this to a 25 per cent share costing £1.08/GJ in 1989/90. One important reason for this is that the opencast operation does not have the same capacity for increasing intensive use of initial capital investment that is found in the deep mine sector.

The trend for closing the gap between opencast and deep mine costs of production is clearly established. As the deep mines still have the capacity to increase productivity, and on the evidence available, the deep mines will close the gap further. There are several reasons for this. Firstly, the ability to operate in large scale sites such as Stobswood (10 million tonnes) to effect lower costs is limited by three factors:

- a. The limitations placed upon the opencast sector by the planning system and objectors to opencast
- b. The diminishing number of large sites available
- c. Under planning law British Coal are forced to take all the coal from a site including the very high sulphur coal

Secondly, there is the environmental problem. On average, opencast coal has a higher sulphur content than deep mines. New contracts with the P.G.I. have yet to be negotiated, and these must take into account reduced sulphur emissions imposed by the European Parliament. The need to provide low sulphur coal means having to choose a site with a low aggregate sulphur value, however this has presented great difficulties for British Coal:

The only site that may be approved on agreement with the MPA without an inquiry is Rye Hill - high sulphur content of 3.38%. Cannot produce until Chapmans Wells is finished (4.15% sulphur). Swalwell already 2.18%, and there is a penalty for overall supply above 1.87%.

Jeremy Burford Q.C., Closing Submission Personal Notes, P.26:
On Behalf of British Coal, Billingside Public Inquiry

As some sites will breach the penalty standard this reduces the number of lower cost sites available for extraction as a number of sites previously suitable will not meet the new specification. Of course a high sulphur content can be blended out by lower sulphur coals, but this process adds costs to the final product. The ability of British Coal to sell coal to the P.G.I. market is not only dependent on the cost of extraction, but also on the suitability of that coal to meet the PGI specification. The evidence from Burford is final proof that the majority of North East opencast coal, having a high sulphur content, would incur a financial penalty from the PGI under E.C. Directives if it were not blended with deep mined coal. Conversely, the majority of coal produced in North East deep mines would meet the new standards.

Thirdly, the foregoing factors exacerbate the problem of diminishing number of lower cost sites. Consequently, we may find opencast operators extracting coal at slightly higher cost levels than in recent times. Though this is not to deny that lower cost sites such as that at Marley Hill may come on stream and have some bearing on the average costs of opencast output in the North East.

The cost of producing coal from the Marley Hill site is estimated at less than £0.80/GJ. This is considerably less than the average cost of production for opencast coal in the North East as shown in British Coal's Annual Report and Accounts 1987/88 (Schedule 2) as £1.04/GJ for opencast coal

Letter, R. Carrick British Coal Opencast Executive to Durham County Council, 3/11/1988

On the evidence presented here there are new factors affecting the already narrowing gap between deep mined and opencast costs. Processes both within and outwith the industry are combining to make opencast mining costs have a tendency to increase and deep mine's costs decrease. E.C. directives on sulphur emissions are but one factor that pose problems for opencast mining. In addition, we have found that on the grounds of sulphur content alone North East opencast coal needs deep mined coal before it can be marketed. Average opencast production costs have risen over the last five years, probably for the same reasons as they will gradually rise in the future. The number of large and/or lower cost sites that will be available will diminish. Deep mines, as has been stated, have the capacity for further productivity gains that will feed into the costs of production. They avoid the sulphur/lower cost site extraction ratio problems of opencast mining as the low sulphur content of North East deep mines is some of the lowest to be found in Britain. For deep mines it may mean that they will produce

down to an average of £1.35/GJ in the near future. The gap then could narrow well below the 25 per cent mark.

Table 4.10

BRITISH COAL NORTH EAST OPENCAST AND DEEP MINE PRODUCTION								
	81/82	82/83	83/84	85/86	86/87	87/88	88/89	89/90
Deep Mine(MT)	13.5	12.5	11.0	9.6	10.2	10.3	10.3	10.0
Costs per GJ	£1.55			£1.96	£1.58	£1.46	£1.43	£1.40
Opencast(MT)	3.00	3.00	3.07	2.8	3.1	3.3	3.4	3.5
Costs per GJ	£1.18	£1.17	£1.15	£1.18	£1.02	£1.04	£1.08	£1.08*
Private (MT)			0.34	0.36	0.63	0.56	0.58	0.58
Total (MT)					13.93	14.16	14.28	15.68
BCC Opencast	18.8	19.4	21.8	22.6	23.3	24.3	24.8	25.0
% of total output								
Source: British Coal: *Includes Cumbria in new Northern Region Opencast								

Table 4.11

COMPARATIVE PRODUCTION COSTS OF NORTH EAST DEEP MINE AND OPENCAST COAL						
	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91###
Deep Mine	1.96/GJ	1.58/GJ	1.46/GJ	1.43/GJ	1.40/GJ	1.38/GJ
Opencast	1.18/GJ	1.02/GJ	1.04/GJ	1.08/GJ	1.08/GJ	1.08/GJ
Per Cent. Difference	66	55	40	32	30	28
<u>Source: British Coal: ### 1990/91 figures are projections assessed from available evidence</u>						

ii Policy and Credulity.

Intentionally and otherwise, the pattern and trend in coal production costs has been historically transformed. The intent to privatise the coal industry has led British Coal to prioritise certain elements of policy where its future structure has been clouded by the zealousness of endeavours to operate in the 'world of commercial reality'. It will in the event be enlightening to see the next development of British Coal's policy on the relative merits of deep mine and opencast production. For as G.K. Wilson of the CPRE, and a life-long opponent of opencast mining, has stated succinctly at the Hilltop Brusselton Public Inquiry:

It seems that little account is taken of the fact that deep mine production has several avenues of technical advancement. Opencast production costs have little room for technical improvement, and what is more important is that the majority of the geologically easy sites have already been worked.

He then went on to argue what the outcome would be:

It is therefore more realistic to expect that their costs will rise as the deep mine costs fall. Current trends of those two factors carried forward, are likely to reverse the present marginal advantage of opencast coal working.
G.K. Wilson, CPRE Proof of Evidence, Hilltop Brusselton

Any additional opencast production needs to be considered in this light. The reduction in the size of their markets will mean that capacity may be withdrawn at profitable pits that may be continuing to gradually reduce their costs. In the meantime, opencast production is consolidated. This was inferred at the Billingside public inquiry:

At present opencast production is a low cost coal.....
However I consider it likely that, in future, the differential between opencast and deep mine costs will be reduced and that British Coal will be well on its way to

making a full profit..... It also seems likely that by 1990, there will be a surplus of deep mined coal over the market requirement.

H.M. Inspector's Report to the Secretary of State on the Billingside Opencast Public Inquiry 1987

Andrew Horsler, British Coal's deputy regional marketing director, Oxbridge educated, never finished his Ph.D., but joined British Coal as a graduate management trainee. Nervous under cross-examination by H.M. Inspector at Hilltop Brusselton public inquiry at Shildon, Co. Durham, he revealed some startling evidence:

H.M Inspector:

What is the maximum quantity of opencast coal that could be sold from the North East as a share of total production.?

Horsler:

If one assumes the North East market is 10 to 13.5 million tonnes..... I see no reason why 5 or 6 million tonnes should not be sold in total.

H.M. Inspector:

Your Table 8.2 Mr Horsler, relating to Total UK Market for North East coal..... That gives a ratio of 9.5 deep mine coal to 3.3 opencast coal. Going back to your answer a moment ago, can you imagine that 3.3 million tonnes of opencast coal expanding to 6 million tonnes?.

Horsler:

Yes Sir, that is the ideal.

Hilltop Brusselton Public Inquiry 1987, Transcript 2.

Horsler's evidence tells us the intention is to double production replacing deep mined output. This 'ideal' strategy is generated, most probably by the State's requirement to securing surplus value through the expansion of opencast mining and the run down of deep mining. In the context of this process Horsler's comment is instructive and most important. The cost differential and the size of the markets will determine the future of deep mine and opencast coal. Historically the loss of or reduction in markets for North East coal has not been accompanied by a reduction in opencast coal production, but always deep

mined. Based on costs of production, that pattern should be changed by the recent reverse trend in sector costs. Table 4.11 depicts opencast coal costs rising from £1.02 in 1986/87 to £1.08 in 1989/90. Conversely, deep mine costs have been falling from £1.58 in 1986/87 to £1.40 in 1989/90. Rises and falls of 5.6 per cent and 11.4 per cent, respectively. Yet it is perhaps incredible that we are presented with the Horsler spectre of opencast expanding from the current 3.5 million tonnes to 6 million tonnes, simply because opencast is reputedly a lower cost coal. In this scenario only the lowest cost form of production survives. As Sir Robert Haslem was reported in the Coal News as saying:

the Corporation intend to maintain the volume of coal production by raising output from efficient, low cost pits. Conversely, this will involve the closure of more high cost collieries which no longer have a viable future in these fiercely competitive conditions
Coal News March 1989

And the result of this was reported by him a year later:

A deficiency grant will cover about £1 billion of losses all of which arose as a consequence of the recent major restructuring of the industry and interest charges..... With the dramatic cut back in manpower, we now have nine pensioners for each employee.
Sir Robert Haslem, Coal News, April 1990

Privatisation intentions appear to determine that there is a future for only the lowest cost coal. Examination of all the costs may produce a different approach than that of the 6 million tonne man, Mr. Horsler. All North East deep mine production is profitable. But with expanding opencast in a contracting market that in effect then becomes a separate coal company in competition with production from the deep mines. From the available evidence, the loss in employment would be greater than the loss in output.

iii "Gannin Back Brockens": The Merits of Incremental Mining

Achieving financial imperatives through the expansion of opencast production appears to be a major plank in the agenda of intent to privatise British Coal. 'Shadow pricing' and biased price allocation aside, opencast coal production costs compared to most deep mine costs have always been considered in a more favourable light. Nevertheless, the history of British Coal accounting has encouraged some opponents to challenge accepted beliefs and processes, more especially since the improved performance of deep mines. In the North East British Coal's accounting procedures have special relevance in what has become a complex matter of deep mine costs versus opencast costs: unlike Scotland, where evidence of such a debate in public inquiries has been as scant as the public inquiries themselves.

It has taken British Coal the best part of 10 years to present a case at a public inquiry for developing an opencast site based upon the actual reason for opencast expansion - cost and the accumulation of capital. Planning law until the advent of Minerals Planning Guidance 3 (MPG3) would not consider cost as an outright material planning consideration. MPG3 was brought in England and Wales to sustain opencast expansion until vesting day after all arguments other than cost had been defeated. Now, the case for expansion is based upon financial imperatives laid by the State upon British Coal. These imperatives were set out in the document "The New Strategy for Coal" in 1985:

There (is a) need for the industry to phase out its dependence on subsidy..... The Board therefore aim to break even on revenue account without subsidy (after grants for social

costs)..... and to achieve a major degree of self-financing by 1990. Para.4

The industry currently has capacity in excess of the likely levels of demand. The task will be to meet the demand at minimum cost. Para.11

The cost imperative is then outlined through

all measures which reduce costs must be vigorously pursued. and should aim to introduce flexible working..... to improve capital utilisation. Para.11

Like Scotland, for the North East mines this cost accounting exercise means the "priorities within the investment programme will be"

'operational' capital to fully exploit the best existing capacity and reserves to improve infrastructure and reduce costs..... (and) maximise output at our low cost collieries and opencast sites as a means of reducing average costs. Para.11

Incremental output from new investment was expected to be produced at not less than £1:00/GJ and the colliery itself to have an operating average cost of not more than £1:50/GJ, some 15 to 20p/GJ less than coal prices.

What is certain is that costs will continue to have to be rigorously contained in order to compete. Para.16

The purpose of the expansion in opencast production has been clearly reiterated by British Coal at almost every Public Inquiry:

The National Coal Board's case for the development of the Hill Top Brusselton opencast site is based upon the need to develop low cost sources of coal in order to meet the market requirement.

Mr. A. Horsler, Supplementary Proof of Evidence, Hilltop Brusselton Public Inquiry Para.1.1, Februry 1987

and that:

The site would be worked at low cost and thereby make an important contribution to improving the financial performance of the Board(British Coal) in line with its objectives.

A. Horsler Proofs of Evidence, Hill Top Brusselton Public

Inquiry, Para.9.1, February 1987 and Para.9.3 Daisy Hills
Public Inquiry

The main thrust of any challenge to the financial imperatives of the State and the accepted rationale of opencast being 'a lower cost source of coal' has come from the Council for the Protection of Rural England (CPRE). It is an 'interest group' body made up of people of diverse political persuasions and employments. The Northumberland and Newcastle Society is "The County Association of the Council for the Protection of Rural England". Its patron is the Duke of Northumberland, its President the Lord Mayor of Newcastle and its following includes as advisors Professor Bryan Hackett M.A., R.I.B.A. and M.R.T.P.I., Gateshead Labour Councillor G.K. 'Pitch' Wilson, with the inevitable Capt., an A. J. Baker-Cresswell D.S.O., R.N. as Vice-President. The Association was:

Founded in 1924 to preserve and increase the beauty and the amenities of the County and City, which now includes that part of Tyne and Wear north of the Tyne.

The CPRE has been the leading opponent at Public Inquiries into opencast mining. Its noted successes were at the Public Inquiries into Whittonstall and Woodhead sites where CPRE held deep seated resentment of British Coal's attitude towards dissemination of information. Experience has shown that this reluctance to divulge information is not without foundation and reason. British Coal's secrecy over costs/coal quality was also apparent at the Plenmellor application and examination:

We approached the NCB (now British Coal) and asked Mr. Collier for information..... Mr. Collier provided names of coal seams some (other) information but after referring to his superiors refused any further information.
Northumberland and Newcastle Society(CPRE) letter to
Northumberland County Council County Planning Officer 6/6/1985

The CPRE in the name of the Northumberland and Newcastle Society expressed their deep frustration at being denied information which would within the legitimacy of planning legislation current at the time examine the cost and source of supply of the coal in the site:

We (and Northumberland County Council) require to know the precise nature of the coals and to study the market needs for these at this time and note all the possible alternative sources of supply and their prices etc. This analysis is not possible because the NCB alone has the data and refuses to divulge it.

Ibid.

More importantly for our case they found:

It is our fear that this secrecy could indicate that the data would not stand up to the sort of scrutiny applied to NCB data put forward at the Whittonstall and Woodhouse sites. In both cases NCB data was shown to be erroneous, and even deliberately misleading in part.

Ibid.

One of their most knowledgeable people on coal production and costs is Malcolm Brocklesby. He is a Chartered Engineer, a Qualified Colliery Manager, holding degrees in Mining Engineering and Mechanical Sciences, with considerable experience in the mining industry.

I worked in the coal industry from 1955 to 1965. During that period I was involved in the design and implementation of a number of capital projects and the design and installation of underground equipment and coal handling plant.

Malcolm Brocklesby, Interview, 19/1/1990

At the recent Marley Hill Public Inquiry he became one of the first people to present a coherent and concerted challenge to the costings of opencast coal production against deep mine production. The purpose of his evidence was to:

examine the cost implications of obtaining alternative coal supplies from less environmentally damaging deep mines, in accordance with the requirements of government policy as

set out in MPG3, paragraphs 4 and 11.

M. Brocklesby, Proof of Evidence, Public Inquiry into
Marley Hill Opencast Site, January 1990, Para. 2.7

In January 1989, the Monopolies and Mergers Commission (MMC) published its report findings on British Coal operations. Concerning itself with the impact of investment at one mine - opencast or deep mine - upon another production unit they argued that:

In our view British Coal's output related investments are not mutually exclusive in that each project will have some effect on the cash flows projected in connection with other projects. Indeed, with the present emphasis on low cost collieries, each investment project will have implications for the continued viability of higher cost sources unless BC can increase its sales.

MMC 1/1989, Paragraph 5.90

Having noted the excess capacity and stocks of coal in the country one can share the concern of the MMC over the effects of investment input/production outputs between opencast and deep mine sectors. Brocklesby addresses the issue which other opponents have often overlooked. Correctly, he states that national average costs tell us nothing about a particular areas performance, even less in comparing costs of incremental production of opencast and deep mine sectors. In view of British Coal's commitment to the lowest cost sources of coal incremental/marginal and avoidable cost are the relevant and salient types of production costs that should be assessed.

When planning to achieve the lowest production costs in an industry where capacity exceeds demand, it is necessary to compare the costs of incremental production from one sector against those of the other sector, or against the avoidable costs of reducing production from that other sector.

Brocklesby, Proof of Evidence, Marley Hill, Para. 4.2

Table 4.12

INCREMENTAL DEEP MINE PRODUCTION COSTS				
Colliery	Project Cost £million	Incremental Annual Output tonnes/yr	Cost of Incremental Output £/GJ	Total Colliery Operating Cost £/GJ
Harworth	22.2	350,000	0.65	1.12
Daw Mill	23.2	500.000	0.72	1.04
Silverdale	32.5	300.000	0.67	1.17
Total	77.7	1,150,000	0.69	1.10

Source: MMC Report,1989, Para. 4.32 Table 4.5.

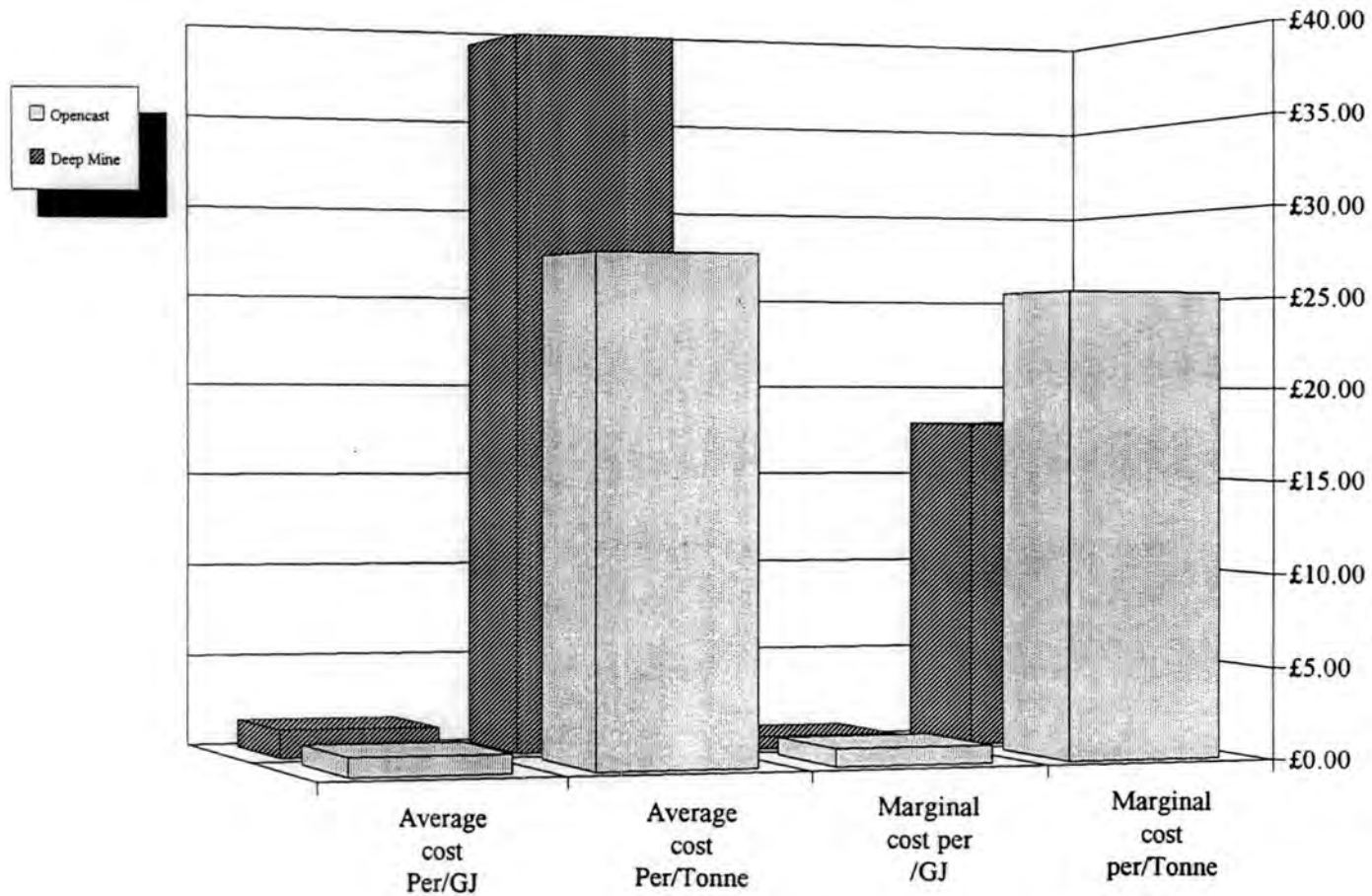
Table 4.13

COMPARITIVE COSTS OF INCREMENTAL OPENCAST AND DEEP MINE PRODUCTION				
Average Costs	Units	Opencast	Deep Mine	Opencast less DMP
	£/GJ	£ 1.04	£ 1.54	(£ 0.50)
	£/tonne	£27.05	£39.20	(£12.15)
Incremental Costs	£/GJ	£ 0.97	£ 0.69	£0.28
for Additional or Replacement Output	£/tonne	£25.26	£17.97	£7.29
	Percent	100%	71%	29%

Sources: MMC Report 1989, Page 35, Table 4.4

Figure 4.3

Comparative costs of opencast and deep mine coal



Sources: MMC 1989, Various
P.I.s in Opencast Mining.

Schedule 1 of the 1988/89 British Coal Annual Report and Accounts states the proportion of unit costs attributable to the production process. From this can be established the average production costs of a new opencast site. Overheads of an opencast site account for 6.5% as all other costs are credited to the prospecting and production of the site. Therefore the incremental costs of developing a new site are 93.5 per cent of the production costs and the cost of incremental output from a new opencast site is around 97p/GJ or £25.26 per tonne. Table 4.12 refers to 5.13, page 35 of the 1989 Monopolies and Mergers Commission Report on the investment programme of British Coal, from this we see precisely what the 'operating costs of incremental tonnage' are. Consequently from Table 4.13 we find that the marginal costs of deep mine coal are around £18/tonne and opencast marginal costs are around £25/tonne. Both well below £1.00/GJ, but significantly the deep mine coal costs considerably less than opencast coal and this is graphically represented in Figure 4.3. According to Sir Robert Haslem these costs:

..... are reasonably typical of the cost of output obtained by capital investment
Letter 18/4/89 Robert Haslem to Gerry Steinberg M.P.

Consequently, Brocklesby argues that:

Based upon this data, every tonne of opencast produced at the expense of deep mine capacity would cost the nation £7.29 more than it need.
Proof of Evidence, Para. 5.13

British Coal had two choices, invest in deep mines or opencast. And spelling out the 'economic misadventure' Brocklesby shows:

The British taxpayer contributed £296 million in grants towards BC's restructuring costs - a further £148 million (BC Accounts 1988/89, p.47). In the light of these concealed costs, the two investment alternatives take on a very different hue. Exploitation of the deep mine potential would involve a public

sector investment of £67.5 per tonne of incremental output. Increased opencast would involve a private sector investment of £40 per tonne of incremental production, but in addition it would also incur a public expenditure of £282 per tonne (to cover closure of deep mine capacity). At a conservative interest rate of 10%, the nation would be contributing £28 tonne or about £1.08/GJ to opencast production.

M. Brocklesby, Proof of Evidence, Public Inquiry into Marley Hill Opencast Site, January 1990, Paras. 6.13-17.

Brocklesby, in his supplementary evidence, provided a 'What If' analysis of three alternatives in meeting market demand with opencast and deep mine production. It is a model that can be readily applied to the North East but for our purposes it demonstrates the logic/illogic of British Coal's approach to opencast coal production:

Alternative A - Maintain Deep Mine Production and Reduce Opencast by 10 million tonnes per annum (mpta)

Deep mine production is maintained at 84.5 million tonnes while opencast is reduced from 16.8 million tonnes to 6.8 million tonnes. The average cost of deep mine coal remains constant at £37/tonne, opencast rises to £30/tonne, average BC cost rises by £1/tonne to £38/tonne and operating profit falls £182 million to £222 million

Alternative B - Maintain Opencast and Reduce Production from Existing Deep Mines by 10 million tonnes per annum

Opencast production is maintained at £16.8 million tonnes while production from existing deep mines is reduced from 84.5 million tonnes to 74.5 million tonnes. No deep mines are closed. The average cost of deep mine coal rises to £42/tonne, opencast remains constant at £27/tonne, average BC cost rises £2 to £39/tonne and operating profit falls £227 million to £177 million

Alternative C - Maintain Opencast at a High Level and Close 10 million tonnes of Deep Mine Capacity

Closing 10 million tonnes of deep mine capacity with an average cost of £2.00/GJ (£48.38/tonne) would only reduce deep mine operating costs by £0.05/GJ (1.23/tonne). Compare this with the reduction in deep mine operating costs of £0.09/GJ which was achieved during 1988/89, mainly by improvements in productivity. Opencast costs increased by £0.01/GJ during the same period.

Shutting seven collieries (1988/89) with an annual production

of 2 million tonne involves terminal depreciation charges of £172 million and net restructuring cost of £97 million. Social and restructuring costs to the taxpayer involved grants of £297 million. On the basis of these figures the closing of 10 mpta deep mine capacity would incur costs of the following order:

British Coal: Terminal Depreciation Costs £ 860

British Coal: Net Restructuring Costs £ 485

The Taxpayer: Social/Restructuring Costs £1,485

Ultimate cost to the nation £2,830

Interest charges at 10 per cent on this sum would add

£3/tonne to the average cost of the nation's coal.

M. Brocklesby Supplementary Proof of Evidence to the Marley Hill Public Inquiry

Brocklesby clearly demonstrates the financial penalty of developing opencast production at the expense of deep mine output within a reducing market for coal. British Coal will tell you very readily that the average cost of opencast is lower than the average cost of deep mine coal, what they won't readily admit is the incremental costs advantage of deep mine over opencast coal. By doing so, they mislead the public over the cost of coal to the nation. Why the State and British Coal choose to neglect the process of interaction of one production unit upon another especially opencast upon deep mine in terms of costs is not known. Then again the MMC were mystified as well:

We were surprised that British Coal had not made more use of its models to carry out 'what if?' analysis of, for example, possible outcomes from ESI privatisation..... We recommend that British Coal should plan a regular programme of 'what if?' analyses to examine the effect on the industry of specific developments.....

MMC 1989 Paragraphs 6.32 - Recommendation 19, and 6.34 Recommendation 23

What model it uses has an inbuilt criterion for production. This appears to be the range and amount of profitability of the individual

production unit (opencast/deep mine) within given parameters, operating in isolation from other units.

The only logic for such a course of action would be to facilitate the privatisation of BC by the premature closure of some of the less profitable collieries at the taxpayers expense. The scale of this sweetening operation, however, would appear to be some five or six times larger than the £460 million which the sale of Rover cost the British Taxpayer.

M. Brocklesby, Supplementary Proof of Evidence to the Marley Hill Public Inquiry, Paragraph 4.2.

Corollary can be drawn with Brocklesby's 'sweetening operation' from the 'investment hibernation' in Scotland (3.3.ii-iv). Taken together they contribute to a more complete picture of the State's operational objectives in creating additional value in the coal industry for the private sector. Avoidance of costs by making the taxpayer soak up costs of closure endows the remaining pits with additional value for the private sector. Brocklesby's assumption starts from the point that deep mine closure will be absolute, but implicitly this does not deny that within this generalised 'sweetening operation' some concealed investment cannot be accrued from the privatisation transaction. The forms ~~which~~ privatisation will take appear to depend on circumstances particular to each coalfield, but generalised to this is a sweetening of the whole operation at the taxpayers expense.

From the above evidence we have deduced that there is under utilisation of deep mine productive capacity incurring a cost penalty or further tonnage costs to be added to stockpiles of coal. There appears no logic in over supply other than to say it was produced within financial guide-lines. This logic is to be found in British Coal's 'internal market' where each production unit competes with other production units

to achieve the lowest cost output. It is a terrible indictment that little or no account appears to be taken of the incremental costs of mining coal, otherwise there would be less opencast mining and more deep mining. Each opencast site as a production unit may be in itself a profitable venture in a contrived market. Understanding of the relative costs of coal production is made that more difficult when having to consider in addition British Coal's costs, their 'shadow pricing' and accountancy practices (Chpt.3.2.iv). Allocation of an above average price to opencast, within parameters where only the lowest average cost tonnage is supplied to the PGI gives a disproportionate advantage to opencast coal. But when coal production is considered only upon narrow economic cost grounds the situation becomes an economic fiction. Even in accountancy terms the whole exercise produces a waste of scarce resources as other profitable production is not considered.

Part Three - The Markets For North East Coal Production

i Recent Lessons: Opencast Coal and the Steel Market

British Coal have persistently argued since the early 1970's that coking coal in some of their opencast sites would be sold to the coking coal market. Subsequently this has been proved false or invalidated by British Steel using its commercial prerogative to import lower cost coking coal. The loss of the steel market for North East coal has uncanny similarities to the current process affecting the market for coal in the Power Generation Industry (PGI). Consequently, the way in which British Coal have responded to the changing situation in the markets for coal has brought stinging criticism from a number of quarters. Not least of these is the Council for Protection for Rural England(CPRE) when British Coal's 'response' has been the use of coking coal as a steam raising coal for the PGI, bring accusations of the "mis-use of scarce resources" in producing coal for other than the intended market:

At local level, the Opencast Executive have, during the past 15 years demonstrated a total inability to forecast the market for coal they were seeking to opencast and which can be demonstrated by referring to previous inquiries.

G.K. Wilson, CPRE, Proof of Evidence, Brusselton Public Inquiry, Para. 5.3

At Medomsley(1974), Horsegate(1976), Whittonstall(1977), Woodhead(1983), Witton-le-Wear(1984, private site) and Plenmellor(1986) public inquiries, British Coal claimed that the predominance of coking coal in these sites was required for stated metallurgical markets.

Crucially, none of this coking coal was burned at any steel works, but it was 'lost' in blends for the PGI market. The coal at Medomsley was 'required' for Redcar, Consett and Hartlepool steel works and Derwenthaugh coke works (Wilson, CPRE Proof, Brusselton Para. 5.5). Embarrassingly for British Coal, after being refused permission, Consett and Hartlepool closed and Redcar steel work's start up was delayed for years. Derwenthaugh Coke works operation continued as it had done previously with coal from Marley Hill's Harvey Seam. The National Coal Board claimed at the Horsegate and Whittonstall inquiries that coking coal from these sites was 'urgently' needed for British Steel's blast furnace at Redcar (WERU 1985). This was contradicted by the existing contract between the Polish government and British Steel for specialist Rank 301 coals. By the time of the Woodhead(1983) and Witton-le-Wear (1984) public inquiries there was only the coke works at Derwenthaugh and British Steel, Redcar left. British Coal argued that they had found a niche market with Fords of Dagenham for a coke with specialist phosphorus qualities from Derwenthaugh. On the day the Secretary of State's letter of Site Refusal was issued, Fords announced the closure of the very foundry that British Coal were so eager to supply. The Derwenthaugh coke works, the designated market for Witton-le-Wear coking coal as well as Woodhead closed in December 1985. The once buoyant market for North East coking coal had collapsed, primarily under the commercialisation of the steel industry.

The scale of the collapse in the coking coal market was made clear in the closure of Sacriston Colliery in West Durham - a producer of 30lb - and the giant Horden Colliery on the coast. It can be seen too in the planned re-organisation of Easington Colliery, away from its coking coal reserves in the Low Main Seam. In discussing the question of the coking coal market the Commercial Director of the NCB argued, at the

Review of Horden Colliery, that there was no future for coking coal production at the pit:

"for the simple reason that there is no-one to buy it any more. BSC can import, ... as you know... They can buy it from anywhere in the world, and they do".

W. Etherington , NUM, Proof of Evidence, Marley Hill Public Inquiry, para. 3.6

Then, remarkably in 1986 at the public inquiry into the 2 million tonne Plenmellor site, British Coal said there was an imperative for the coking coal to go to British Steel at Redcar. Even disregarding the coal imports that British Steel had contracted, British Coal's case was found wanting. Under cross examination it was found that the British Steel specification could not be met by the coals from the Plenmeller site. Moreover in recalling the outcome of the proceedings the CPRE found:

At a late stage in the inquiry British Coal produced figures on prices that could be obtained for coal on the site if sold to BSC. It was quite clear that the coal could be sold at 5 times the profit to the CEGB. The conclusion arrived at by these strange manoeuvrings was that the BSC market, on which the inquiry had dwelt, did not exist and British Coal would find a market in power generation.

G. K. Wilson, CPRE, Proof of Evidence, Brussleton Public Inquiry, para. 5.9

Fortunately for British Coal they had an ally in a Mr. A. Grierson, an ex-colliery manager and mining engineer employed in the British Coal industry from 1940-1950 and now employed as Chief Crown Mineral Agent. He was "appointed as an assessor to assist the Inspector, Mr. R. Pierce to advise him on matters relating to the mining and geological features relevant to this Appeal by the NCB". His report recommendation is quite revealing for its bias. In a blatant disregard for his remit he concluded in a contradictory and spurious fashion:

I do not consider it part of my duties as a mining engineer

to comment in detail on the financial implications of the current oversupply of coal used for coke manufactures..... In the case of Plenmellor, however, should this "loss making" situation arise vis-a-vis coal to Redcar a financial remedy is possible by diverting over-priced coking coal to the thermal market. There was no indication at the Inquiry that (any) deep mine could match the 170,000 tonnes per year coking coal output capability of Plenmellor at a satisfactory working cost.....

Having regard to the foregoing technical features of this Appeal it is my opinion that it be allowed and that Permission be given to enable the Plenmellor site to be brought into operation to produce 170,000 tonnes of coking coal and 90,000 tonnes of thermal coal per year.

A. Grierson, Assessor's Report, Plenmellor Public Inquiry
June 1986

Previously there was a market for coking coal with four coking coal plants in the county, now that market is long gone. Plenmellor was one site with substantial reserves of coking coal that received planning permission, and even then after an 'unusual' High Court judgement. Another substantial and most recent site, Marley Hill (1990) did not. It follows, there is something both revealing and disturbing about British Coal policy of still maintaining a 'portfolio' of opencast sites with coking coal in them despite the loss of the coking coal market.

Crucially, British Coal had seen the future and attempted to channel their opencast coking coal into the PGI market purely for the profit margins it gave; this was done under the guise of directing it to the metallurgical market. Even later, after compelling evidence that the coking coal market had gone, and that there was no technical reason for directing coking coal to a generation market which was adequately supplied by deep mined output, British Coal persisted with applications for coking coal opencast sites. For what reason?

One sensitive, overriding concern for British Coal in public inquiries including Plemellor has been the costs of coal extraction and transport from opencast sites. At the Marley Hill inquiry, British Coal placed great emphasis upon coal in the site with a phenomenally low extraction cost of 80 pence per GJ.. Forceful and zealous presentation of these matters is understandable, especially at a time when average opencast costs have risen back up to £1.08/GJ (Table 4.12). Equally, it also betrays a sense of anxiety over objectives. Arguably, in a programme that would be geared to privatisation of the coal industry, there would exist a list of sites with the lowest costs of extraction. Having lost the vast majority of decisions there is little alternative but to go for your next lowest cost site, regardless of 'Ranks' of coal. But there can't be many low cost steam coal sites left of sizeable proportions in County Durham. Then again, given the number of site applications from the west of the North East region there never was. Patently, British Coal exploit reserves regardless of the coal's rank or properties. From Medomsley to Marley Hill, with cost and profit margins as the prime movers, the purpose has been the same, all other considerations are simply dispensed with. Could this be related to the allocation of a shadow price, so well above the average rating that it allows coals from remote sites such as Plemellor to be finally costed below that of deep mines? That much needed information is not in the public domain.

The disturbing undercurrent to all this is that opencast output has consistently affected the traditional markets for deep mined production

and employment. Opencast coking coals were supplanting production in the traditional coking coal markets of the deep mines. When these markets were disappearing it has switched to compete in an internal market with deep mine coal for another of its traditional markets, the PGI. The loss of employment has been enormous in what has become a litany of opencast applications to utilize coking coals for electricity generation. Critically, there are lessons to be drawn from the response of the National Coal Board to the collapse of the coking coal market in relation to the threat to the power generation market for North East Coal production. British Steel's commercial imperative provided the catalyst for the NCB to enter the 'commercial world'. Their response to the loss of the coking coal market was to close the coking coal deep mines, between 1980 and 1984, such as Boldon, Blackhall, Horden, South Hetton, East Hetton, Marley Hill and Sacriston. Regardless of this, commercial pressures meant persistent applications for opencast sites, even those with high levels of coking coal, were developed and sourced to the PGI because they were lower cost sites. Once the threat to that market from imported coal became apparent, British Coal exerted new financial criteria. Again the prime mover of cost and profit as defined by British Coal, meant the closure of even profitable pits with their production supplanted in the PGI market by opencast coal. Persistent applications for persistent problems.

Part of the investment strategies for the North East Coalfield (Durham Area) processed under the 1974 Plan for Coal arose from British Steel's 1973 Ten Year Development Plan. From this came new investment in steel

production plant at Redcar, and commensurate development of coking coal reserves of Rank 501 in the Durham deep mines of Blackhall, Horden and Easington. But this was only part of the blend required by British Steel(BSC). Rank 301 coals were needed. Much of the provision of these coals was based on the expansion of opencast output envisaged by the Plan for Coal. However, a critical change occurred that altered National Coal Board thinking on traditional production and supply of coking coal. In a radical policy departure by BSC, they embarked in 1975 upon a policy to import coking coal which was £10 per tonne cheaper than that of the NCB blend (WERU 1985). From 92,000 tonnes in 1975, imported coking coal to BSC Redcar had risen dramatically to 1,025,226 tonnes by 1979 (Table 4.15). Much of this tonnage was meant to be provided by production from North East deep mines and opencast:

The Coal Board had spent £35 million on pits in South East Durham to supply the Redcar works and reacted angrily to British Steel's deal with Australia whose coal was £10 a tonne less than Durham's.

Northern Echo 5th May 1979

The expansion of opencast, largely in the west of County Durham, was also, to a large extent, predicated upon the need to supply Redcar with coking coal. This, by design or default, turned out to be a convenient vehicle to assist in the process of reducing loss making capacity and increasing revenue, necessary under government dictat.

Significantly, the imposition of commercial criteria upon the public sector caused British Steel to import coal and led the NCB to respond by increases in opencast coal. This process has been a critical factor in the continuing decline of the deep mine sector and the primacy of opencast production from the late 1970's. Similarly, as in Scotland,

cost was the prime mover in this radical shift in energy supply, not the technical or chemical quality of the coal. For British Steel it was cheaper to import coking coal: for the NCB, unable to compete with imported coal, it was more profitable to send the expanding output of opencast coking coal to the PGI. That in itself put the cap on many deep mines. The parallel with British Coal's current response to the importation of coal by the PGI is most telling.

Table 4.14

OPENCAST COAL PRODUCTION IN COUNTY DURHAM			
Year	Production NCB/B.C. Sites	Production Private Licensed Sites	Total Opencast Coal Prod.
1974/75	537,000	164,000	701,000
1975/76	477,000	95,000	572,000
1976-77	444,000	95,000	539,000
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	191,000	842,000
1984-85	697,000	290,000	987,000
1985-86	689,000	262,000	951,000
1986-87	773,000	525,000	1,298,000
1987-88	808,000	375,000	1,183,000
1988-89	748,000	245,000	993,000
1989-90	883,000	283,000	1,166,000

Sources: British Coal: CPO, Opencast Coalmining Statistics.

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 301b's 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 opencast workings. In its defence the Board made slavish reference to the 15 million tonne target of the Plan for Coal. (Mis)Managing Horden, P67/8 WERU Report 1985

Again from this process, we witness another parallel when the NCB placed a 'freeze' on coking coal prices, this meant a reduction in real terms in the cost of coking coal. Crucially as in recent times, this then placed a premium on the NCB's lower cost coal production, predominately from opencast mining. Even though it would appear there was no market for the coal, opencast production was not run down in tandem with that of the deep mines.

Outlining the NCB's bid to 'hold the market' for coking coal the Durham Area NUM received a letter from the NCB Marketing Director as late as 1978 stating that:

They(BSC) will accept all the rank 301b coals we have available which will be in the order of 700/800,000 tonnes per annum.

Ibid. p41

It became apparent that even the NCB's best efforts at holding the market' with its 'lowest cost and best coal' were to be dashed.

There is no longer any commercial advantage to be gained by the Teesside works of maximizing the quantity of local, high volatile coals used; additionally, the quality of the coal has deteriorated.

Guerin J.P., Bouness 1984, Preheated coal operations at Redcar Coke Ovens. in Ironmaking and Steelmaking, 11, 186-91.

This placed an imposition upon the NCB to concentrate its production upon the lower cost coals, namely from opencast production. Patently from Table 4.14, the NCB were all too willing to respond. But their faith in Redcar was wildly misplaced as the imported coal contract was already in place; the consequent results we can see from Table 4.15.

What cannot be seen from this table is how the coking coal from opencast sites was processed, other than in a costly exercise of wasting scarce resources and supplanting deep mine steam coal production for the PGI.

Table 4.15

COKING COAL SUPPLIES TO B.S.C. REDCAR 1975-1987			
NCB/BC Supplies		Imported Supplies	
Year	Tonnes	Year	Tonnes
		1975	92,000
1976/77	56,000	1976	164,000
1977/78	36,000	1977	239,991
1978/79	134,000	1978	486,697
1979/80	244,000	1979	1,025,226
1980/81	199,000	1980	1,252,850
1981/82	318,000	1981	1,127,130
1982/83	32,000	1982	1,131,464
1983/84	48,955	1983	1,441,102
1984/85		1984	2,104,838
1985/86		1985	2,483,958
1986/87		1986	2,608,860
1987/88		1987	2,697,913
1988/89		1988	2,669,000
1989/90		1989	2,878,000
1990/91		1990	

Sources: British Coal, Hansard Written Answers 645/6 22/2/89, Tees and Hartlepool Port Authority Annual Reports 1975-1983, Harbour Master's Log Books

Confirming the demise of the coking coal market for Durham collieries such as Blackhall, Houghton and Marley Hill, the NCB stated:

The requirements of BSC have become more demanding and the competition from imported coal more acute. attempts to reduce the size of the pit, then to find alternative markets failed..... 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..... The Busty seam was closed with a consequential reduction of output at the pit consistent with a reduced demand from

the market.

NCB Submissions 1980-81, European Coal and Steel Community (Readaption Aid), (Article 56, s.2b, Treaty of Paris.)

The production of coking coal from the South East Durham pits was equally wasted, diverted for a short time to the power generation market. This was cynically viewed by the 'Broad Left' in Durham as 'just long enough to organise some rationalisation'. Once again the Durham deep mine sector was looking into a ravine which it was not able to fill with coal, but with the hopes and aspirations of those who toiled in it. Not so the opencast sector. It was 'excavating' coal from ever widening ravines in the west of the county.

There were several stages in the expansion of opencast production. These stages are called "Pacers" by advertisement people. It is jargon for developing the pace of change in an organisation to the desired objective. Psychological conditioning is supposedly effected by constituting a series of events or situations across a time period to influence and change attitudes and perceptions, so that they themselves reinforce that change to desired objective ends. Ultimately it meant for the North East coalfield that

Opencast coal production was being established in a new role and one which is at odds with its historical relation with the mining industry. Rather than supplementing deep-mined production, it can be now seen as an alternative and competing source of supply within a static (or declining) market.

(Mis)Managing Horden, P.63

Tragically, we have entered a similar era with British Coal repeating the same process with the PGI. Slavishly, British Coal have responded by persisting with contentious applications at public inquiries. At

these inquiries they continue to advertise the virtues of opencast coal in striving for short term profits, often to the further detriment of deep mined production, in a diminishing market for North East coal. From Medomsley to Marley Hill is equivalent in distance to the advancement in time and objectives that British Coal and the State have achieved from the first of those public inquiries (1974) to the other (1990) - "just over the hill".

ii Maximising Efficiency, Minimising Cost

Whatever happens we have got to get this industry into a totally viable situation in relation to the world in which we now live. It is the market which moves the goal posts. The price of coal has halved on the world markets.

Sir Robert Haslem, Chairman, B.C., Newsnight, 1/3/1989

What Haslem failed to say was that the government chose to align British Coal production to world prices when less than half of the world's coal production uses that benchmark; most of the European producers have their own internal financial arrangements. This had epitomised the situation for the British Coal industry. Bereft of the previous levels of financial support, the State then chose to expose British Coal to the vagaries of the international coal market following the privatisation of the electricity industry. The future for coal according to the State and British Coal lay in a policy of maximisation of their lowest cost resource rather than the fullest utilization of existing profitable resources. Over many years the markets that existed for coal from the North East have been reduced, by design or default, to an unhealthy dependence upon the Power Generating Industry (PGI). Historically, the hallmark of the North East Coalfield was its diversity of markets arising from the varying quality and flexibility of its coal supply:

Durham coals are of high rank, being 501 with some 401 suitable for gas making and blast furnace ovens..... while coals to the west of the A1 road are largely 301 Rank, being prime coking coals. The coals all have a high calorific value and in addition to being high quality carbonisation coals, are very good general purpose coals for steam raising..... (their) unique flexibility arises from the inherent quality of the coals, with high thermal values, and the fact that in Durham, coal preparation is more widely developed than in general throughout the industry

William Reid (Chairman of the Northern Area, NCB), 1972

The Development of the Coal Industry in Co. Durham, pp.11-12

Equally, part of that diversity were coals from Northumberland. From Rank 401s on Tyneside to Rank 701 further up the coast, they serve to illustrate the variable geology of coal in the North East (Atkinson 1980). However, commercial expediency has overtaken technical logic. The usage of these coals to their maximum potential has been matched by the imperative of British Coal to hold its markets and, recently, achieve the financial targets set by government in preparation towards privatisation of the industry. So much so, that any previous distinctions between 'Ranks' of coal have been reduced to 'opencast coal' and 'deep mined coal'.

In the late 1980's we have to exist in fiercely competitive conditions. In such conditions the scarce resource is not indigenous coal, the scarce resource is low cost indigenous coal. And when you are talking about low cost indigenous coal you are talking about coal produced by opencast means. Please don't think the opencast is a short term industry, we have in our reserve bank some 300 million tonnes of opencastable reserves, and we are discovering opencast reserves at the rate of 24 mtpa.

Ray Procter Managing Director Opencast Executive, Newcastle University, Energy and the Environment Debate, 28/2/1989

Here Ray Procter talked confidently about opencast coal as the long term solution to British Coal's problems. It is of course also being used as a short term solution in a declining market for coal both regionally and nationally. In contrast with opencast mining which has held onto its high plateau of production, deep mines have reduced output in line with the trend in consumption (Table 4.16). Statistical results however, do often hide the impact upon the human condition of those working in the industry, and changes in the pattern and trends of coal production have proven traumatic in the past (Bulmer 1978, WERU 1985, Beynon 1986). Leveraged through the financial determinism of British Coal, we now

witness again a similar process of change. This time, the increase of opencast output in relative terms over deep mine production carries the portent of distress beyond the specific mining communities and into the wider environs.

Table 4.16

NATIONAL TRENDS IN COAL PRODUCTION AND CONSUMPTION(000's Tonnes)					
	production		Opencast	consumption	
	Total	Deep-Mine		PGI	Imports
1985	94,112	75,289	15,569	73,940	12,732
1986	108,099	90,366	14,275	82,652	10,554
1987	104,533	85,957	15,786	86,177	9,781
1988	104,066	83,762	17,899	82,465	11,685
1989	101,135	79,628	18,657	80,633	12,137
1990	92,937	71,501	17,802	82,555	14,783
Percentage Change from Previous Year	- 8.1	- 10.2	- 4.6	+ 2.4	+ 21.8

Source: Energy Trends: Tables 3 and 4, June 1991

The commercialisation of the market for coal aligned to world market prices is instrumental in effecting those changes. The intent by the PGI to continue to import coal is shown graphically by the 21.8 per cent increase in imports in itself it stands in stark contrast to the 10.2 per cent decrease in deep mine output. This increase in imported coal and the maintenance in the relative level of opencast coal in a static market suggests the rapid displacement of some deep mined production.

In 1990 the only substantial market for North East coal is for steam raising coal at power stations and special 'Ranks' of coal for the industrial markets. In contrast to Scotland, the North East production and market relationship is anachronistic in structure and process. For,

apart from the Blyth generation sets, much of the coal produced is burned in power stations outside of the region. The last power station to be commissioned in the North East was a nuclear one in 1968; this has consistently failed to live up to expectations in terms of electricity generation.

The financial advantages of maximising opencast coal in relation to deep mined coal, in holding these markets is made apparent in Table 4.17. With opencast costs rising and deep mine costs decreasing, serious questions have been posed over the marginal costs of coal produced in the North East (Chpt. 4.2.iii). Nevertheless, at public inquiries British Coal have placed great faith in the figures in Table 4.17, using them to justify expansion of opencast output. Relative consolidation of opencast coal in an overall declining market for North East coal is made clear from Tables 4.18 and 4.19.

In the year 1987/88, there were 3,769,000 tonnes of opencast coal produced. Of this total 2,142,000 tonnes, representing 57 per cent, was supplied to the CEGB, along with two thirds of deep mine output. In keeping with common practice, some further 717,000 tonnes went to intermediate destinations from opencast sites. However the industrial market was set to change and the temporary nature of the 'rogue markets' in Yorkshire and the Midlands only served to emphasize the size of surplus production (Horsler, British Coal, Proof, Brusselton, para 8.2: Burford, British Coal, Billingside, p.22). Table 4.19 shows supplies of coal from the North East deep mines to the PGI. It indicates the percentage of the saleable output from each production unit as well as

the degree of importance of such a market to the deep mines.

Table 4.17

AVERAGE COSTS OF OPENCAST AND DEEP MINE COAL IN NORTH EAST					
	Opencast		Deep Mine Cost		Cost
	£/Per tonne	£/GJ	£/Per tonne	£/GJ	Advantage
1987/88	26.96	1.02	38.00	1.48	31.5%

Source: British Coal, Various Public Inquiries - 1986-1990.

Table 4.18

BRITISH COAL NORTH EAST OPENCAST DISPOSALS				
	1986/87	1987/88	1988/89	1989/90 (Northern)
Power stations	2,099	2,142	2,435	2855
Thames	880	920	834*	740
Blyth	1,250	1,580	1,184	1100
Yorkshire	200	185	200	341
East Midlands	n/a	465	500	674
Industrial/	134	433	482	624
Exports	252	477	398	682
Collieries	419	717	n/a	485
Stocks	493	223	460	365

Sources: British Coal; Opencast Coal Mining Statistics, CPO

Colliery deliveries to the PGI from the North East have reduced markedly in the past decade. British power stations consumed 9,790 million tonnes in 1981/82 from the coal produced in the North East. In 1989/90 this declined to 7.8 million tonnes under the short term arrangements struck with the PGI in its new formation under privatisation. New and changing situations have meant that coal from the North East is being supplied to more diverse, but equally temporary, power station destinations. These have been described by British Coal's North East

Marketing Manager, Paul Kerry as 'rogue markets'. So that in 1990 North East coal is supplied to four main power station markets. These are Blyth, Thames/Medway Estuary, Yorkshire and Central East. Coal is also sourced in an internal competition market to Scotland, Fiddlers Ferry and Northern Ireland.

Table 4.19

DISPOSALS TO THE CEEB AND PERCENTAGE OF TOTAL SALES First six months from March 31st 1987)		
Production Unit (000's tonnes)	Saleable Output (000's t)	Sales to CEEB (per cent)
Dawdon.....606	497	82
Easington.....656	500	76
Ellington.....932	313	33
Murton.....575	555	97
Vane Tempest/ Seaham.....384	195	51
Wearmouth.....572	219	38
Westoe.....736	705	96
Total.....4467	2984	63

Source: British Coal and Opencast Coalmining Statistics 1987/88

Alignment to international coal prices has in itself brought added pressure to bear upon the coal industry. Choosing to compete with imported coal prices has brought the rapid decline in demand for deep mined coal, displaced by a policy of maximising opencast coal production. Regardless, the PGI will maintain an element of imported coal for strategic purposes at power stations which have been markets for North East coal, limiting advantages British Coal may gain from maximising opencast and minimising costs by deep mine closures.

iii The Blyth Power Station Market for North East Coal Production

Apart from the industrial power stations of Alcan and ICI Wilton, the North East's only coal fired PGI station is at Blyth. To all intents and purposes the Stella Gill power stations at Blaydon are redundant.

Situated on the Northumberland coast, Blyth 'A' and 'B' were designed to be both fully fuelled by coal produced from the deep mines in the North East region. They are unique in themselves, and make an important contribution to the continuity of the deep mines in the region.

Generating at an end point in the national grid and being so distant from other stations has given them an advantage by running at a higher load factor than the PGI would wish. Because of their inherent low thermal efficiency, running them at a high annual load factor has not always been a viable process. This has happened nevertheless, with the consequence that coal burn has been that much higher than normally justified.

Opencast coal contributes a greater proportion of coal to Blyth power station than that going to Thames. Moreover the increase in the 1980's has been dramatic. From a low of 13 per cent in 1978/79 it reached a high of over 48 per cent in 1986/87, dropping back to align with PGI specification levels (Table 4.20). Since the closure of two of the last three pits in Northumberland opencast coal disposals have declined to a fairly static level of around 37 per cent, primarily because of a mismatch with PGI specification requirements as much as a decline in demand for coal. Despite this reduction in coal consumption, opencast coal output is expanding at the highest rate across the region in East

Northumberland.

Table 4.20

BRITISH COAL DELIVERIES TO BLYTH POWER STATION				
Year	Total Coal Delivered (000's tonnes)	Deep Mine Delivered (000's tonnes)	Opencast Delivered (000's tonnes)	Opencast as percentage of Total
1978/79	3370	2930	440	13.1
1986/87	2580##	1330	1250	48.5
1987/88	3340	1760	1580	46.7
1988/89	3110	1930	1180	38.0
1989/90	3000	1900	1100	36.7

Source: British Coal, Various public inquiries

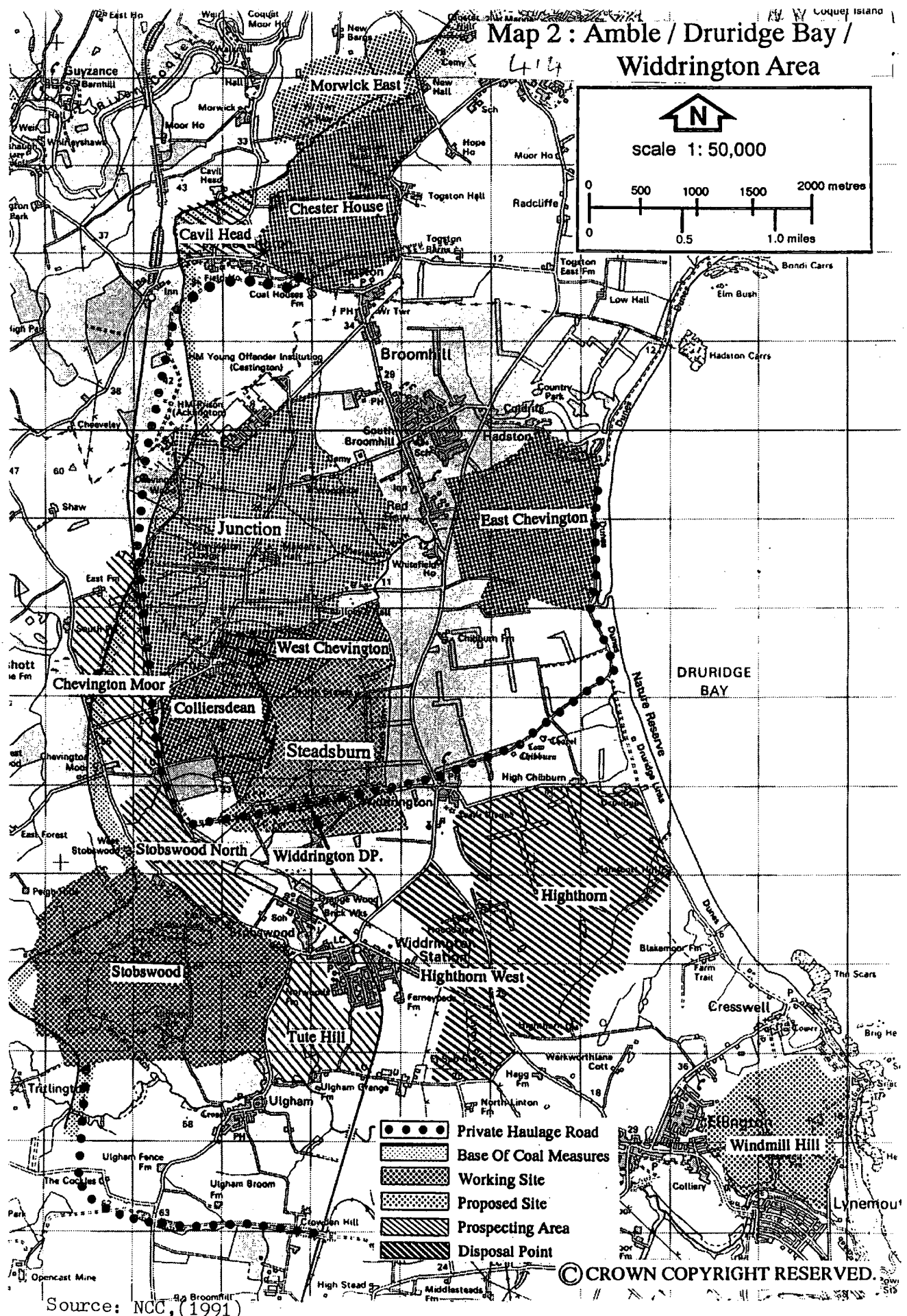
Blyth B. out of commission for a short while

It is worth a reminder that besides Stobswood's 10 million tonnes (m.t.) there is an expansion above the regional average in the number and tonnage of Northumbrian east coast opencast coal sites, from the new Linton Lane and East Chevington sites with a combined tonnage of 4.8 m.t., to the proposed Highborn site of 6 m.t., Windmill Hill with 1.5 m.t. (Fig.4.4) and N.E. Northumberland sites with over 10 m.t. (Fig. 4.1). With the prospect of further loss of deep mine production after Dawdon and Murton in the early 1990's this pointed to consolidation of opencast coal burn in North East coal markets. Opencast has been used at Blyth for specific purposes as a cost effective exercise:

At Blyth, CEGB take a minimum of 15% of their bunker supplies as opencast in order to meet the ash and calorific value requirements of the station. In addition they require that coal laid down for winter and weekend lifting should be mainly opencast coal.....

A. Horsler, British Coal, Proof of Evidence, Billingside Public Inquiry Para. 8.2

Figure 4.4



However, Andrew Horsler at the Daisy Hills Public Inquiry under cross examination of Durham County Council's Q.C. Mr. Porten was determined to justify the large amount of opencast disposals to Blyth power station:

Porten:

Compared with today, Mr Horsler, the present situation is this: In the last complete year, or present year, you supplied 2.6 million tonnes to Blyth, so the grand total is 2.6 million tonnes now and 3.37 in 78/79.

Horsler:

2.6 million last year.

Porten:

Now of the 2.6 million tonnes last year, as I understand it, some 320,000 tonnes was opencast?

Horsler:

I'm sure you're right.

Porten:

So 100,000 tonnes out of 3.37 million in 1978 and 320,000 from 2.6 million in 1986. Blyth was operating happily in 1978 with about 3 per cent of its total being made up of opencast, and then they got 540,00 tonnes of the 3.37 million being opencast coal. But now you are supplying something like 50 per of it.'

Horsler:

Correct.

Porten:

Blyth could operate quite happily, could it not, if five-sixths of its coal, rather than one half were deep mined?

Horsler:

Well, it could if it were forced to do so because there was no alternative.

Porten:(probing)

Where is it that the inspector finds that the CEEB say we must have 50 per cent Blyth coals opencast, rather than 5, 10 or some other figure?

Horsler:(unconvincingly)

You'll find some guidance to it in various letters, but you

will not find the 50 per cent other than in the CEEB's day to day requirements.

Porten: (tauntingly)

The Inspector's view on that in 1979 - you will find in para 12.8 of his conclusion - "I conclude that the use of coal for heat energy making is considerably in excess of that called for, by CEEB specification, is wasteful; especially when scarce energy resources ought to be sparingly used". - Is this a specific item that you're wasting on the CEEB, still now, only than in greater quantities?

Horsler: (indignantly)

Certainly not. The use of coal is marginally in excess of the minimum called for by the CEEB - I'll accept that. But there's been increasing attention given by the CEEB in the past few years that British Coal should maximise their efficiency and minimise their cost.

Transcript 1 Cross - Examination of A. Horsler, British Coal, by Mr. Porten Q.C. for Durham County Council, Daisy Hills Public Inquiry, 3.10, P.21-23

A robotic off the shelf retort, and not credible; why should the CEEB, as a separate organisation, suddenly take an interest in British Coal's operational performance other than they meet their specifications?

British Coal have produced no evidence at public inquiries to support his view of the CEEB. Yet the whole issue is disturbing as much as it is revealing. Horsler admits that Blyth could operate with substantially less opencast coal than the current levels. Should Blyth go back to levels of around 50 per cent this would, as Horsler admits, be in "excess of what is called for", but in the interest of "maximising efficiency and minimising cost". That makes it alright. It shows a certain disregard for the cumulative effects of such an approach.

Besides a waste of scarce resources, it displaces profitable deep mined output and employment, themselves much of an unaccountable item in British Coal's accounts. The case of what level of opencast is justified at Blyth died on the altar of electricity privatisation. The current percentage levels may rise again with the use of east coast

Northumbriam opencast coal to hold the market, but even that market may be in jeopardy.

The privatisation of the electricity industry has, with some certainty, cast the future of Blyth power station in a different light.

Importation of electricity from Scotland is something that has been occurring infrequently for some time, and the ability of Hartlepool nuclear power station to rise Pheonix-like and fully operational for the first time, ever, presents a continuing threat to the present level of coal burn at Blyth. British Coal having settled on a five year coal supply arrangement for Longannet power station are busy negotiating with Scottish Power 'in good faith' on a joint venture agreement to burn opencast coal at Cockenzie and sell the resultant power south of the border through the interconnector which is to be upgraded in 1994 giving Scottish Power an export entitlement of 910 MW. However, there are those observers in Scotland who question whether this arrangement will come to full fruition.

Now, pushing the output of Cockenzie(net output capacity 1152 MW) down the grid interconnector would soon eat into Scottish Power's share of its main export channel. Potential Scottish Power shareholders will want to know what commercial logic drives these negotiations with British Coal, if British Coal is to get a slice of any profits and Scottish Power's other own account export options are compromised, as a result.
A. Young, Economics Editor, Glasgow Herald, 13/5/1991

The 'logic' of this process could be the closure of one of the generating sets at Blyth. The influence of cost is uppermost in a privatised PGI. Maintaining Blyth so high in the merit order is perhaps more costly than importing electricity from Scottish Power. If that is the case, and it appears very likely, it means that the oldest set of

Blyth generating units will close by 1994. The cost to the coal industry, especially the deep mines is not known. But taking out a third of deliveries to Blyth would not be unreasonable. Dramatically, it means that disposals to Blyth could be as low as 2 million tonnes per annum or less. Moreover, with the cost of 'imported' electricity through the interconnector underpinned by lower cost opencast, from nearby Scottish opencast mines such as Blindwells(5 MT), the price of coal supplied to Blyth after 1994 will have to be similar to that at Cockenzie. Crucially, only the most profitable coal will be produced in the run up to privatisation of the coal industry as a consequence of its pricing structure and the demands of a privatised PGI. As a result, the least profitable production units in British Coal's North East region will all disappear by 1994. British Coal's accountancy practice and the new passive policy of Northumberland County Council towards opencast mining have seen to that; the fear of lost jobs in North East deep mines has become the 'commercial reality'.

iv. The Thameside Power Station Market for North East Coal Production

The situation at Thameside is no better. Faced with an onslaught of competition by imported coal British Coal again have resorted to maximising the lowest cost coals. Consequently, the trend has been for a rise in the proportion of opencast coal in recent years to a ceiling of around 21 per cent (Table 4.21.), but arguably it will go beyond that.

Table 4.21

BRITISH COALS DELIVERIES TO THAMES POWER STATIONS				
Year	Total Coal Delivered (000's tonnes)	Deep Mine Delivered (000's tonnes)	Opencast Delivered (000's tonnes)	Opencast as Percentage of Total
1981/82	6180	5140	960	15.5
1982/83	6320	5460	860	13.6
1983/84	5360	4630	730	13.6
1984/85	##### Year of Strike #####			
1985/86	4950	4200	750	15.5
1986/87	4600	3720	880	19.1
1987/88	4300	3380	920	21.4
1988/89	4240	3406	834	19.8
1989/90	3500	2760	740	21.1
Percentage Change Last Year	-17.5	-19	-11.3	+1.3

Source: British Coal, various public inquiries.

While it would appear that the opencast percentage of total disposals to Thameside stations has levelled off in recent years to around 20 per cent, it should not be forgotten that this is within a declining market. From 13 per cent of total disposals to the PGI in the early 1980's, it had risen to 21 per cent at the end of the decade. The percentage changes in the last year of Table 4.21 are the most revealing. North

East deep mines, despite increased performance and profitability suffered their greatest reduction in disposals to Thameside for over five years of some 19 per cent. The trend in total tonnage reductions each year since the strike, apart from a slowdown in 1988/89, mirrored those reductions in disposals by the deep mines. Moreover, even with an 11 per cent drop in opencast disposals from the previous year, opencast coal still continued to maintain over 20 per cent of the total market share. Decidedly, this underlines the trend that deep mine production is losing out to opencast coal production for the Thameside market, regardless of the propensity to further increase profitability. This is in contrast to previous statements by British Coal. At the Rosehills Public Inquiry, we were informed by Mr. D. Catchpole, then North East Marketing Manager in British Coal that:

To provide the calorific value required our shipment blends to the Thames power stations consists of 85% deep mine and 15% opencast coals.

D. Catchpole, Proof of Evidence to Rosehills Public Inquiry
P.9, Para 4.7.4

That was in 1986. In 1987 his successor stated that the proportion of opencast coal had increased further.

The current percentage of opencast coal in cargoes shipped to Thames Estuary power stations is about 20% and we would not expect this to change significantly in the future.

A. Horsler, British Coal, Supplementary Proof of Evidence to Brusselton Public Inquiry, Para. 3.2

Of course this has real implications for coal specification and quality discussed later in the chapter. For current purposes it does show British Coal's determination to maximise opencast despite the increasing fortunes of the deep mines. In the Rosehills, Brusselton and subsequent public inquiries, they argued that this level of opencast was needed to

offset the dirt content from Ashington and Whittle Collieries and/or increase the calorific value of the total tonnage delivered to Thames/Medway. At the time this was accepted by their opponents. Northumbrian east coast opencast coal replaced most of the closed production of Ashington and Whittle that went to the PGI. Opponents believe, with some justification, that British Coal will reduce the level of opencast coal commensurate with the reduction in deep mine output or in the market tonnage.

In the early 1990's the main factor likely to reduce the economic benefits of opencast coal in the total delivered to the Thames/Medway power stations is the closure of Whittle and Ashington collieries. On the assumption that the coal purchase from BCC will be 3.5 million tonnes, about 20%, 700,000 tonnes would be opencast. However, such a figure is much higher than needed. Until recently, 15% was a perfectly acceptable level. The closure of the two collieries and the resultant removal of their dirty coal from the equation justifies a lower rather than a higher opencast input. Thus a legitimate figure of 15% minus the blending needs of the two defunct collieries emerges, 225,000-275,000 tonnes. (My emphasis)
B. Gladstone, Durham County Council, Proof of Evidence, Marley Hills Public Inquiry, para. 6.6

What has emerged is the maintenance of opencast in a declining market within the specification limits of the PGI. The avowed intention of British Coal was to hold the markets of a privatised PGI with the lowest cost coal as they see it. However, a privatised PGI is new and complicated ground for British Coal. And those proportions of opencast to deep mined coal may change as British Coal expand into East Northumberland, under pressure to maximise efficiency and minimise costs by closing deep mines.

v. North East Coal Markets and the Effects of Electricity Privatisation

Privatisation of the electricity industry will have a similar effect upon the markets for North East coal as the commercialisation of the steel industry ten years earlier. The lower cost of steam raising coal on the world markets has presented opportunities for the PGI in the form of imported coal supplanting a segment of the market supplied by North East production.

The most vulnerable part of the North East coal market is that in the South East at Thames/Medway Estuary, because they are supplied by sea which also gives easy access to imported coal. Complicating the issue further came EC Directives (88/609/EC) that affects the ability of British Coal to supply the right quality of coal.

Saleable output from the North East to Thames/Medway Estuary stations in 1981/82 was 6.18 million tonnes. By 1988/89 this had declined to 4.24 million tonnes. Since electricity privatisation National Power and Power Gen have already invited tenders from international coal merchants for large amounts of coal imports. Agreements have been signed; much of the imported coal is to be burned at Thames/Medway power stations, (International Coal Review (ICR), 230, 231, 25/8/89, 8/9/89) bringing downward pressure upon the tonnage and price of coal British Coal has to offer. As in the case of Scotland, one of the tactics by the PGI in forcing down the price of coal from British Coal has been the use of bargaining counters. Imports are the primary 'bargaining counters' in England and Wales.

The two power companies want an initial import level of 15 million tonnes (coal and heavy fuel oil combined) and the cutback of British Coal sales to National Power and

Power Gen from 72mt to 60 mt a year. The two generators said they want these imports even if British Coal were to offer lower prices than those at which imported oil

or coal could be obtained

International Coal Report, 229, 11/8/89

The desire for imports, regardless of the price offered by British Coal, is related to the desire for diversity of supply. The purpose is to maintain some downward pressure on the price of coal supplied by their international coal merchants as much as that from British Coal. In effect the PGI is playing one off against the other in terms of price. By January 1990 British Coal had secured a short term contract with National Power and PowerGen for three years from April 1990 to March 1993, but at a price:

These contracts, taken together, mean that British Coal will be supplying in total at least 70 million tonnes in each of the financial years 1990/1 and 1991/92 and 65 million tonnes in 1992/93.

The present average price will be broadly maintained over the contract period. This represents a continuing significant price reduction in real terms.

Energy World, No. 174, Dec 1989/Jan 1990, p.6

British Coal's Commercial Director, Malcolm Edwards was still adamant:

We intend to find a way of settling with new electricity supply industry to hold on to our business without accepting prices that we cannot live with, whatever improvements in efficiency we can realistically make.

Malcom Edwards, "British Coal and Electricity Privatisation", Energy World Yearbook 1990, P.124-5

This graphically portrays the difficult situation British Coal have in 'holding the markets' for coal and living with prices "that represent a continuing significant price reduction in real terms". This pressure upon the coal industry in turn activates the internal market within British Coal, bringing a greater need for lower priced

coal. Inevitably, a greater proportion of this will be opencast coal. Both marketing managers in Scotland and the North East have outlined to me the basis of this internal market. However, it was earlier evidence from the national marketing manager which has given a more detailed insight into its workings where 'each production unit is responsible for the price and quality of its product'.

We have a commercial arrangement with the CEEB, and we split the tonnage into what we call the base tonnage which is charged at a lower price. In fact it covers all the shipments to the south east, and we have rested the case for the continuation of Hawthorn(colliery) on what we call saleable proceeds, which is the average price we receive nationally for coal of that quality.

and where the pricing of coal effects an internal competition by:

a list price which is a legal price registered in Brussels, and that does two things. It is intended to show the relative value of coals, depending upon their inherent quality, from one colliery to the next and one coal to the next. Secondly, it is the basis on which we start our discounts, because 95 per cent of our coal is sold on discount.

Malcolm Edwards, Independent Review Body into the Proposed Closure of Hawthorn Colliery, P.36, 4th March 1986.

Further elaboration was given by him at a previous review meeting:

The list price was £35. It is for the standard analysis which is 19.92 GJ a tonne, which is the heat content, and 25per cent ash.

These price lists are published and lodged in Brussels. They have a legal position, a legal status. The first thing is that it sets relative prices between coals based on value in use. The other purpose of the list price is to provide the basis from which we calculate the discounts. Like any other organisation, most of our product is sold at a discount. These discounts are negotiated commercially, and they vary from the customer depending on competitive position, location and size..... In this way we try and reflect as best we can in each pit's accounts the net price that the Board is truly receiving nationally for the coal of the quality that the pit produces. That is called the saleable proceeds. (my emphasis)

Malcolm Edwards, Independent Review Body into the Proposed Closure of Bates Colliery, P.56 and 57, 21st January 1986

Since 1986, the internal re-organisation of British Coal has meant that each pit "stands alone" (Kerevan and Saville 1988, para. 3.2.5) within each region and is accountable for its own production, price and quality. Each Region is operated as a separate organisation with its own targets and responsibilities.

The future nevertheless is not bright, a further increase in imports is imminent. An integral part of this process in the import of coal is the question of the EEC Directive 88/609 to the PGI on noxious emissions. This requires the PGI to reduce its emissions, especially of sulphur dioxide(SO₂) from 1993. With profit margins in mind the PGI are reluctant to invest in the large capital cost of installing Flue Gas Desulphurisation Plant at the power stations. Instead they have opted for the lower cost combination of importing low sulphur coal and retro-modifications of the Electro-static Precipitators which control after-burn material prior to entering the flue-stack. The four power stations that North East coal production relies upon are the very same power stations to be modified to take further supplies of imported low sulphur coal (Table 4.22).

Table 4.22

POWER STATIONS THAT ARE TO BE MODIFIED TO TAKE IMPORTED LOW SULPHUR COAL

Power Station	MWs	Coal Burn P.A.(max)	Major Supplier
Tilbury	1344	3.0mt	N.E. British Coal
W. Thurrock	1240	2.7mt	N.E. British Coal
Kingsnorth	1920	5.2mt	N.E. British Coal
Blyth	1548	3.5mt	N.E. British Coal

Source: CEGB Annual Reports

With costs being cut through the burning of lower cost coal the loading factor of the Thameside power stations will rise, burning more coal. To some extent this may compensate North East pits for losing out to imports, for reasons of security of supply if nothing else. Or, British Coal may themselves engage in the import business. This was indicated in the personal notes of British Coal's Q.C. Jeremy Burford as part of his closing submission at Billingside Public Inquiry pertaining to "1 mtpa Australian O.C." imported by British Coal.

The CEEB in their evidence to the House of Commons Select Committee on Energy in 1986 stated that because of security reasons the total possible coal burn of the Thames/Medway power stations was 10 million tonnes. We learned from Malcolm Edwards, now Commercial Director of British Coal, at the Independent Review into the Closure of Hawthorn Colliery, Co. Durham that:

the latest advice we have from the CEEB, for what it is worth, is that instead of buying 5 million tonnes from us on the Thames, they will want between 3 and 4 at most. That is the best guidance we have. (P.35)

Consumption at Thameside has been static in recent years (Energy Trends, June 1991) and given the economic climate is unlikely to rise at all in the next two years. With 6 million tonnes of coal contracted for import and the 3-4 million tonnes from the North East, it will be extremely difficult for both to maintain those levels when the "total possible coal burn" is 10 million tonnes. For security reasons power stations never generate to maximum capacity. Indeed, the Thames stations have never gone beyond 8 million tonnes coal burn. While some

coal from each source will go for stocking purposes, this will give a possible ratio of 2 - 1 in favour of imported coal by 1993. That means about 3 million tonnes coal burn from the North East from 1991 at the best available prices of £1.20 G/J from British Coal. The 6 million tonnes of coal imports comes from evidence by the International Coal Report(ICR) of signed contracts for imported coal which will seriously affect the process and pattern of production in the North East. This is given in the Table 4.23.

It has been reported that for British Coal to secure the last contract with the PGI up to 1993 meant:

To absorb the effect of fixing prices, however, British Coal would have to raise its productivity by another 8 per cent a year, having already doubled it in the past four years.
Financial Times 5/12/1989

Inevitably this meant further cuts in the higher cost tail of British Coal's production - from the deep mines. And there are those who strongly agree that privatisation and coal imports will cost the British economy dearly (O'Shaughnessy, 1990). The burning of foreign coal will further increase the balance of payments crisis which in itself is self defeating for power generators, consumers and the economy. Nevertheless, the task of holding the market is uppermost in the minds of British Coal management and, to a large extent dependent upon the capacity of the deep mines to utilize their capital investment even further. Given the nature of the industry and as evidenced later there is little room for opencast to reduce its marginal costs. From examination of the evidence of the increasing dominance of the PGI and looking at Table 4.23 we can see such a strategy of coal imports points

Table 4.23

STEAM COAL IMPORT CONTRACTS 1989			
Contractor	Tonnage (000's t)	Supplier/Merchant	Port of Entry (designated)
CEGB	360	Shell	London
CEGB	360	SSM	London
Power Gen	240	Massey	London
Power Gen	700	BP	London
Power Gen	360	---	London
Power Gen	1,000	Carbocoal	London
Power Gen	500	Drummond	Liverpool
Nat. Power	1,000	Carbocoal	London
Nat. Power	300	Westmoreland	London
Nat. Power	300	Shell	London
Nat. Power	300	Peabody	London
Nat. Power	300	BP	London
Nat. Power	300	Ashland	London

Total 6,020

Source: International Coal Report, 232, 10/10/89

Table 4.24

IMPORTED COAL INTO TEESPORT HARTLEPOOL AND SUNDERLAND				
	Teesport	Hartlepool	Sunderland	Total
1980	1,252,226			1,252,226
1981	1,127,130			1,127,130
1982	1,131,464			1,131,464
1983	1,441,102			1,441,102
1984	2,105,000		23,000	2,128,000
1985	2,484,000	127,000	88,000	2,699,000
1986	2,609,000	359,000	243,000	3,211,000
1987	2,698,000	364,000	198,000	3,260,000
1988	2,669,000	333,000	418,000	3,420,000
1989	2,878,000	99,000	652,000	3,630,000

Source: Tees and Hartlepool Port Authority, Hansard Written Answers
645/46, 22/2/1989

to a wider strategy of achieving greater control in energy generation. This would be achieved through total tonnage 'at the right price', total diversity of supply and total concentration of supplies for power stations at that point of entry. But the threat of imports comes to North East coal not only in the market down south, but in the region itself (Table 4.24). Apart from British Steel at Redcar (Teesport) the destination of this imported coal is not clear.

The reduction in tonnage from Hartlepool is part of a longer term move to use large bulk carriers into Teesport. Certainly the attempted privatisation of Teesport and the concrete intention of the PGI to extend inward coal handling facilities at Teesport does not bode well for the British coal industry. The other ominous factor for deep mines is the tremendous increase in imported coal through Sunderland docks, just down river from Wearmouth Colliery. Lorry loads of this coal have been traced into stockpiles in the west of Durham for later dispersal to the Disposal Point at Wardley, or part of the consignment to the 'rogue markets' in Yorkshire or Central region. The impending threat to the market for North East coal comes not only from imported coal but from the resultant internal budgeting which endeavours to give opencast coal a greater profile. The Research Department of the NUM discovered in January 1990 that in the North East Area:

There is to be a reduced deep mines output budget to 9.3 million tonnes. This represents a reduction of 1 million tonnes from the previous year. Within this global 9.3 m.t. 0.5 m.t. is to be increased opencast and the area is required to hold stocks of at least 1 m.t. This reduces the active market for sales of deep mined coal to 7.8 m.t.
NUM Proof of Evidence, Appendix A, Marley Hill Public Inquiry.

This decrease of nearly 25 per cent in tonnage in 1991/92 contrasts with

the simultaneous increase in opencast coal of 6 per cent. There is some doubt to be cast on this scenario. Firstly, according to George Hardy, the deputy Director of Environment at Durham County Council, British Coal have approached him with a programme for a reduced annual tonnage of opencast output from 1 million tonnes down to 800,000 tonnes from 1992. This would be in keeping with the reduced demand for North East coal. Evidence we shall show later, suggests that reducing deep mine production also reduces the propensity to maximise opencast burn (different specification) at power stations because of the problem of alignment in coal and power station specifications. Moreover, the sulphur content of opencast coals tends to be too high and often has to be blended with low sulphur coal from North East deep mines to meet the 'vend': a new and very real problem, though not for North East deep mines. If they close more deep mines, British Coal may even have to blend low sulphur imported coal with the opencast coal to make it a more marketable product. Alternatively, unless British Coal find low sulphur opencast coal, and presumably that is why they are prospecting in N.E. Northumberland, there would appear little room for further opencast coal expansion to go to the power station markets. There is of course the possibility of importing low sulphur coal from Scotland.

It is difficult to untangle the direction of British Coal whilst the pressure from the PGI continues. The use of opencast coal will still be posed as a saviour for the industry but with increased performance from the deep mines one will be marginally no better than the other. As has been stated it doesn't matter what British Coal offer, the PGI still want a larger proportion of imported coal. Now that EEC Directives are

upon them this only serves to make the issue final.

We have pointed to the longer term scenario where the loss of some of the Northern Ireland market to a Lignite fired station leaves surplus opencast in Scotland to challenge the deep mines in the North East for their share of the market. Also the recent changes by the state in planning legislation in England and Wales make it more difficult for opponents of opencast to stem the increase in the proportion of opencast coal in total production. This means that the deep mine sector will eventually be squeezed by opencast from both Scotland and the North East to a point where only deep mine production with the largest profit margins will survive. As we enter the 1990's the situation for the coal industry is changing through a cumulative process. This process contains expanded imports, financial regulation within the industry, financial directives from the State upon the industry, and not least, tighter specifications from the EEC Directives for coal that will be supplied to the PGI. Opencast coal production operating within an aggressive commercialised environment takes the risks out of coal production for capitalism, risks that can be turned into advantages which were identified at the dawn of the World War Two. The question remains whether people and their environment will be treated in a similar manner to that of miners and their communities in the North East in capital's quest to 'maximise'. The 'industrial clearances' are almost complete. Now a very different world lies ahead where control over national energy production is beyond the public domain and proceeding at a dramatic pace into unknown territory.

Part Four - Profit Maximisation and Coal Quality in the North East Coalfield

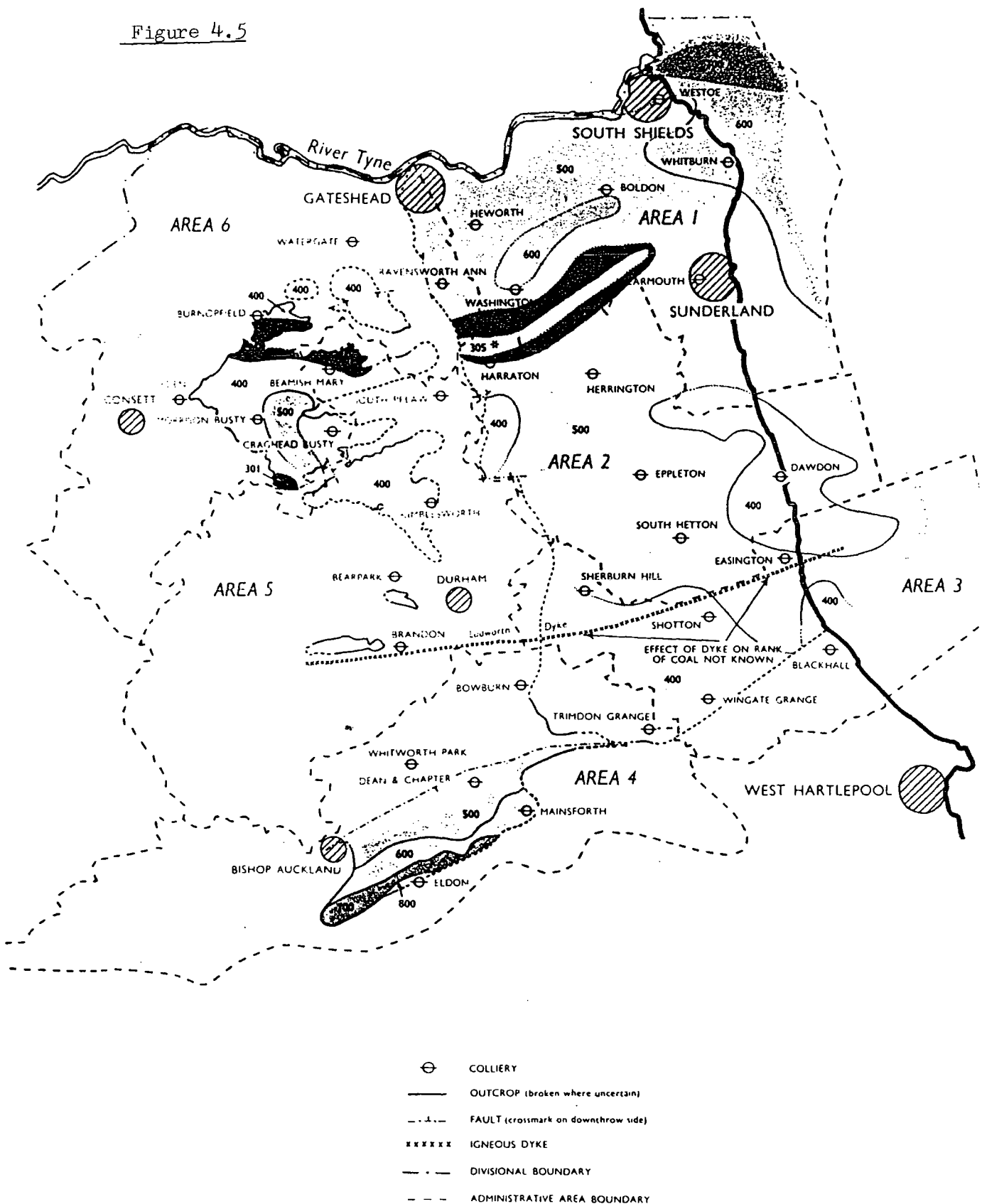
i Coal Quality, Ranking and the Markets

The quality, chemical make up and utilization of coals has an important bearing on how British Coal meets the specification of the P.G.I. and other markets. Understanding the approach of British Coal towards opencast and deep mine coal in supplying their markets sheds light on their future intent on the pattern of coal production in the North East. We know in Scotland for example, that coal from Seafield Colliery was used to improve the large amounts of poor quality opencast coal that went to Longannet power station. By contrast, the taken for granted assumption in the North East is that opencast coal is needed to improve the quality of coal from deep mines, making it more marketable in terms of quality and cost. The evidence available suggests that this assumption is worth much closer examination. If we know how they were holding the markets in Scotland for privatisation of the coal industry, then equally significant is the manner in which British Coal are holding the markets for North East production.

Production of coal is technically ordered into a classification system (Appendix 2.) and can vary in 'Rank' considerably from coalfield to coalfield, as the CEGB have indicated (Appendix 2.). The only similarity between between coal produced in Scotland and North East England are the Rank 600-800 coals produced in North East Northumberland. Opencast coals currently produced in the west of the North East Region, with reserves consisting mainly of Rank 301-501 high volatile coals, in general terms limits British Coal's ability to directly supply this coal to meet the PGI markets. This is in

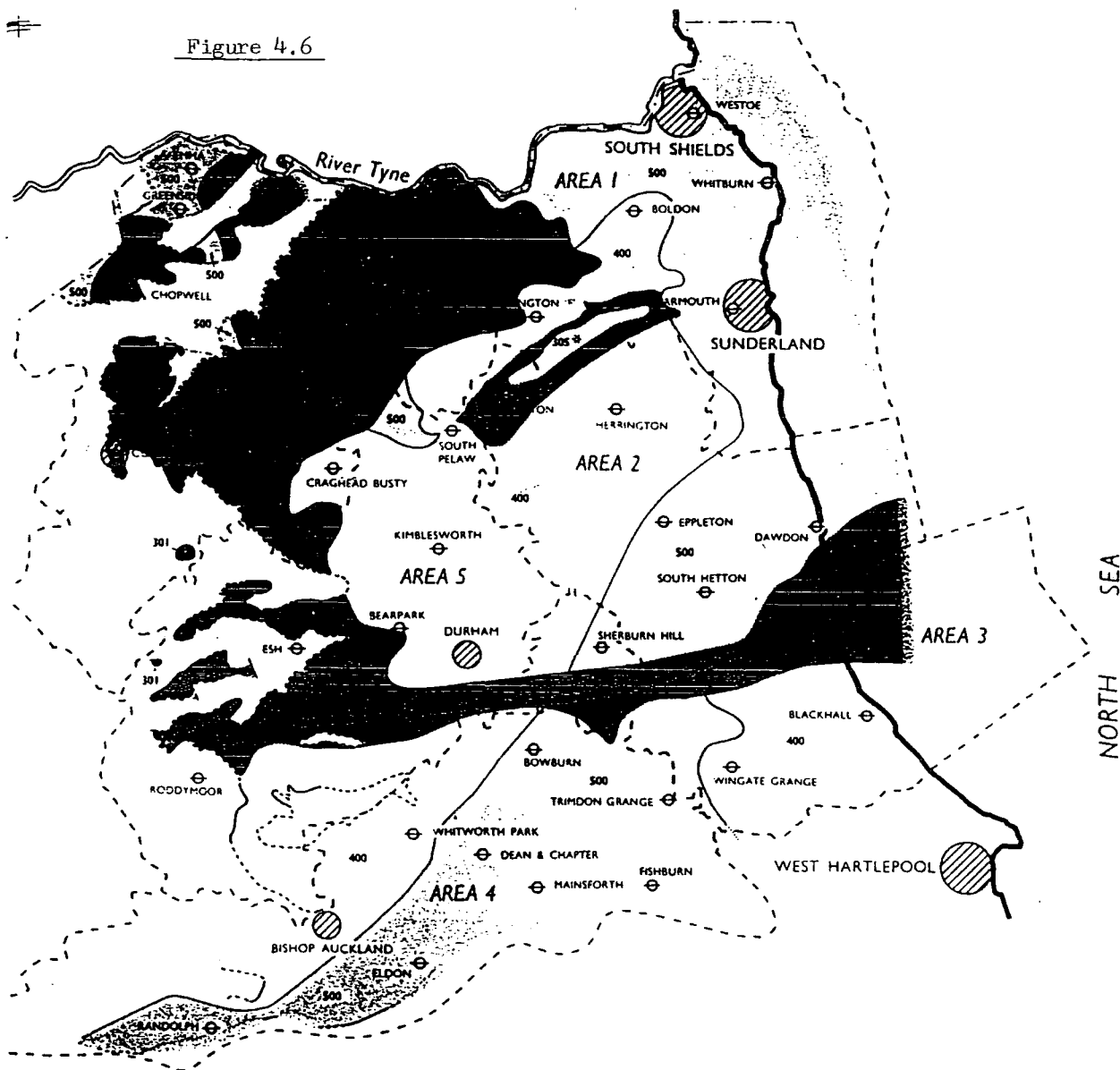
DURHAM
YARD, BRASS THILL OR MAIN SEAM

Figure 4.5

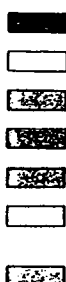


Source: NCB Coal Survey 1959.

Figure 4.6



COAL RANK
CODE



GENERAL DESCRIPTION OF COAL

- 301 MEDIUM-VOLATILE, PRIME COKING (usually strongly caking)
- 400 HIGH-VOLATILE, VERY STRONGLY CAKING
- 500 HIGH-VOLATILE, STRONGLY CAKING
- 600 HIGH-VOLATILE, MEDIUM-CAKING
- 700 HIGH-VOLATILE, WEAKLY CAKING
- 800 HIGH-VOLATILE, VERY WEAKLY CAKING
- 305 HEAT-ALTERED, MEDIUM-VOLATILE (usually medium-caking)

Includes more highly altered coal of rank codes 306 and 206. Some heat-altered coal ranks like the Ludworth Dike, but cannot be shown on a map of this scale.

ES



Source:

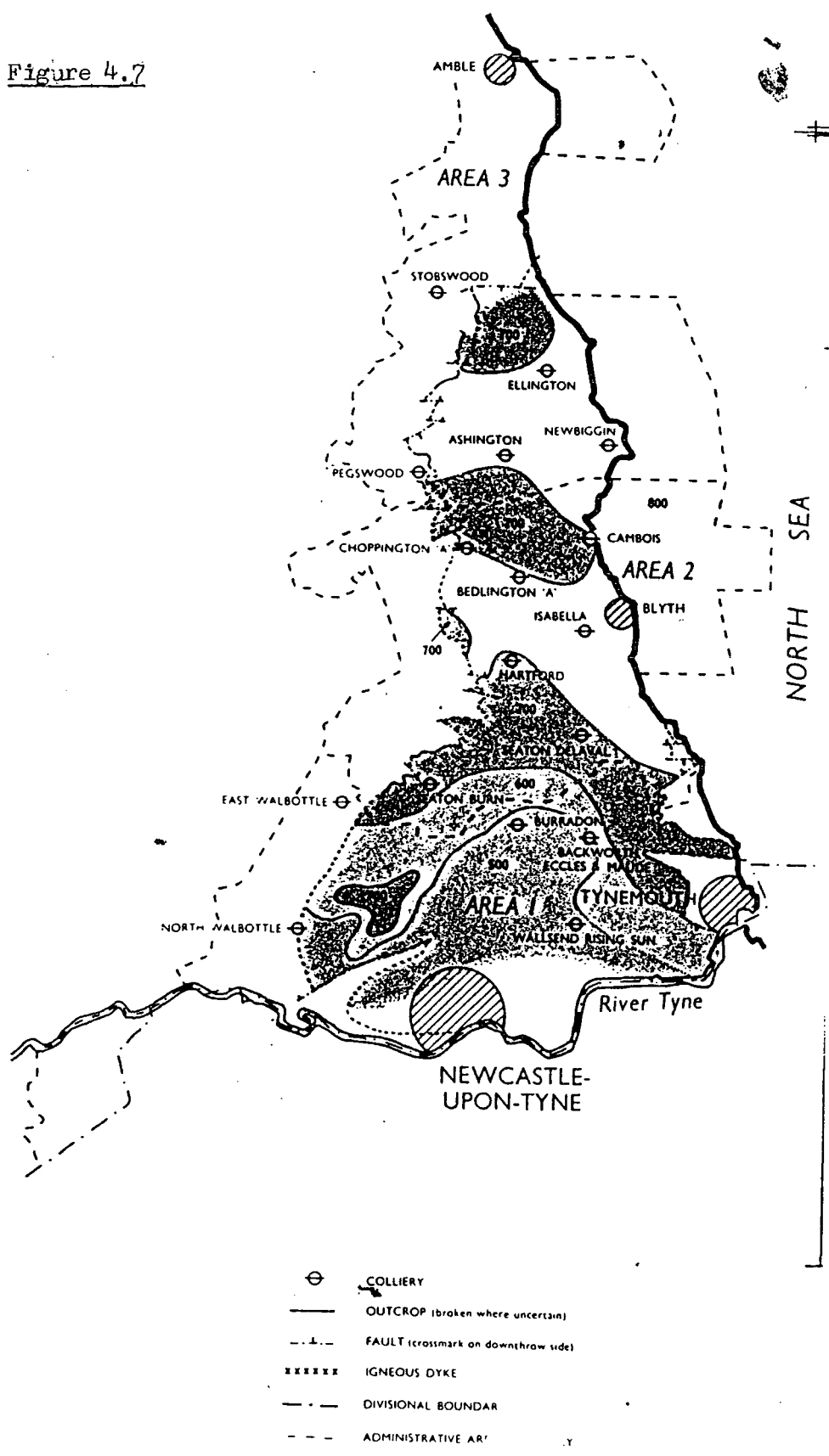
NATIONAL COAL BOARD
SCIENTIFIC DEPARTMENT
COAL SURVEY
OCTOBER, 1954

OCTOBER 1954

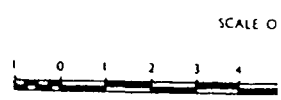
NORTHUMBERLAND VARIATION IN RANK OF COAL

YARD SEAM

Figure 4.7



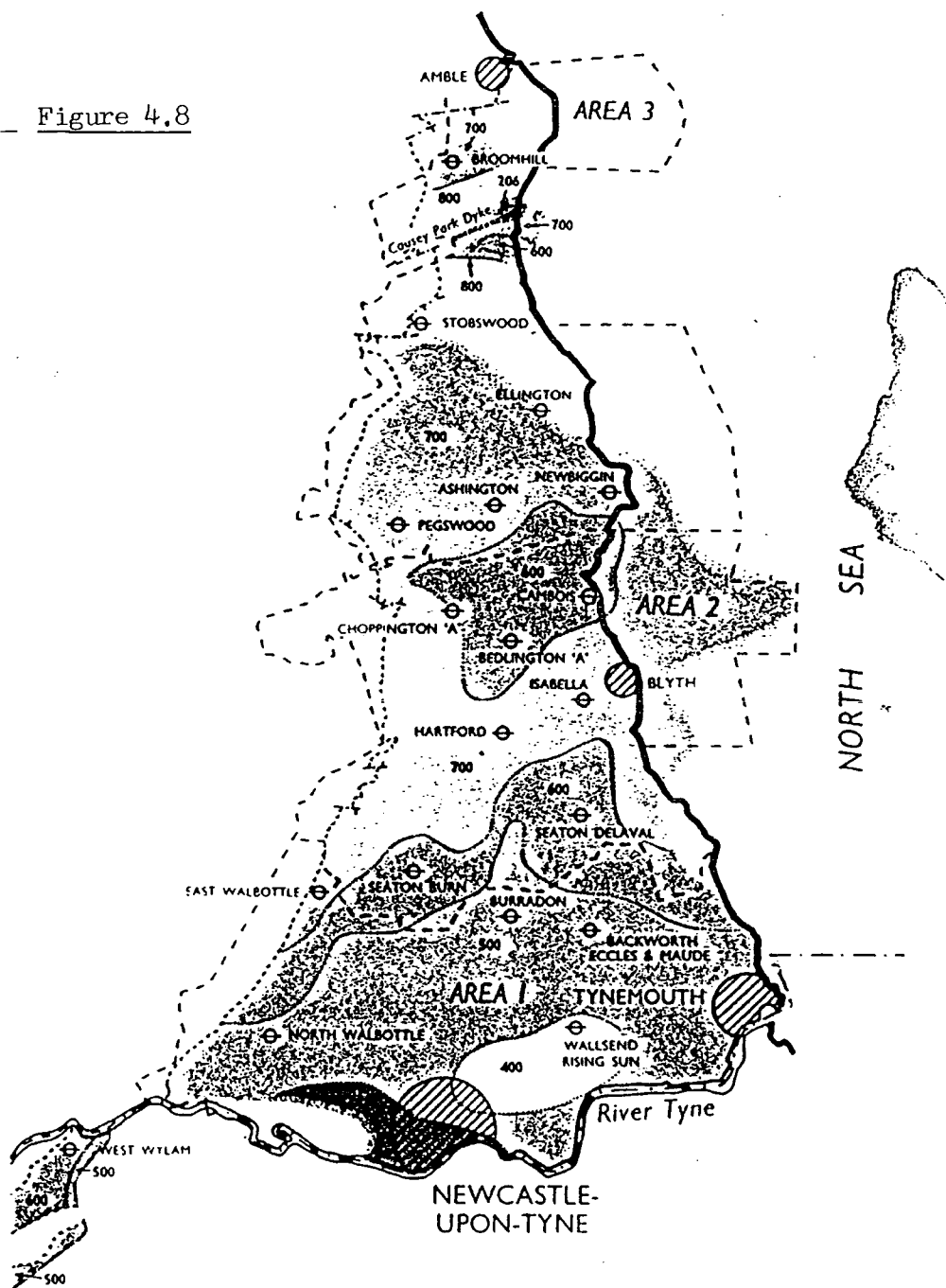
Source: NCB Coal Survey 1959



C. DIVISION NORTH/LAND COALFIELD RANK OF COAL VARIATION

BEAUMONT OR HARVEY SEA...

Figure 4.8

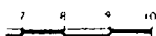


COAL RANK CODE

GENERAL DESCRIPTION OF COAL

	301	MEDIUM-VOLATILE, PRIME COKING (usually strongly caking)
	400	HIGH-VOLATILE, VERY STRONGLY CAKING
	500	HIGH-VOLATILE, STRONGLY CAKING
	600	HIGH-VOLATILE, MEDIUM-CAKING
	700	HIGH-VOLATILE, WEAKLY CAKING
	800	HIGH-VOLATILE, VERY WEAKLY CAKING
	206	HEAT-ALTERED, LOW-VOLATILE STEAM (non-caking or very weakly caking)

Source: NCB Coal Survey 1959



marked contrast to the coastal output in Durham and Northumberland with coals predominately in Ranks 501 to 800 (Figs 4.5, 4.6, 4.7, 4.8). These coastal coals have suitable ranges for burning at power stations. However, that is not to say there isn't any Rank 301 in Durham coastal pits, given what we know from the Horden experience (WERU, 1987). Equally in Scotland, while the coals are mainly of Rank 700-800, there is some higher ranked coal of 201-301 across the coalfields. In most respects there can be good and bad quality coals within each ranking of coal and has special significance with E.C. Directives (EEC/88/609) on noxious emissions.

Much debate had taken place over this issue at the Daisy Hills Public Inquiry where it became apparent that British Coal were 'economical' with their explanation of coal production processes. Most objectors believe that the expansion of opencast coal production is a direct replacement of deep mined output in the North East; it is a little more complex than that. Napier's evidence for the CPRE alerted me to the notion of a 'reverse theory' when he called British Coal's claims for the quality of opencast 'fallacious'. While he made the issue very clear he had some difficulty proving it.

As far as Durham opencast coal is concerned much of it is of a quality too rich, ie. too high a calorific value, and of coking coal type to be burned direct by the CEGB(PGI).+ Therefore it has to be diluted, or reduced in quality to be acceptable for power stations, and not, as the OCE fallaciously claim, to make unsaleable deep mine coal acceptable and marketable. There is no Durham deep mine coal in that category, it is a fallacy. IT IS THE DURHAM OPENCAST COAL THAT HAS TO BE MIXED WITH (OR LOST IN) DEEP MINED COAL TO BE MARKETABLE. (Napier's emphasis)

D. Napier CPRE, Proof of Evidence to the Daisy Hills Public Inquiry, Paragraph 9.17, 28/4/1987

Major assumptions have to be challenged. Especially, the relationship between deep mine and opencast coal in qualitative terms with the relative costs of deep mine and opencast coal. We know an opencast expansion programme designed to meet the State's political and financial objectives is very real indeed. We need to contrast and compare evidence of the qualitative aspects of opencast and deep mine coal with the market requirements of the main customer, the PGI. From the CEGB stand-point the use of opencast coal is markedly different from that of British Coal:

Traditionally North East Opencast coals have been used by British Coal as 'sweeteners' in power station supplies: the opencast component, when mixed with the deep mine coals enhances the calorific value of some coals and improves the handleability of deep mine supplies.

Letter from M.S. Rainbow, National Coal Supplies Manager, CEGB to A. Horsler Marketing Director, British Coal, 28/1/1987

As he goes on we begin to understand the main reason for this:

Thus, CEGB takes opencast coal to Blyth power station in order to build a good quality stock that can be recovered readily in winter..... and to the staithes for inclusion in shipment blends to Kingsnorth power station in the South East where there is a requirement for higher CV supplies.

Intentionally, the inclusion of higher Calorific Value opencast coal directly affects the total blend delivered to Thames power stations, but not by virtue of some special qualities or that the power station needs to burn coals of a higher Calorific Value than required by the specification; that is the British Coal position. More accurately, higher calorific value coal, found readily in the west of the region where there are no more deep mines to mine it, is needed to compensate for 'weathering' of the stocks. For all their efforts to buttress British Coal's case at public inquiries with "the standard letter of

support" (Porton, DCC, Brusselton, 1987), the CEEB see opencast coal as a "complementary" supplement in a specified task of their operations. The problems of handleability are caused by frozen conditions as much as the fines and moisture content of deep mine coal. Then again, the main value of opencast coal is clearly for stocking purposes. Being an organic material there is a certain degree of degradation of stocks. The higher Calorific Value of the majority of opencast coals, as much as Rank 301 coal from deep mines if they were available, enriches the stocks and blends that may degrade in shipment to Thames. The requirement for higher Calorific Value supplies at Kingsnorth came from experiencing the delivery of Ashington and Whittle supplies, but they are now gone and so is that requirement. This 'supplement' of opencast coal is only a proportion of that delivered to the PGI, the remainder is delivered by British Coal more on grounds of cost and profit than on quality. For British Coal however, holding the PGI market is a commercial imperative. Certain myths over the use of opencast coal have grown up from this process, and often been too readily accepted; the main one is that deep mined coal needs large amounts of opencast coal.

ii Deep Mined Coal Quality and their Market Alignment

Calculation of deep mine coal alignment, refuting the myth of the need for extensive use of opencast coal, is complex and challenging. The immediate objective was to analyse the information available so as to identify the mean average specification of different combinations of deep mine coal delivered to the CEEB and the ranges produced by those combinations. Firstly, the examination of deep mines in the North East and the specification from each colliery is presented in Tables 4.25 to 4.27. It is important to note that sixty six per cent of Ellington Coal goes to the Alcan Smelter. Given the tonnage delivered to the PGI, 10% of overall deep mined total, this would not adversely affect the level of moisture or ash content in the average in Table 4.25. Indeed with a more accurate assessment of Ellington coal input we would find the average 'vend' would improve to be closer to the PGI's ideal requirement.

Table 4.25

AVERAGE COAL SPECIFICATIONS FROM NORTH EAST COLLIERIES

	Moisture per cent	Ash per cent	Calorific Value GJ/T
Dawdon	10.0	14.0	22.26
Easington	10.5	15.0	25.80
Ellington	13.0	17.5	23.22
Murton	11.5	15.0	25.54
Vane Tempest	9.0	14.0	26.82
Westoe	12.0	13.5	25.40
Wearmouth	12.0	8.0	27.94
Average	11.1	13.9	25.28
Range	9.0-13.0	8.0-17.5	22.26-27.94

Source: British Coal

Table 4.26

DEEP MINE DISPOSALS TO THE CEGB AS PERCENTAGES OF TOTAL SALES 1987/88			
	Saleable Output (000's tonnes)	Delivered to CEGB (000's tonnes)	Percentage of Total Delivered to CEGB
Dawdon.	606	.497(82%).	16.7
Easington.	656	.500(76%).	16.8
Ellington.	938	.313(33%).	10.5
Murton	575	.555(97%).	18.6
Vane Tempest.	384	.195(51%).	6.5
Westoe	736	.705(96%).	23.6
Wearmouth.	572	.219(38%).	7.3
Totals	4467	2984(63%)	100

Source: British Coal Submissions at Various Public Inquiries 1986-90

Table 4.27

COMBINATIONS OF WEIGHTED AVERAGE COAL SPECIFICATION FROM NORTH EAST COLLIERIES			
	Moisture per cent	Ash percent	Calorific Value GJ/Tonne
Combination A.	11.1	13.9	25.28
Combination B.	11.0	14.6	24.84
Combination C.	11.3	13.7	26.00
Range	10.0 - 11.3	13.7 - 14.6	24.84 - 26.00
Average	11.1	14.1	25.37

Again, it is at this point important to stress that British power stations were designed to burn around the 'ranges' of these coals as the major portion of coal sourced to them 15 to 20 years ago was from deep mined production. So we can state with confidence that the average specification that results in the table is that which is demanded by and applied more or less to the PGI. Calculations start with the data on deep mine specifications in Table 4.25 being weighted according to the disposals shown in Tables 4.26 and then presented into three different combinations in Table 4.27.

The combined production of Vane Tempest with its low moisture content, and Wearmouth, with its low ash content is brought into balance by the tonnage from Ellington with its high moisture and high ash content (Combination C.). Their combined tonnage represents a quarter of the total sales to the CEGB. All other pits' specifications dominate the delivery by reason of their high percentage input (Combination B.). This gives an average dominant specification for these other pits of 11.0 Moisture, 14.6 Ash and 24.84 calorific value GJ/T. Ellington, Vane Tempest and Wearmouth delivering the smallest portion of output to the PGI, average out at 11.3 for moisture, 13.7 for Ash and 26.0 for C.V./GJ/tonne. The average of all the collieries is outlined in Table 4.25 (Combination A.).

British Coal may argue that the operation is not run on averages of all the collieries' outputs (Combination A.), and to some extent that is true. But equally, any one pit is not specific for any one power station. So to account for some of the best and worst scenarios it is

perhaps more realistic to provide a range to take account of the largest suppliers of coal (Combination B.) with some of the suppliers with the worst fluctuation in their specification (Combination C.). From this we produce a 'range' in specification and a weighted average of deep mine coal supplied to the CEGB.

Having calculated some possible average specifications from North East collieries, and arrived at a weighted average which is strikingly similar to the PGI specification, we then go on to ascertain the specification of opencast coals from the North East.

iii. Opencast Specifications

The vast majority of opencast coals go to disposal points where they are overlaid by coal from other opencast sites which all have a variety of seams with different qualities. Therefore, we can conceivably get a situation where there will be a predominant coal from one site low in ash but high in sulphur being lifted for delivery to the PGI. Equally we can get a situation where the average low moisture, low ash and high C.V. opencast coal is delivered for the PGI. That is where the "phone and truck" element of British Coal's marketing department comes into operation: to lift some deep mine coal from stocks to balance out the irregularities before they reach the market. According to Horsler's submission at the Daisy Hills public inquiry, this is usually done on the quayside, With the new 'franchising arrangement' between British Coal and the private sector opencast operators, the majority of private sector coal goes to the disposal points with British Coal's opencast output.

The only exception to this will be opencast coal from East Northumberland which supplies an average of 1,200 tonnes per week to Blyth power station following the closure of Whittle and Ashington collieries in 1986/87. There is now the increasing awareness that the expanding levels of East Northumberland opencast coal through to the 1990's, with its specification more closely aligned to the PGI specification than the west of the region, does threaten the existing markets for North East deep mine coal. Until 1991, apparently any anomalies were compensated by the burning of about 2 million tonnes per

annum of deep mine coal. Both tonnages may be in accord with the specification requirements of Blyth power station and mean that opencast was a direct replacement tonnage for Whittle and Ashington deep mines. We must point out however, that the Plenmellor site in the west of Northumberland, is an enigma with such a costly infrastructure and operation where we know that a journey of 14km adds a cost of £2 per tonne; its large amount of Rank 301 coal increases the need for more deep mined coal to reduce down its very high calorific value. Moreover, the large Stobswood site contains a wide variety of coals which means that the situation in Northumberland does not affect my general argument.

Opencast Coal of the order of 2142 thousand tonnes (Table 4.29) was delivered directly to the PGI for 'in-bunker' blending at the power stations in 1987/88 plus 66% of 'transfers' to collieries for blending. This is not surprising given the high sulphur content of some sites, including Chapmans Wells(4.15%) and the forthcoming Rye Hill (3.38%), and that the average sulphur content of opencast coal at Wardley opencast disposal point is 2.18%. The significance of all this is that the PGI charges a penalty against all coal with a sulphur content above 1.8%. But the costs of transporting this high sulphur coal to be blended at the deep mines to meet the PGI specification, and the blending process cost itself, are not always borne by the opencast site but by the deep mine.

As we can see from Table 4.28 the ash content and calorific value of opencast coal are substantially different from the deep mines and the

Table 4.28

COAL SPECIFICATIONS FROM SOME NORTH EAST OPENCAST SITES IN THE EXPANSION PROGRAMME				
	Moisture per cent	Ash per cent	Sulphur per cent	Calorific Value GJ/tonne
Marley Hill	6.0	9.0	1.7	30.4 refused on appeal*
Brusselton	6.0	9.4	1.76	29.0 refused on appeal*
Billingside	6.0	6.8	1.12	30.56 refused on appeal*
Daisy Hills	6.0	8.5	2.11	30.48 working site
Average	6.0	8.4	1.67	30.11
<u>Source: British Coal Proofs of Evidence at various Public Inquiries</u>				

Table 4.29

N. E. OPENCAST DISPOSALS TO THE CEGB AS A PERCENTAGE OF TOTAL SALES			
	Saleable Output (000's tonnes)	Delivered to CEGB (000's tonnes)	Percentage of Overall Total Coal Delivered to CEGB
Opencast Disposal Pts	3769	2142 (57%)	38.3
O/C Disposals to Pits for Blending Prior Delivery	717 (19%)	473 (66%)	8.5
Totals	3769	2615	46.8

sulphur content is also at inferior levels. I have been told by Paul Kerry of British Coal's Marketing Department that "these specifications are about average for North East opencast mined coals". As most opencast coal goes to the disposal points, and from that point is integrated with other coals from other sites it then forms an average of those coals from other sites. To obtain a more accurate picture of the alignments to the ideal specification we require the percentages of total tonnages delivered to the CEGB and their individual specifications. This is outlined in Table 4.29.

Looking at the disposal site at Wardley, coal from opencast sites are not placed in separate piles but layered over each other. Great importance has been attached to the poor handlebility of deep mine coal. British Coal argue that because of this they have to blend deep mine with opencast to reduce the moisture and fines content(fine coal). Yet from a visit to Blyth Power station you will learn readily that the CEGB staff there are happy with the current situation of receiving unblended deep mine coal. The major problem does not lie with deep mined coal, but with the high sulphur,/ low ash, higher C.V. coals from opencast sites unable to meet PGI specification and shifting blending costs to the balance sheets of deep mines.

iv. Coal Quality Specifications at Blyth Power Station

Once the coal is at the power station it is then the State extracts surplus value into the private sector. Because of this British Coal try to maximise their lowest cost coal to the PGI to obtain some return on production. Blyth power station is different in some technical respects from Thames stations as we shall show later. But a pertinent difference also lies in the amount of opencast it burns. Further, now that all but one of the deep mines have gone in Northumberland, it has a readily available expanded source of "low cost opencast coal" close at hand that is near the power station's specification. But this still has to be brought into balance by deliveries of deep mine coal.

An official source provides a clear indication that opencast coal has replaced deep mine markets and also casts doubt on its quality for increases of opencast coal burnt in power stations. H.M. Inspector reported in the 1980 Report of the Daisy Hills Public Inquiry that:

Of the 3.37 million tonnes of coal delivered to Blyth (in 1978/79), approximately 440,000 tonnes was opencast coal. Yet, in 1986/87 British Coal sent 125000 tonnes of opencast into Blyth, an amount that clearly exceeded that required on quality grounds. By 1987/88 the total was 158000 tonnes, despite the closure of Ashington Colliery in 1986/87 and of Whittle a year earlier.

H.M. Inspector's Report into Opencast Mining (Daisy Hills 1980)

H.M. Inspector's Report into Opencast Mining at Daisy Hills 1980.

This expansion is based upon the fact that opencast coal is a lower cost source" of coal, much of which is "Northumbrian East Coal" (NEC) which is similar in specification to the requirements of the PGI

specification at Blyth. Hence the ability to use a greater input of this coal than other opencast coals, say from the sites in Durham and west Northumberland. Largely for this reason, we have a situation where opencast coal delivered to Blyth is twice the percentage of opencast coal delivered to the Thames power stations. (See Table 4.34)

Table 4.30

BRITISH COAL OPENCAST DELIVERIES TO BLYTH POWER STATION

	Total Coal Delivered (000's tonnes)	Opencast Delivered (000's tonnes)	Percentage Opencast of Total
1978/79	3370	440	13.1
1986/87	2580	1250	48.5
1987/88	3340	1580	46.7
1988/89	3110	1180	38.0
1989/90	3000	1100	36.7

Source: British Coal, Various Public Inquiries into Opencast Mining 1986-90

From the year of closure of the two Northumberland pits, the maximum level of opencast that Blyth could sustain was 48 per cent. In 1987/88 a slight reduction in this proportion to 46.7 per cent was due to uptake of stocks laid down which includes Ashington and Whittle coal. The effect of the deep mine closures upon opencast coal deliveries to Blyth is seen from 1987/88. The proportion is down to 38.0, continuing to 36.7 per cent in 1988/89 as the better quality deep mined coal replaced Whittle and Ashington and negated the traditional amount of opencast normally associated with the two Northumberland pits.

With the closure of Ashington and Whittle in 1986, the opportunity for British Coal to expand this "lower cost coal" and replace this

deep mine production would have been an obvious choice for British Coal. But clearly one they did not choose to take. If they did you would expect the percentage level of opencast delivered to Blyth to rise. Far from rising we can see from Table 4.35 the reverse has happened. One reason being that DOUS(Durham Opencast Unwashed Smalls) previously used to balance out the high ash content of those two deep mines, with its low ash and high C.V., is technically inadmissible.

Importantly also, the loss of Ashington and Whittle in 1986, raised the average quality input of deep mined coal and thereby the overall specification of inward deliveries. On specification grounds, the ability of Blyth power station to take previous percentage levels of opencast coal, or rather British Coal's ability to deliver at those levels, was clearly decreased.

The Inspector at the Rosehill Public Inquiry took a particular interest in the changing situation in the markets for North East coal. In response to the continual evasions of British Coal people at the public inquiry he instructed them to specifically answer the Local Authorities' questions.

Durham County Council:

What is the ash and calorific range specified by the CEGB for coal delivered to Blyth Power station?

Source: British Coal, Rosehills Public Inquiry 1986

British Coal in their written reply said that:

The ash range indicated to the Board as being required by the CEGB is 15-18 per cent. The calorific value sought is 23.30-25.60 KJ/tonne.

Source: British Coal, Rosehills Public Inquiry 1986

This reply is significant for three reasons. Firstly, the calorific value of coal acceptable at Blyth power station is down to 23.30 KJ/tonne, suitable for burning coal from deep mines. Secondly, the ash content below 15 per cent ash is undesirable, equally, it is suitable for coal from deep mines, but causes problems for burning opencast coal. Thirdly, this again verifies 'run of the mine' coal as acceptable and certain opencast coals as undesirable, the latter are well outwith the ranges shown in Table 4.31.

Table 4.31

COAL DELIVERY SPECIFICATION RANGES AT BLYTH POWER STATION				
	Moisture per cent	Ash per cent	Sulphur per cent	Calorific Value per cent
Blyth	11.0*	15 - 18	1.8 max.*	23.30 - 25.60

Source: British Coal and Blyth Power Station*

Opponents at public inquiries(Gladstone, DCC, Marley Hills P.I.) may argue, with some justification, that on grounds of quality all the opencast that Blyth needs is that which it burned in 1978/79 plus extra for stocks and blending. But importantly, for British Coal's purposes as well as mine, the distinction has to be drawn between that 'quality' and 'need' and what Blyth will take in terms of maximising opencast and British Coal's profit margins, while at the same time keeping within the specification guideline of the power station. The argument is not so much about what Blyth needs but what it will take. This same tenet applies to other power stations such as those on the Thames. British Coal are in business to maximise profit more than quality, based upon the intent to privatise the industry.

v. Coal Quality Specifications at Thameside Power Stations

Having established that coal fired power stations were engineered to burn deep mined coal, and that most opencast coal is misaligned to be directly burned in power stations, we look at the Thameside specification for further verification of the suitability of different coals. Evidence of market specification suitability was gleaned from several sources, not least from the directive of the Inspector at Rosehills Public Inquiry that British Coal should supply some answers to Durham County Council:

Durham County Council:

What are the specifications for coals acceptable at the
3 Thameside power stations?

British Coal's written answer said:

For Thameside power stations these are as follows:

Table 4.32

North East Terminals	Moisture per cent	Ash per cent	Sulphur per cent	Calorific Value GJ/tonne
Blyth	11.5	14.5	1.8	25.36
Tyne	10.0	12.0	1.8	27.08
Harton	12.0	13.5	1.8	25.40
Wear	11.0	13.0	1.8	26.30
Average	11.1	13.25	1.8	26.35

Source: British Coal, Submission, Rosehills Public Inquiry 1986

With the Wear terminal no longer used for deliveries this makes the average ash content 13.3 per cent and the calorific value 25.94 GJ/tonne. Verbal submission from A. Horsler BCC, at Daisy Hills

Public Inquiry reduces calorific value at the Tyne to 26.0 GJ/Tonne, diminishing further the average calorific value to 25.58 GJ/Tonne. Harton ships unblended, 'run of the mine', coal from Westoe Colliery which means Thameside power stations can and do burn coal directly from deep mines. These coals, we are given to understand from the public inquiries, like the coals from Blyth and Tyne terminals, could end up at any one power station on the Thameside.

One argument projected by British Coal is that of the value of a low moisture content of opencast coal as opposed to deep mine coal in shipment to the Thames from the North East. They claim that without sufficient opencast coal the water in the coal might cause the cargo to shift thereby de-stabilising the cargo. There is no evidence of this because:

Each year several million tonnes of coals in this category are loaded at United Kingdom ports for shipment coastwise or near to continental ports and there are no reports of ships lost or put at risk due to the cargo liquefying.

Dept. of Trade Shipping Notice No. 1250, Paragraph 3.4

In emphasizing the suitability of deep mined coal for the specifications at Thames power stations, the International Coal Report states that Power Gen was requiring importers of coal to Kingsnorth power station to supply coal with a maximum moisture of 12 per cent and maximum ash content of 15 per cent (ICR 230,231, 25/8/89,8/9/89).

Therefore, using the Blyth ranges as indicators, with the Thameside average calorific value at 25.58 GJ/tonne, and average ash content of 13.3 per cent, the reasonable average minimum could be expected to be 24.43 GJ/tonne calorific value, and 11.80 ash content. The average

maximum will be of the order of 26.73 GJ/tonne calorific value, and 14.80 ash content. The penalty maximum for sulphur of 1.8 per cent as invoked by the PGI will be used. We now have the ranges for Thames power stations. These are set out in Table 4.33

Table 4.33

COAL DELIVERY SPECIFICATION AT THAMESSIDE POWER STATIONS			
Moisture per cent	Ash per cent	Sulphur per cent	Calorific Value GJ/tonne
11.7	11.80 - 14.80	1.8	24.43 - 26.73

Source: Derived from British Coal's submissions at Various P.I's

Table 4.34

BRITISH COALS OPENCAST DELIVERIES TO THAMES POWER STATIONS			
	Total Coal Delivered (000's tonnes)	Opencast Delivered (000's tonnes)	Percentage Opencast of Total
1982/83	6320	860	13.6
1986/87	4600	880	19.1
1987/88	4300	920	21.4
1988/89	4240	834*	19.8*
1989/90	3500	740	21.1

Source: British Coal, submissions to Various Public Inquiries

* Figures are to be verified

The specification at Thameside demands lower ash and higher CV than at Blyth. But we can deduce from the percentages in Table 4.34 that around 80 per cent of deep mined coal goes to Thameside compared to around 57 per cent at Blyth, despite the tighter specification. If opencast coal had the mythical qualities that British Coal say it has then one would expect a larger quantity to go to Thameside. It would

appear in the maximisation of lower cost opencast, Northumbrian East Coast (NEC) opencast coals go to Blyth power station because they can accommodate that quantity. Wardley/Durham opencast coals being much less aligned to the PGI specification go to Thameside with deep mined coal in lower proportions. Mainly, because of their inherent specification limits, any increase in opencast tonnage would go beyond the limits of the 'vend'.

Before the 1984/85 strike the levels of opencast were between 13 - 15 percent of total deliveries from British Coal. It would then appear that this is all that Thameside power stations 'need' according to the opponents' arguments. What is made clear from Table 4.34 is that British Coal have optimized opencast at about 21 per cent of total 'vend' to Thames stations in recent years. Arguably, beyond that current opencast production would place the vend outside the specification.

vi The Proof of the Pudding - Coal Quality Alignments under Test.

From Napier's assertion that 'opencast coal has to be reduced in quality and mixed with deep mine coal to be acceptable to the PGI', we are now in a position to provide the evidence for the main reasons for expanding opencast mining and how this is accommodated in the final product. Taking the specifications for Blyth and Thames and testing the coals produced by the deep mines and opencast mines against them we find which one is the more closely aligned to the PGI specifications. The results are graphically demonstrated in Table 4.35. Deep mined coal shows excellent compatibility with PGI specification at both Blyth and Thameside. In stark contrast, opencast coal falls well outside every single required range to the point where it would be rejected if it were sold for direct coal burn to the PGI.

Table 4.35

NORTH EAST COAL QUALITY ALIGNMENTS TO PGI SPECIFICATIONS				
Average	Moisture	Ash	Calorific Value	Sulphur
<u>Deep Mined</u>	<u>11.1</u>	<u>13.9</u>	<u>25.60</u>	<u>1.2</u>
Blyth	11.0	15.00 - 18.00	23.30 - 25.60	1.8**
Thameside	11.7	11.80 - 14.80	24.43 - 26.73	1.8**
<u>Opencast</u>	<u>6.0</u>	<u>8.4</u>	<u>30.11</u>	<u>2.18 ###</u>
<u>Sources: Various Public Inquiries: ** Reduced to 1.5 max. from 1991</u>				
<u>### Out of range for direct and sole PGI purposes</u>				

From an engineering viewpoint, with scores such as those in Table 4.35, opencast coal would cause greater problems for the PGI than if there was a reverse situation of burning deep mine coal with high moisture and ash content with a low calorific value at power stations. Equally, British Coal would incur greater penalties for sending it to the PGI.

From Table 4.35 it can be seen that coal from Wardley disposal point has an average sulphur content of 2.18 per cent whereas the North East deep mines average is 1.2 per cent. However, the distinction between the two specifications is stark. On its own opencast coal is well outwith the ranges of the PGI specification. It is far too rich in calorific value, too low in moisture and ash as well as having doubtful properties in sulphur content. In contrast, deep mine production is very much aligned to the PGI specification and does not need copious tonnages of opencast coal to adjust or fine tune it to the 'ideal' specification. Therefore there is a clear conflict between over production of opencast coal particularly with unsuitable ranges of ash and calorific value, and, under production of deep mine with suitable value ranges. Consequently a situation exists where there is:

- 1) Profitable deep mine production that meets the specification.
- 2) Profitable opencast production that does not meet the specification.
- 3) Profitable opencast production of minor but increasing proportions that meets the specification.
- 4) Under-production of (1)
- 5) Over-production of (2)

The results of such a process are hypothesized in Figures 4.9-4.11,

Fig.4.9

HYPOTHETICAL MODEL TO MAXIMISE OPENCAST COAL INPUT AND PROFIT TO A PGI SPECIFICATION FOR 15000 TONNES			
	Excess Calorific Value	Lower Cost Coal	
Opencast	10000 tonnes at 29 GJ/t	£1.10-£1.20 GJ/tonne	
	Reject Ash at 8.4 per cent		
<u>PGI SPECIF.-----</u>	<u>15000 tonnes at 25.00 - 27.00 GJ/tonne</u>		
	Suitable Ash at 13.9 per cent		
Deep Mined	10000 tonnes at 26 GJ/t	£1.48-£1.50 GJ/tonne	
	Suitable Calorific Value	Profitable Coal	
<u>Most Profitable Vend</u> <u>10,000 tonnes Opencast + 5,000 tonnes Deep Mine</u>			
<u>Disregarding PGI</u>	<u>Gives a Calorific Value of 28.00 GJ/tonne and</u>		
<u>Specification</u>	<u>Ash Content of 9.6 per cent</u>		

Figure 4.10

HYPOTHETICAL MODEL TO MAXIMISE OPENCAST COAL INPUT AND PROFIT TO A PGI SPECIFICATION FOR 15000 TONNES			
	Excess Calorific Value	Lower Cost Coal	
Opencast	10000 tonnes at 29 GJ/t	£1.10-£1.20 GJ/tonne	
	Reject Ash at 8.4 per cent		
<u>PGI SPECIF.-----</u>	<u>15000 tonnes at 25.00 - 27.00 GJ/tonne</u>		
	Suitable Ash at 13.9 per cent		
Deep Mined	10000 tonnes at 26 GJ/t	£1.48-£1.50 GJ/tonne	
	Suitable Calorific Value	Profitable Coal	
<u>Most Suitable Vend</u> <u>5,000 tonnes Opencast + 10,000 tonnes Deep Mine</u>			
<u>for PGI</u>	<u>Gives a Calorific Value of 27.00 GJ/tonne and</u>		
<u>Specification</u>	<u>Ash Content of 12.4 per cent</u>		

Figure 4.11

HYPOTHETICAL MODEL TO MAXIMISE OPENCAST COAL INPUT AND PROFIT TO A PGI SPECIFICATION FOR 15000 TONNES		
	Excess Calorific Value	Lower Cost Coal
Opencast	10000 tonnes at 29 GJ/t	£1.10-£1.20 GJ/tonne
	Reject Ash at 8.4 per cent	
<u>PGI SPECIF.-----</u>	<u>15000 tonnes at 25.00 - 27.00 GJ/tonne</u>	
	Suitable Ash at 13.9 per cent	
Deep Mined	10000 tonnes at 26 GJ/t	£1.48-£1.50 GJ/tonne
	Suitable Calorific Value	Profitable Coal
<u>Most Profitable Vend</u> <u>8,000 tonnes Opencast + 7,000 tonnes Deep Mine</u> <u>Gives a Calorific Value of 27.50 GJ/tonne and</u> <u>Ash Content of 11.0 per cent</u>		

Figs. 4.9-4.11 are a hypothetical models of balancing a relationship between suitable coals from opencast and deep mine sectors to meet certain competing criteria assuming each sector has just mined 10,000 tonnes each, available for direct shipment to the power station. It verifies that opencast coal cannot be marketed to the PGI without being mixed/diluted with deep mined coal to meet the PGI specification. In this process British Coal maximise opencast output to the limits of the specification to maximise profit.

In Fig. 4.9, maximisation of the 10,000 tonnes opencast coal to maximise profits scenario falls down as it will be rejected by the PGI on the grounds that it fails to meet the specification. The tonnage

also may well incur penalties. Fig. 4.10 shows the most suitable tonnage to meet the PGI specification using the full 10,000 tonnes of deep mined coal. However, this is not the most profitable vend available that meets the specification; the most profitable vend available on a required tonnage/specification from the PGI is shown in Fig. 4.11. The model uses the figure from Table 4.35 and is weighted in favour of British Coal in terms of calorific value. Furthermore, the figures for moisture and sulphur content are taken as neutral and not included. Given that penalties would be incurred for the high average sulphur content of opencast coal the model is again weighted in British Coal's favour. From this we can indicate why British Coal use so much lower cost opencast and why the order could have been met by the vast majority of deep mined coal even without having the advantage of lower sulphur levels.

At all power stations, there are upper and lower limits and coals delivered must 'perform' within these limits. In the model North East deep mine output specification, as delivered, aligns with this 'internal' PGI specification adequately on its own. Opencast coals from the North East in the majority of cases do not: they are often too low in moisture and ash and too high in sulphur and calorific value. Precisely for this reason it would be inappropriate and unacceptable to the PGI for opencast coal output to be burned on its own. For opencast to be burned it has to be balanced or 'blended' down with deep mined coal. This is to bring it within the bottom end of the 'range' for moisture and ash content, where it is too low, and at the top end of the 'range' for sulphur and calorific value, where it is too high.

Ultimately, there is a limit to the input of these 'rich' opencast coals at which point the costs/profit graph takes a downward trend from the necessary blending with the higher cost deep mined coal; but kept within profitable margins. As a result, there comes a point where there is an optimum level of opencast and deep mine coal mix in each vend sent to market, not for reasons of quality so much as for reasons of cost. The maxim appears to be: maximisation of opencast balanced to the outer limits of the PGI specification with the remaining amount of deep mine coal related to the tonnage required.

Obviously, in the model the majority of deep mine coal could have adequately met the requirements of the PGI. This has been the claim of objectors at public inquiries. Yet the reality is that British Coal maximise their opencast production at the expense of deep mine output. Deep Mine 'disregard' is on the portion at the higher cost end. In this case it is 3,000 tonnes. Opencast 'disregard' is that output, which, because of high calorific value and low ash content cannot be accommodated in the final tonnage. In this case it represents 2,000 tonnes. But this 2,000 tonnes is not lost, it merely goes into the next order with the lower cost suitably aligned deep mine coal. We can only say under current accounting conditions our lower value deep mined 3,000 tonnes is stockpiled to await a suitable market, while our higher value opencast commands a premium in the market.

Expansion of profitable deep mine production reduces the necessity for the sourcing of inappropriate opencast coals to the PGI. Especially when that capacity, closely aligned to PGI specification, requires

little or no blending. Opencast coal, as British Coal have argued, may indeed beget wider profit margins than a small section of profitable deep mine capacity in the North East and this supports the bottom line profits of the industry. British Coal should then answer as to how much extra cost is accrued when opencast needs to be blended down by deep mine coal?. This we do not know. Ultimately, it would appear they would wish to produce as much opencast as the PGI market specification requirement would allow. Inevitably, this would be at the expense of profitable but higher cost capacity. Taking British Coal logic further, it would seem that in a contracting market this section of less profitable deep mine capacity would be 'capped', 'holding the market' for privatisation with maximised opencast coal, as in the Scottish case, may well happen.

Research by Berry (1985) and Hopper et al. (1988) found more than inconsistencies in the accounting procedures of British Coal. Explicit in their analysis are the charges of an ideological and materialistic financial accounting practices by the State and British Coal:

We suggest that financial management and accounting statements are mechanisms by which the state can unobtrusively manage the activities of the enterprise. We recognise, however, that the purpose and outcomes of this management may not result in a consistent strategy, except that of managing periodic crises (for which there may be an ideological and materialist explanation). We would suggest that our investigations of the NCB reinforce several recent arguments in the literature on the labour process, the State and the new middle classes.

Hopper et. al., 1987 Management and Worker Resistance in the National Coal Board: Financial Controls in the Labour Process, P.43, Occasional Paper No. 8512, UMIST.

Given British Coal's accounting methods opencast coals are needed as a lower cost source of production. But against the popular conception that they are needed to blend with poor quality deep mined coal the evidence suggests the opposite occurs in the majority of situations. Opencast requires North East deep mine coals to reduce the overall product down to the level of PGI specification. This accords with the low investment strategy for deep mines enough to keep them 'ticking over' feeding the opencast production till privatisation. Maintaining profitable deep mine production levels to feed the out of range but more profitable opencast coal, while maximising its output is a complex affair. British Coal don't really hide the fact that 'it is not that which is justified, but what the market will take in terms of 'supposedly' lower cost opencast coal' in the process of accumulation of capital towards the 'new era in coal'. To achieve this there is one other 'impediment' to which their endeavours are reluctantly subjected - the planning system and process.

vii Conclusion to Chapter Four

The level of opencast in North East England exceeded the psychological 4 million tonnes barrier for the first time in 1989 (Table 4.5). In an assessment of output, supplies and the market for those supplies serious discrepancies in supply and demand for coal in the North East have been found. Besides having an uncertain future, and despite a cumulative oversupply of some 10 million tonnes to 1994/95, some profitable deep mine production is being displaced by more profitable opencast output on a raft of spurious arguments over "customer preferences for opencast", . The truth of the matter lies in a more complex process formed out of a strategy involving inaccuracies over the technical use of coal and dubious accounting procedures in the maximisation of opencast to PGI markets.

Examination of the competing costs of opencast coal and deep mined coal produced evidence which casts serious doubt on the credibility of British Coal's strategy of expanding the proportion of opencast coal in its total output at the expense of the deep mines. As the average and incremental costs of opencast coal are now increasing with an increased share of total production the average and incremental costs of deep mined coal have been gradually decreasing. Because of the structural nature of these two coal industries the marginal cost of output from deep mines is now cheaper than the marginal cost of output from opencast mining (Table 4.13, Fig 4.3). While the gap is narrowing between average costs (Table 4.11, Fig 4.3), it will however remain a reason for British Coal to expand opencast's share of total production

and ignore the marginal costs of production in the respective sectors. In this way "every tonne of opencast produced would cost the nation £7.29 more than it need" (Brocklesby, 1990, para. 5.3). The only way for British Coal to stop the rise in costs of opencast coal output is to increase the scale of their operation. They are now going for larger sites as they do not have the same capacity as deep mines to maximise intensive use of their capital investment.

Serious doubts also remain over British Coal's accountancy procedures. Taken at face value, opencast is much cheaper than the most profitable pit in the North East and therefore ideally desirable for a doubling to 6 million tonnes per annum in the North East (Horsler, BCC, 1987). Commercial expediency dictates that expanding opencast output to this extent in a contracting market consigns even the most profitable deep mines to a restricted future. The future for deep mines is made worse from British Coal concentration upon opencast production of East Northumberland steam coals (Fig 4.1), away from rich West Durham coals, to compensate for the imbalances in rank and quality in coal blends, following deep mine closures, to meet PGI specifications.

The two privatisations of steel and electricity generation have brought the maximisation of opencast coal mining to its current strategic prominence, in proportion to both the deep mines and net expansion itself. British Coal have argued that the maximisation of low cost coal, a pseudonym for opencast coal, is necessary in the fight against imported coal, but British Coal in collusion with the private sector have themselves been party to importing coal. The compounded outcome

of this has been the marked reduction in 'deliveries' of coal from deep mines over the past decade and the consolidation of opencast output delivered to the PGI.

Looking at the two main power station markets we find that opencast coal deliveries to these have increased markedly during the 1980's. However, this increase was limited and aligned to PGI specification, the maximisation of opencast coal in the blend with deep mine coal. At Blyth opencast deliveries rose dramatically from 13 to 48 per cent in ten years from 1978/79. For a very revealing reason the level declined to a plateau of 37 per cent. The telling factor which was to lay the myths of opencast coal to rest came when the level of opencast output delivered to Blyth was reduced at the same time as the closure of three pits in Northumberland whose coal also went directly to Blyth. Because the quantity of opencast coal was closely related to the quality levels of the deep mine blend for Blyth, opencast coal had to be cut back when these pits closed as the blend would be too rich. The reduced amount of deep mined coal that replaced the coal from the three pits limited the need for opencast coal on Rank and quality grounds with opencast being so high in Calorific Value, Sulphur and low in Ash.

Further evidence of British Coal's strategy of maximising opencast output to the market specification comes from the Thameside PGI market. Here, deep mined production is losing the market to opencast coals in a similar process to that of the steel markets. The threat once more is from imported coal being used by the PGI as a 'bargaining counter' to force down the price of coal, and once more the response from British

Coal has been more opencast coal, but again limited by the PGI specification.

Reductions in deep mine tonnages have shadowed the decline in the Thames PGI market for coal. Opencast coal production to Thameside power stations however, was maximised to around 21 percent in the 1980's from a base of about 13 per cent, against a background of a declining market. What was satisfactory levels of opencast in 1986 were increased by another 5 per cent a year later. Maintenance of opencast levels of 20-21 per cent delivered to Thameside reflect both the maximisation of opencast coal in the blend as well as the limitations of the blend with that level of opencast coal in it allowed to meet the PGI specifications (Fig. 4.9-4.11). This has given British Coal greater opportunity to replace deep mine coal. Plenmellor site in West Northumberland remains an enigma.

The strategy of 'maximising efficiency and minimising cost' using opencast coal conceals the difficulty of maximising opencast coals of a high calorific value which cannot be burned without being part of a suitable blend, usually deep mined coals. British Coal Opencast Executive tend to ignore this, striving to achieve a 'bank of sites' as part of the assets in the run up to privatisation. Despite the favourable production cost factor, using coking coals for power generation brings added engineering complications which are in themselves an 'end-user' cost and a mis-use of scarce resources. Because of this, much profitable production will be sterilised in a contrived ideological process where national energy production is no

longer synonymous with producing energy within the public domain for the people of a nation but within the private framework of capital accumulation.

CHAPTER FIVE

ENVIRONMENTAL PLANNING AND STATE REGULATION OF OPENCAST COAL MINING

Part One - Power, Control and Planning

i The Political Context of Environmental Planning

The political context of planning and its relationship with the public has never been more important for its contribution to the future of society. Its critical content is exemplified by the crisis created by the State's determination to succeed in the accumulation of capital through the expansion of opencast mining and economic development in general. Increasing negation of local democratic processes by the State raises questions over inbuilt assumptions of 'democracy', of the exercise of power and 'control' over people, their environment and the planning process, including concepts of public participation (Damer and Hague 1971) and democratic elitism (Bachrach 1967).

As a mode of industrial development, opencast mining is subject to the operation of the planning system and the process of planning law. Preceding evidence (Chpts. 3 and 4) found that the purpose of financial regulation of the coal industry was to effect commercialisation and rationalisation, leaving only the most profitable production including opencast production to expand under the guidance of the State. Expansion of opencast mining is reconciled by 'market demand' and invoking the 'national interest' (Mineral Planning Guidance 3 [MPG3]) and continues to be achieved by the State regulating, where necessary, the supply of opencast coal through control of the planning system. The extent to which this is sustained and the effects upon the

public have been the subject of two surveys - one in North East England and the other in Scotland.

Increasingly critical in the development of opencast mining is the relationship between central government and local authorities and their interpretation of planning policy and law. In Scotland this has led to an accommodation, through planning gains and the loss of employment in deep mines, in the expansion of opencast mining and without public inquiries (Scottish Survey [S2]). By contrast and comparison, in North East England the State has been brought into a conflict situation since the middle of the 1980's, resulting in several public inquiries, because of the effect of opencast mining upon the public and their environment (Daisy Hills Survey [S1], [S2]). Broad opposition to opencast mining, policy and legislation has not been diminished by changes to Mineral Policy Guidelines tilting the balance in favour of opencast operators; expansion has taken place nevertheless, often through the Secretary of State overriding an Inspector's decision as in the case of Daisy Hills.

The State's policy is expressed through the Department of Environment White Papers, legislation, statutory instruments (S.I.'s), Mineral Policy Guidelines and Circulars which are intended to disseminate policy to the public. In doing so the Department of Environment assesses the 'expert' opinions of professional organisations, namely the Royal Town Planning Institute (RTPI), the Countryside Commission and pressure groups such as the Council for the Protection of Rural England (CPRE). The local authority interprets and enacts these policies to suit local needs. Planning applications are subject to these policies and the powers of

the local authority (Town and Country Planning Act 1971). Should an appeal be raised following a refusal of an application, a public inquiry, heard by Department of Environment Inspectors and overseen by the local authority, may take place under rules of procedural conduct and fairness (S.I.1974 No. 419; S.I.1974 No. 420). However, reduction of local authority powers by central government does not augur well for planning. Planners are increasingly restricted by government changes to merely achieving a balance between opencast expansion and conservation of the landscape. In doing so they may fail to reveal the full problems and potential of environmental planning [S1], and by doing so allow their work to be undertaken by other groups including quangos (Klosterman 1985).

Cloke (1987) has assessed environmental planning through the role of the State using four concepts.

- Pluralist - the state arbitrates independently of interest groups.
- Elitist - Some groups have more access to resources than others.
- Managerialist - Professionals act in the interests of the State as gatekeepers for law and policy making.
- Structuralist - Analysis of policy making, power structures and planning can only be viewed through the class structure.

Using the latter concept he argued that increasingly the State has chosen to accommodate the interests of capital by reducing the levels of democratic control at local level. Power has been increasingly removed from local authorities by shifting control of finance away from local control; greater central control of local activity and by shifting accountability away from local control to quangos and quasi governmental bodies. From this Cloke suggests that:

Planning action constitutes a search for consensus within prevailing arenas of power - a search which usually precludes any radical or progressive prescriptions

P.J. Cloke, 1987, Rural Planning Policy into Action, p. 222.

Cloke and Little (1990) finally believe the role of the State in environmental planning is to service the needs of global corporate capital in their drive for capital accumulation. At the same time, the State accommodates various interest groups in society to maintain power providing their activities do not hinder the main process of capital accumulation. In reality, the State perpetuates a myth of pluralism whilst operating an elitist model of government and policy making (Miliband 1982, Richards 1988). Increasingly therefore, the political system is maintained in a mode so as not to extend participation beyond current levels; the 'establishment' within the system coming from a narrow class base continue to suppress and divert pressure for change (Miliband *ibid.*).

Within this political context few planning schools relate land-use planning outside the realms of rational utilitarianism and the work of the systems school of planning (pace Keeble 1969, McLoughlin 1969, Chadwick 1971). Such a planning method had an eventual outcome which served the most powerful in society and failed to reveal social and environmental issues which impinged upon everyone (Hague 1985, Sillince 1986, [S1]). Planners often still appear to be 'trained as managers of decline or facilitators of change' in a situation where planning has been defined as the:

....art and science of ordering the use of land and the character and siting of buildings and communication routes so as to secure the maximum practical degree of economy, convenience and beauty.
Keeble, 1969, Principles and Practice of Town Planning, P.1.

In further criticisms of the rational utilitarian model of planning, the planning process is viewed as a 'sponge' acting in the interest of the state. Blowers (1980) argues the planning system absorbs conflict while the law restricts freedom and its attendant professionals exercise power in an unequal manner. Paris (1982) in turn sees this as a symptom of the unfolding crisis in capitalism; the future of planning lies in the struggles between social classes and the stark choice between authoritarian statism and socialism. However, Healey (1988, 1989, 1990) in a thorough analysis of the politics of the planning has provided both a critique of the past two epochs of planning and proposals for a radical revision of the planning system based upon European zone planning. Healey (1988) suggests that radical forces of both left and right brought the end of the post-war consensus society rejecting both the 'blueprint model of planning (1947-1970)' and the 'rational utilitarian model of planning (1970-1990)' formulated in Regional and County structure plans. In promoting 'citizen responsiveness' and 'environmental consciousness' Healey (et al. 1988, 1989) argues that the context and process of planning need to change, and this to a great extent is borne out by the results of both surveys [S1, S2]. Her identification of four deficiencies in the planning process are synonymous with the conflict in opencast mining development in the North East.

- Poor accountability
- Institutional dispersal of power across three government departments
- Central Government's increasing unfettered power
- Inequity and Inability of people to influence policy and challenge decisions

Following this she then examined 18 various proposals for the future,

including Mather (1988), Nuffield (1986) and RTPI (1986) and categorized them into four models based roughly on a right wing to left wing political spectrum:

- Market Criteria Dominant
[minimum rules for planning decisions]
- Hierarchy, Coordination and Broadly Based Interest Mediation
[heirarchical planning through market management and pluralism]
- Rights and Localism
[local pluralism and strong participation]
- Maximize Distributive Justice
[community control of policy initiated by the State]

Healey claimed that the contribution of the four models in alleviating the four deficiencies in the planning process were not wholly adequate. Despite the democratisation of the planning process, the rights of challenge for the individual and groups and the maintenance of policy principles, her penchant for Europeanisation of planning (Healey 1990) needs close examination in relation to opencast mining. It could be argued Strathclyde and Northumbria re-defined as 'zones' with opencast mining would mean little improvement in the burden of extraction without real political change in the regions (Hague 1985).

In an extremely useful contribution, the Town and Country Planning Association (TCPA) do provide guidance in the practice of planning aimed at ironing out inequalities in society. Seventeen articles were published on the theme of 'Planning for the Environmental Decade' (Hardy et al. 1990). Within this there were five themes of visibility for planning, sustainability of the environment, quality of life, equal planning for all social classes and populist participation. As part of this increasing debate over the role and purpose of the planning process the Nuffield Committee (Nuffield Foundation 1986) made several important

proposals underserving of the political categorization by Healey. Concisely, they proposed greater decentralisation of powers on social, economic and environmental issues to local authorities away from central government, and the introduction of an Annual White Paper on land and the environment to enable local bodies to coordinate their plans and decision-making with some consistency. Their proposals for conserving and managing the landscape have some significance for opencast mining as does the proposal for right of appeal by the public against the granting of planning permission. Both the TCPA and Nuffield approaches show a marked shift in thinking in the planning profession from the 1970's and 1980's towards more democracy in planning.

The Royal Town Planning Institute (RTPI) to its credit, having a coalition of members with variant views balanced with a need to maintain credibility with successive governments, appears to have gradually advanced its position towards that of Nuffield and TCPA (RTPI 1977, 1988). The RTPI takes up a positive position on government planning for the regions and regional government and greater democracy in planning. In that the proposals would affect opencast mining, they propose public inquiry procedures should be subject to major reform involving a more democratic multiphase approach. Equally important is the disapproval of past practice whereby the Secretary of State has overridden a Planning Inspector's decision following a public inquiry; the RTPI propose that if action is taken by the Secretary of State the decision should be subject to the approval of parliament.

Government intentions of removing impediments in planning contrast

sharply with the controlled approach of the RTPI. 'Lifting the Burden' (Cmnd 9571) is a White Paper presented to Parliament which sought to diminish development control to accommodate the spirit of free enterprise and capital accumulation. The Town and Country Planning Act 1971 defines development, including opencast mining as:

....the carrying out of building, engineering, mining or other operations in, on, over or under land, or the making of any material change in the use of buildings or other land.

Town and Country Planning Act 1971, section 22(1)

In keeping with this, but with the industrial economy in mind, the RTPI has 3 policy aims for the environment which are difficult to reconcile:

- To conserve and prevent waste and pollution of our natural and environmental resources.
- To increase production of food, fuel and timber.
- To provide opportunities for the physical, intellectual and emotional enrichment of people.

The political contrast between the views of the RTPI, TCPA and Nuffield and those expressed in the White Paper 'Lifting the Burden', serves to exemplify the current dilemma between a planning system essentially designed to service the public, and a government adapting it to accommodate the needs of capital. Expanding opencast mining development in this context has led inexorably to political conflict between the State and the public, especially south of the Scottish border. Brought more sharply into focus through the increasing exercise of 'ultimate sanction' by the Secretary of State, government policy changes and attitude to local authority decisions on opencast mining (Scotland excepted) are not unrelated to the changing political nature of local authorities and the findings of the Widdicombe Report (Cmnd 9797). In 1965, 50 per cent of local authorities were controlled by one political party or a coalition of parties, by 1985 political parties in overall

control of local authorities had risen to 85 per cent. In the majority of cases the decisions against opencast mining have been made by Labour controlled councils. Overall, polarization of control means decisions on opencast have often conflicted with government policy.

The sharpening of political intensity is reflected in relations between the parties and individual authorities, relations between councillors and officers, and relations between authorities and central government

Widdicombe Report, 1985, The Conduct of Local Authority Business (Cnmd 9797) para. 2.45

From the advent of 1985 New Strategy for Coal and the Widdicombe Report, planning for opencast mining development, and with it representative democracy, at local authority level has been circumvented either by policy guidelines, legislation or the Secretary of State's intervention. And judging by the Daisy Hills Survey [S1] the experience of public participation has been made impotent since the planning process became 'nested' in the neo-classical political framework of the Tory government involving:

intensive state control over every sphere of socio-economic life, combined with radical decline of the institutions of political democracy and with draconian and multiform curtailment of so-called "formal" liberties, whose reality is being discovered now they are going overboard. (my emphasis)

N. Poulantzas, 1978, State, Power, Socialism. P. 203.

Continuing evidence from the central and local government relationship confirms a loss of power at local level. And now the public appear even more marginal to the planning process from where it was once suggested that:

planning takes place against a background of unequal distribution of political and economic power. where 'political' issues and conflicts can be best solved by the elected politicians and their technical experts with mass involvement generally restricted to the act of voting.(sic)
Hague and McCourt, 1974, II,p.143-155

Clearly, Hague and MacCourt's concerns are over the political representatives forming the democratic elite, planning for the public. Schumpeter (1961), synthesized elitism and democracy (democratic elitism) so that democracy became a political method where, unlike a political philosophy, it had no overriding objectives or commitment to ideals but everything would be carried out "according to the rules of democratic procedure" (Becker, 1941 pp.26-27) through "government approved by the people" (representative democracy) rather than the ideal of "government by the people" (Schumpeter, 1961, p.246). Bachrach's critique of democratic elitism made it plain:

The importance to the theory of democratic elitism of interpreting narrowly the integral and key concept "political" cannot be over-emphasized..... then it is understandable that the principle of equality of power, long identified as an ideal of democracy, must give way to the more realistic principle of equality of opportunity to obtain a position of power.

P. Bachrach, 1967 The Theory of Democratic Elitism: A Critique P.97

Past experience of the planning process and the trappings of democratic elitism already minimise the meaning of politics and power and control for people at community level [S1]. Following recent decisions on opencast applications by the Secretary of State, Poulantzas' prophetic statement rings true; local government representatives are made politically impotent as democracy is defeated at the door of the government department.

Public participation has been a central feature of public inquiries into opencast mining with variations in activity. Skeffington Committee Report (1969) was one of the first to emphasized public participation

in planning. Much of it was still-born, despite various measures such as the appointment of a Community Development Officer to stimulate participation and the establishment of Community Councils and Forums bringing the local councillor under local control. When it came to enact the proposals (Circular 52/1972) participation became tokenism. Damer and Hague (1971) have been highly critical of the Skeffington Report and subsequent approaches to planning. They argue that even Skeffington served only the planner's interests, concealing an ideological stance aimed at defending professional prerogatives where planning is a means not an end. Far from educating the planners to the local public's view, Skeffington and subsequent approaches to planning have attempted to educate the public to the planner's view.

The response by Mineral Planning Authorities MPA's to the surge of opencast coal mining applications in Scotland and North East England in recent years has betrayed a difference between the two areas in planning philosophy. The conservative school believes that the planning process responds to the market and the state and that planners are mainly passive, accommodating initiatives from private developers with the state as an enabler removing impediments to the market. This approach, more closely tied with classical economics and the political theories of Schumpeter has found receptive conditions in the corporatist politics of planning for opencast mining in Scotland. The government in return have not indulged in introducing radical 'Circulars' in Scotland.

Given the experience of public inquiries it does not follow that MPA's in North East England are seen to be that much more democratic [S1],

despite the influence upon councillors' decisions of a more radical NUM bringing the debate over opencast into the open. Having gone 'public' by refusing so many applications, effectively dispatching them to the public sphere, the process of public inquiries still does not allow full participation in the planning process. Effectively, MPA's in the North East follow the democratic elitist model as the environmental policies were devised as a technical fix for the county by "elected representatives and their technical experts" (Hague and McCourt, 1974) to make a greener county attractive to new industries rather than planning with the public on the lines of the Skeffington Committee Report (HMSO 1969). Unlike Scotland, the opposition to opencast mining has resulted in the government bringing several radical 'Circular' and 'Advice Notes' to bear on MPA's in England and Wales

Nevertheless, Damer and Hague observe that:

What the game is all about is public relations for the planning profession. The purpose of public participation is to make life easier for the planners. Proposals for more effective participation in planning without more participation in political life and a consequent redistribution of power means participation in planning alone is meaningless.

S. Damer and C. Hague, Public Participation in Planning: A Review in Town Planning Review 1971, 42, P.217-232

This observation is reinforced by evidence from the survey of District Council MPA's in Scotland [S2]). Put simply: planners avoided the controversy of public inquiries wanting 'an easy life'. Ironically, in Scotland there is little evidence in opencast mining consents that planners have practised the philosophy of their elected representative the 1992 Chairman of the Scottish RTPI and leading exponent of the radical school, Cliff Hague (Edinburgh College of Art at Heriot-Watt

University). Despite combined action from interest groups, trade unions and local authorities in North East England, the level of participation at public inquiries has depended upon class and culture and the majority of the public have been marginal to the participation process. From the American experience of citizen planning Sherry Arnstein argues that:

...participation without redistribution of power is an empty and frustrating process for the powerless. It allows the power holders to claim that all sides were considered but makes it possible for only some of these to benefit. It maintains the status quo.
S. Arnstein, A Ladder of Citizen Participation; Journal of the American Institute of Planning, 129, July 1969. 216-224

Control of their environment has evaded the public, they have not known power in planning for it has always rested with 'elites'. What is even more disturbing is that even these 'elites' are being marginalised by the new political framework. 'Lifting the Burden' (Cmnd 9571) pointed the way for the government and Widdicombe (Cmnd 9797) gave the political reason for doing so. With government financial and policy restrictions weakening the power of local authorities a degree of authoritarian statism now prevails over a planning system in political crisis. Increasing willingness by the State to use legislation as a strategic instrument in controlling this process of change is shown by the regulation of the supply of coal through the planning system.

Table 5.1

CONTRASTING LEGISLATION IN SCOTLAND AND NORTH EAST ENGLAND						
S.I.975(1982) 3(4)/1984 23(28)/1987 Cmnd 9571 Cmnd 9797 MPG3						
Scotland	applied	applied	applied	applies	applies	<u>does not apply</u>
England	applied	applied	applied	applies	applies	applied

Source: Department of Environment, Scottish Office.

Concern over the relationship of the public to the planning processs and the contrasting attitudes to opencast expansion in Scotland from that in North East England led to two important surveys. The first survey [S1], known as the 'Daisy Hills Survey', entitled an Independent Survey of the Public's Knowledge of, and Attitude to Public Inquiries into Opwencast Mining was undertaken shortly before the Daisy Hills Public Inquiry (April 1987). It took the form of a 300 household postal survey and follow up unstructured interview. The second survey [S2], known as the 'Scottish Survey', entitled 'Opencast Coal Mining in Scotland: A brief survey of policy and approaches in District Councils' was undertaken in May 1989. It took the unusual form of a twin comparative postal survey to tease out the different approaches and attitudes of councillors and planners to opencast mining policy in Scotland.

There are clear conclusions arising from the two surveys with implications for the public, environmental planning and opencast mining. The main conclusions from the Daisy Hills survey [S1] are:

1. People felt marginal to the planning process, having little direct power and control over the decisions made about themselves and their environment.
2. People placed themselves, their community and environment well above the profitability of British Coal and national energy needs (referred to in both Circular 3/1984 and MPG3).
3. People believed that they themselves should control decisions on the environment in their community. A substantial percentage of people believed that they should have more and better information on planning procedures and practice concerning opencast coal mining.

The survey found people in the communities surrounding the site deeply affected by industrial and social change. Their responses reflect the continuing blight upon their lives from opencast mining and desire for

control, in the face of State policy regulation, of the planning system.

The Scottish Survey [S2] of District Councils, found the following factors which marginalise public participation in the planning process and accomodate the expansion of opencast coal mining in Scotland.

1. Economic communication of the practice of current legislation on opencast mining is given by planners to council members. Even when both council members and planners give substantial priority to the environment, Planners do not communicate or contemplate invoking refusals based upon Para.15 of Circular 23/87, because they accomodate British Coal's programme, or they believe, as do some council members, that they would lose the decision through the Secretary of State for Scotland. This has not been tested.
2. The main opposition to opencast in Scotland comes from residents who object to the impact upon their lives and to the timescale of the projects. Yet these concerns are not fully met by the planning process because the issues are avoided, not communicated for debate and subsumed beneath the 'technological imperatives of economic development and employment at any cost'.
3. The evidence suggests that Planners in Scotland appear to have little knowledge of the major issues in the application of planning law and opencast mining, preferring to service the financial needs of British Coal in the belief that the industry knows best.

Anticipating being overturned at a public inquiry does not give the MPA the right to deny the public recourse to a public inquiry. Overall, the evidence suggests that planners in Scotland may have neglected their public responsibility by not transmitting the necessary knowledge and information to the elected representatives on the planning committees for them to make informed decisions. If they had, some applications such as Coalburn and Francis, would have gone to public inquiry. One common theme from both surveys was that the aspirations of the public were pitted against the imperatives of British Coal, aided by State regulation and the accomodation of British Coal by MPA's in Scotland.

ii Planning Law and The State.

The relationship between people and land has been recognised as having important meanings across populations since earliest times. Equally, land has been an important source of political power for those who have secured ownership of land, increasing their wealth and control over those same populations. Consequently, political conflicts have been ever present and have continually induced changes in land-use affecting the condition of people and their relationship with the land (Berger 1978). Excesses of capitalism across the centuries, invoking the concept and practice of law, have destroyed that relationship, marginalising and incorporating people into new processes (Pace - Hunter 1976; Alivi & Shanin 1982). Despite this, it would appear these changes have never washed away the meaning of land for people and the importance of the freedoms they once enjoyed and lost (Richards 1983, Too often in the past the State has appeared to invoke the concept of law to act as defender of private rights. However, the State, even under duress, has upheld the public interest against private gain when intervening in the process of land, capital and labour relationships.

The use and meaning of law is important to which interest and for what purpose it serves, more especially now in the context of opencast mining where conflicts exist between private capital accumulation and the public's environment and amenity. It is within this arena the existence of planning legislation has an important bearing not only on the outcome of opencast development but in the balance of power between

the interests of capital and those of the public. Planning law has ensured some measure of reconciliation, recall and accountability between people, land-use and ownership. The most comprehensive is contained within the Town and Country Planning Act of 1971 (TCPA 1971) and TCPA (Scotland) 1972 where section 22 is of considerable importance in defining the undertaking of an operation or the making of a material change of use (Telling 1986). Following this the Town and Country Planning General Development Order 1977, (SI 1977 No 289) gave further control to the local planning authority over planning development. From the early 1980's however, the State has altered the balance of power between the public need and the interests of capital. It has achieved this by blending secondary planning policy and legislation with energy policy as part of a strategy towards the privatisation of the coal industry. Planning processes and procedures embedded in democratic elitism of local government have been utilized and circumvented, shifting control of opencast production away from the public domain.

As an industrial development, the opencast mining process is not only a physical intrusion upon the environment, the public and their amenity but also on the public's symbolic relationship with land. Starkly, not only are the features of the land transformed but in some cases the ownership and rights of access are transferred. The pattern and trend in the 1990's is for larger sites lasting for much longer periods than the average three years of a few years ago. Besides the disturbance from noise and dirt, the public are excluded from large tracts of land for longer periods.

This was made apparent at the Rosehills public inquiry when even British Coal managers were 'touched' by the testimony of an unemployed man, Mr. Kenny Barker, whose only pleasure in life was 'walking the dog' around the proposed site. In the same context, British Coal and private operators would argue that the shifting pattern and changes in land use and ownership is a centuries-old process and the changes they make are only temporary. Furthermore, compensations by way of land improvement is often made possible by opencast coal mining operations restoring 'pitfallen' sites (British Coal submission No.52., Daisy Hills Public Inquiry 1986 [Fig. 5.1]). Yet, such simple conflict of need and economic interest masks a wider policy issue which the State has sought to overcome. The remit of planning legislation and procedures is limited to the relationship of land-use and people. Capital accumulation related to the benefit of a company are not a legitimate nor legal planning consideration, however much British Coal would wish them to be so. This fact was reinforced by a letter from the Department of Environment to the Association of County Councils which said

A company's profitability is not a relevant planning consideration

Dept. of Environment, Letter to the Association of County Councils, 30th September 1988

Since the State changed the reason for development, from one of a production supplement to capital accumulation, opencast mining therefore has become both an enigma and a contradiction to the norms and ideals of the planning process. Put in simple planning terms, the priority of planning is the conservation and best use of land for

people, while the priority of opencast operators is maximisation of profit. From this contradiction, ensuing conflicts have been channelled through the public inquiry process in a climate of legal change.

Any approach to planning law involves morality and justice and a sense of both has been central to debates about opencast mining in recent times. The idea of 'natural law' carries with it an underlying objective morality supported by an acceptance that the State which made the law carries moral authority. For many people justice is a consensus derived in the democratic processes of balancing public interests with private rights (McAuslan 1980). For others justice serves the interest of the dominant class of the day (Fryer et al. 1981). Planners are generally conservative, and take a positivist approach to law as an institution in itself with its own rules and methods of enforcement. However, recent creations of the legislators regarding opencast mining have engendered strong opposition arguing that the government have devised Circulars which have moved the balance in favour of opencast operators. For example, Chief Planners Offord of Northumberland County Council (NCC) and Hardy of Durham County Council (DCC) have publicly claimed bias in policy guide-lines in favour of opencast operators. Because of the increase in ad hoc legal and policy impositions to cope with the strength of opposition south of the border, the State has not been consistent with planning law between Scotland, and England and Wales. And there is evidence to suggest that the phraseology in the Circulars is similar to that in the proofs of evidence of British Coal at public inquiries (Pace - MPG3 and New

Strategy for Coal 1985). This gives the appearance that the purpose of the Circulars are for planning law to facilitate the political and ideological aims of the State and British Coal. However, what should prevail is a situation where:

The law exists to and should be used to advance the cause of public participation against both the orthodox public administration and planning approach to the public interest and the common law approach to the overriding importance of private property.

McAuslan, P. (1980) The Ideologies of Planning Law, Pergamon, Oxford, P.2

With little evidence of legislation empowering public participation and control over planning matters since the return to power of the Conservative government. With a concerted shift towards authoritarian statism (Poulantzas 1978) a more accurate reflection the process of planning law and public inquiries perhaps is observed by Fryer et al. as the 'triumph of bourgeois jurisprudence' where:

The focus is on the manner in which the law and the legal institutions reflect the interests of the dominant class and how those institutions are changed as a new social class gradually replaces its predecessor.

Fryer et al., 1981 Law, Capital and Class, P.ix

Fryer sees the changes in the relationship of people and land as directly related to the needs of capital. The extent to which planning law balances the demands of private interests and public needs is dependent upon the State, and the rigour of the MPA's Structure Plan. The approaches of the present government can be characterised by the short term flexible response to opencast mining to counter opposition in North East England using secondary legislation to facilitate political and ideological objectives. Opposition and challenges to the expansion of opencast mining on the scale of that in North East England

are nonexistent in Scotland. Consequently, the State has seen fit not to undertake any of the radical changes in planning law and procedure over opencast mining that occurred south of the border. Such political action, as shall be revealed, leaves disparities in planning law, policy guidance and control over opencast mining between Scottish and English Mineral Planning Authorities (MPA's) where previously there were none. Consequently, the platitudes from British Coal and the State regarding the market preference for opencast coal ring hollow when that market is related to secondary planning legislation and policy guidance contrived in favour of opencast production and supply. Changing the planning process in that manner has a tendency to undermine a sense of justice and morality and with it what little participation that does exist.

iii Secondary Legislation - State Regulation of

Opencast Coal Mining Production

Until 1979, the use of legislation, both primary and secondary, in relation to opencast mining was applied in an objective and uncontroversial manner. Being fairly representative of the State's post war approach, the history of the legislation almost parallels the development of mining since nationalisation. Legislation was applied in consistent and similar form to Scotland as in England and Wales, despite the fact that the process of land use and land law in Scotland departs in some respects from that south of the border. From the early 1980's however, this consensus ceased. The financial regulation of coal arising from the 1976 IMF impositions (Chpt.2.) and the 1985 New Strategy for Coal, the reduction of political control of local authorities following The White Paper 'Lifting the Burden' (Cmnd 9571) and the 'Widdicombe Report' (Cmnd 9797) was paralleled by the selective introduction and operation of secondary policy legislation in the planning system; in plain terms - State regulation.

Much of the 'disparities' in planning law and control that now exist between England and Scotland have been induced through the use of 'Circulars' by the State as a swift and reactive response over challenges to opencast development. 'Circulars' are a means of exercising control over the use of powers by local authorities distributed in the form of duplicated advice letters from the appropriate government department. They are in the case of opencast mining policy statements, the fact that they are not, strictly

speaking, legally binding does not mean they do not have legal implications. Any statement in a Circular which indicates the manner in which the law should be applied will be taken by the courts as a matter of law (Young 1978, Harte 1985,). In the context of opencast coal mining, 'Circulars', having been treated as legislation rather than guidance are regarded as a mis-use of power, and as such, are not always welcome.

Whereas ordinary legislation, by passing through both Houses of Parliament or, at least, lying on the table of both Houses is thus twiced blessed, this type of so-called legislation is at least four times cursed. First it has seen neither House of Parliament; secondly it is unpublished and is inaccessible ; thirdly it is a jumble of provisions, legislative, administrative or directive in character; fourthly, it is expressed not in the precise language of an Act of Parliament or an Order in Council but in the more colloquial language of correspondence.

Patchett v Leatham(1949) 65 T.L.R. 69 at P.70.

In stark contrast to years previous, the 1980's have witnessed a political change from consistent and complementary planning law that had existed between Scotland and England/Wales, even though their legal processes are different, to one that provides for contradictions and inconsistencies in approaches in planning for opencast mining. Put simply, much of this arises from conflict which is the product of strong and sustained challenges in North East England upon the logic of the State and British Coal's objectives to maximise opencast coal production as part of the agenda to privatise the coal industry.

It is widely known that Scotland has its own legal system. Therefore an understanding of the making of planning law and especially the operation of this within the planning system is important for our purposes. While Scotland utilizes the British Parliament with the rest

of the United Kingdom, in most instances separate legislation and Circulars are prescribed and laid down for Scotland. Special legislative arrangements on matters of principle are dealt with by the Scottish Grand Committee, with matters of detail debated in the Scottish Standing Committee in the House of Commons. The Scottish Office, with powers residing with the Secretary of State for Scotland, is the operational centre of government; based in Edinburgh, it has five departments. For our purposes, the major ones are the Economic Planning Department (EPD), responsible for the transmission of electricity, but significantly not for coal production; the Department of Agriculture, Fisheries and Food (DAFFS) and the Scottish Development Department (SDD) which is responsible for planning and planning law; its counterpart in England is the Department of Environment. Important in terms of decision-making on planning committees, the Mineral Planning Authorities (MPA) in Scotland, unlike England, are at District Council level. The exception to this are the lower density areas of Dumfries and Galloway, Borders and Highland where the regional councils are both MPA's and strategic planning bodies. The Local Government (Scotland) Act 1973 created these and six other regions together with fifty three district councils, and six island councils as self contained authorities. Of these, twenty two Scottish district councils and two self contained regional councils had a record of opencast mining at the end of 1989 (Scottish Survey [S2]).

Most coal reserves were, as 'property', vested in the National Coal Board under the Coal Industry Nationalisation Act 1946 after they were

first acquired by the State under the 1938 Coal Act. From 1947 until 1984 the Secretary of State for Energy controlled opencast developments with the newly formed Opencast Executive of the National Coal Board(NCB). Only the private sector applications were controlled by the local planning authorities. This came from one of the most important pieces of legislation the 1958 Opencast Coal Act which restricted the size and output of these sites. Private operators, under license from the NCB, were able to produce and sell coal in return for a 'tonnage royalty'. Importantly also, the Opencast Coal Mines Act also gave powers to:

- i Planning Authorities as a statutory objector and formalised the process whereby any opencast proposal had to be presented to the local planning authority.
- ii The Ministry of Agriculture, Fisheries and Food (MAFF) in England and Department of Agriculture, Fisheries and Food (DAFF) in Scotland as a statutory authority to supervise the removal and aftercare processes of the land in opencast mining.
- iii Planning Authorities to effectively safeguard the environment and amenity value of the land to the public by the:

need to take into account the effects of the proposals on the natural beauty of the countryside, of any such flora, farms, features, buildings or objects of agricultural or historic interest.

Opencast Coal Act 1958, Section 3(1)

But what the 1958 Act did not do was divest control of decisions about appeals in public inquiries from the same department that controlled the production of coal - the Department of Energy. This situation of the land-use planning and coal production aspects of opencast mining being controlled by one department engendered suspicions of bias.

A more objective assessment would be that the situation was an

organisational hangover from a wartime necessity to increase coal production. It was not until 1981 that we saw the first change ostensibly towards decentralised control mineral planning. The TCPA (Minerals) Act 1981 provided the formal title of 'Mineral Planning Authority' (MPA) together with other provisions to the TCPA 1971. These empowered councils with the monitoring of sites (section 264), prohibition of working and restoration of sites (section 51A), and detailed aftercare conditions (section 30A). Continuing concern for the environment and control over opencast mining also yielded a Royal Commission on Energy and the Environment (CENE), commonly known as the Flowers Commission after its chairman. In its report it recommended the transfer of control over mineral planning decisions to county (England) and district (Scotland) councils with final responsibility lying with the Secretary of State for the Environment. This independent body's report was commissioned by the government and such is its influence throughout the country that it has been quoted at length in public inquiries, not least its most telling observation:

....even if the greatest care is taken in both extraction of opencast coal and the subsequent restoration of the land opencast mining has a severe impact on the environment in both the short and long term.

The report also recognised a very real relationship between the extent of opencast mining output and future deep mine production:

We strongly recommend that as older, more unprofitable and less environmentally acceptable deep mines are closed and more efficient and profitable operations take their place, the volume of opencast mining should be allowed to decline. In the meantime there should be no increase in the target of 15 million tonnes per year.

Coal and the Environment CENE (The Flowers Report), Paragraph 22-73, 8-9, July 1981, Department of Environment.

Guidelines set out by the Flowers report made specific reference to 'a demonstratable need for certain grades of coal', 'the avoidance of sterilisation by other development' and the justification of the 'need to fulfill short term increases in demand'. While adoption of these issues into 'Circulars' would shift greater control of opencast mining to the MPA's, it was also to bring the operation of the planning system into conflict with British Coal's policy to expand opencast production.

The first political response to the Flowers report came from the government in the form of a White Paper. It rejected any 'interference in the market for coal'

The Government judge that the most important contribution they can make at the present time is through removing obstacles to the free operation of market forces.

Where the:

....appropriate level of opencasting should be determined by the market.....(and) for the NCB to decide the level of output which they wish to aim for....

Coal and the Environment, The Government's Response to the CENE Report, Para.7 and Para.74, (Cmnd 8877), May 1983.

Governmental haste to redress the political balance has meant that the White Paper never appeared in final legislative form as an Act of Parliament. Instead the government resorted to a more authoritarian attempt at regulating opencast coal supply by producing Circular (3/1984) and Circular (4/1984) (Scotland). These Circulars were said to be of a 'transitional' nature until the appropriate Act came into force. In fact they were in any event a government test bed of public opinion and the objectors' social networks. Several public inquiries involving intrigue and acrimony in the North East compelled the government to respond by redressing the balance in favour of British

Coal through the production of further 'Circulars'. The introduction of this new secondary legislation by the Secretary of State for the Environment was not complementary to or consistent with past practice. In England Circular (3/1984) was amended by Circular (28/1987) but subsequently withdrawn and replaced completely by a 'suitable alternative' - Mineral Planning Guidance Note 3 (MPG3) which will be expanded upon shortly.

Most significantly, past practice of installing complementary legislation in Scotland was ignored. Circular (4/1984) followed its English counterpart with the complementary Circular (23/1987) [(28/1987) (England)]. That was as far as the process went. On the one hand, Planners are still waiting for a similar MPG in Scotland to replace Circular(4/1984) to afford them continuity and consistency in their deliberations over opencast mining. The State's silence on the matter can be likened to a Sunday morning in Ardnamurchan! On the other hand control of the operation of the planning system in Scotland is not needed as there are few impediments to opencast production (Scottish Survey [S2]).

Circulars (3/1984) and (4/1984)(Scotland) confirmed the new position of the government as exemplified in the White Paper 1983 (Cmnd 8877); their terms of reference were at first sight uncontroversial:

This Circular explains the transitional arrangements for determining opencast coal applications made by the National Coal Board (NCB) which are to be introduced on the 1st March 1984. The Circular also provides guidance to planning authorities and the industry on the issues they should consider in drawing up opencast policies and programmes, and in handling particular cases whether submitted by the

NCB or the licensed operators.

Circulars (3/1984) Dept. of Environment and (4/1984), SDD, Paras.1

Yet the content of the document proved otherwise, most especially in the North East. Paragraphs 5 and 15 became the most contentious paragraphs in these Circulars at public inquiries

Where the NCB wish to work a site they will be expected to consult all interested parties..... before submitting a planning application to the planning authority in the normal way.....supported by such details as the planning authority would normally require of any mineral applicant. These would include the need for the coal, an estimate of annual production, details of any other minerals to be worked, a programme for working and restoring the site, and the necessary environmental safeguards.(my emphasis)

Circulars(3/1984), Dept of Environment and (4/1984), SDD, Paras.5

This taken together with paragraph 15 which talked of the 'market requirement', was meant to incorporate what essentially was market regulation of the supply of opencast coal into the planning system. It even managed to co-ordinate polemic from British Coal's proofs of evidence and press statements into the beginning of the paragraph. Cost, as we have been reminded, is not a planning consideration.

Opencast coal is an important national resource which can often be produced cheaply and profitably..... But as the White Paper made clear, the Government see no case for continuing to endorse a target for opencast output. Each project should therefore be considered in terms of the market requirement for its planned output, (taking into account the alternative sources of supply, including deep mine coal).

Circulars(3/1984), Dept of Environment and (4/1984), SDD, Paras.15

At public inquiries, paragraphs 5 and 15 formed the focal point over which the 'objectors' developed their case against opencast mining in North East England. Corporatism in Scotland has seen that this type of contest remains distant from the doors of MPA's and British Coal north of the border. However, the reaction of the State to the continued

assertive challenge to opencast in North East England to Circulars (1984) was the production, in May 1988, of a new Guidance Note MPG3 for England and Wales.

Circular 23/1987 (Scotland) set its terms of reference in a similar manner to Circular (28/1987) in England and Wales. What was irregular about these changes was that they were brought in on the back of legislation unrelated to opencast mining. The logic of the State's reasoning for bringing the opencast coal industry within the operation of the planning system partly lay with the successful private sector 'sand and gravel business' which also operates within the planning system. The 'Circulars':

explain the effect of provisions in the Housing and Planning Act 1986, which were brought into force on 11th December 1987 by the Housing and Planning Act 1986 and (commencement No.9) Order 1987 (SI 1987/1939), to amend the Opencast Coal Act 1958 and complete arrangements for bringing British Coal within the normal planning system. Circular 23/1987 Scottish Development Department (SDD), para.1

It also went on to explain in paragraph 4. the consequential changes made necessary by the 1986 Housing and Planning Act regarding 'Compulsory Rights and Rights of Way'. As in England these are now embodied in the Opencast Coal(Authorisation and Compulsory Rights of Way)(Forms) Regulations 1987 (SI 1987/1915). What is not immediately obvious from the terms of reference was the cancellation and retention of paragraphs in Circular (4/1984).

this Circular amends 4/1984 to the extent that paragraphs 1 to 13 and 21 to 23 of that Circular are hereby cancelled. Circular 23/1987, SDD, Para.6.

Paragraph 5. concerning 'the need for coal' was even regarded as too

contentious for Scotland and was therefore cancelled. However, Trevor Whittle, senior planner in the Scottish Office, believed that this was adequately catered for in paragraph 16., when, "assessing 'the need for coal'..... proposals should be examined against (certain) considerations". In effect, from a Scottish planning law viewpoint there was no material or significant change because together with paragraph 15:

Paragraphs 14 to 20 of Circular on the exercise of planning over opencast operations remain in force. The issuing of further guidance on opencast coal working is being considered. Circular (23/1987), SDD, Para.6.

Then, south of the border, MPG3 became the State's key instrument in the operation of the planning system to accomodate the expansion of opencast coal supply. Critically, we now had a situation where opencast coal mining in Britain was being assessed under two different and incompatible pieces of secondary legislation to ensure one single political outcome. Planners in the North East were asked under the 'Guidelines' of MPG3 to examine a whole series of 'National Policy Considerations' which talk of 'the national interest', 'the lower resource cost of opencast coal' and the financial health of British Coal. Whilst in Scotland, they still operated under the different agenda of Circulars(4/1984) and (23/1987), where opencast operators were still required to prove a 'need' and the market requirement for the coal; and most definitely not under 'national policy considerations' or in the 'national interest'.

The inherent bias of MPG3 means that it dis-arms the ability by planners to call for justification of need for the coal in the site

upon application by British Coal. Starkly, the guidelines 'discard' 'the need for coal' concept, creating a new agenda almost alien to planning. The general tenor of the document is prescriptive in its attempt to change land-use planning into economic planning, accommodating the cost and market priorities of opencast operators:

The Government's role in relation to energy supply is therefore to help create the conditions necessary for the free operation of the market.

MPG3, Opencast Coal Mining, Dept of Environment, May 1988, Para.4.

Then again we are told for what purpose:

... because opencast coal is one of the cheapest forms of energy available to this country, it is in the national interest to maximise production where that can be done in an environmentally acceptable way.

MPG3, para. 5.

Furthermore,

the mineral planning authority should consider any material arguments which might outweigh the objections to the proposed development.....such as the low resource cost of the coal.

MPG3, para. 10.

Again, elevating opencast coal beyond the public domain, invoking the 'national interest' it states:

there is a strong case in the national interest for allowing these resources to be developed unless there are overriding environmental considerations.

MPG3, para. 6.

Previously 'the mineral applicant' was under obligation to prove the 'need for the coal'. Now policy decrees that the 'need' for the coal is axiomatic. De facto, the document transfers part of that previous planning process to the industry. By doing so, it diminishes any contest over the 'need' for the coal in a site and attempts to re-distribute power and control over the operation of the industry further away from the public domain.

It is for the industry to make commercial decisions about the sites they wish to work and the level of output they wish to aim for in any period in the light of market conditions
MPG3, para. 7.

Planners therefore, under the 'national policy considerations' of MPG3, (para.28), have to take into account the 'material arguments' of 'the low resource cost of the coal' (para. 10). The document then suggests, and no doubt the intention was, that MPA's are denied the right to refuse an application on economic grounds because:

Reasons for refusal must always be based on sound environmental considerations or other planning grounds.
MPG3, para. 11.(my emphasis)

Planners in Scotland, although not contending with MPG3, have made their thoughts on that document very clear in writing:

I've read through your copy and I feel it is stacked in favour of the coal industry. It alarms me a bit, that there is no apparent difference between the guidance for British Coal and the private sector. This suggests to me that either a sell off of British Coal Opencast, or a very big liberalisation of the licencing controls, is on the way.

My concern is that MPG3 weakens a lot of planning control matters..... I can't think of any legislation(in Scotland) which refers to National Energy considerations.

Letter, 20th June 1988, from Jim Henry, Geologist/Planner, Lothian Regional Council, to Jim Ellison

From this statement the legitimacy of MPG3 is be brought into question especially when:

Mineral planning authorities will need to have regard to all material considerations when determining applications including the national policy considerations outlined above.
MPG3, para. 28.

'National policy considerations' on opencast mining, by any meaning of the phrase from the State, encompass opencast mining in Scotland. Thus MPA's in the North East are asked to have regard to the opencast output

in Scotland as well as the rest of Britain. But how can that be when Scottish opencast output is supplied and considered under very different secondary legislation? MPG3 is not valid in Scotland and, therefore it cannot take into account opencast production north of the border. The 'national policy considerations' embodied in MPG3 are a misnomer and valid only in England and Wales. MPA's cannot have regard to 'national policy considerations' when opencast applications are being considered by differing approaches to planning. And, more importantly, determined by conflicting and contradictory legislation in a different country and region. Therefore I would suggest, that the validity of the whole document is in doubt, a great attempt at regulation of supply though it is.

The State has sought to accommodate the financial ambitions of British Coal as detailed in the 1985 New Strategy for Coal not only by financial regulation but through the operation of the planning system. It is precisely because of the relationship between opencast production, the planning system and the financial directives of government upon British Coal that we come to understand a prescriptive policy exists for the coal industry.

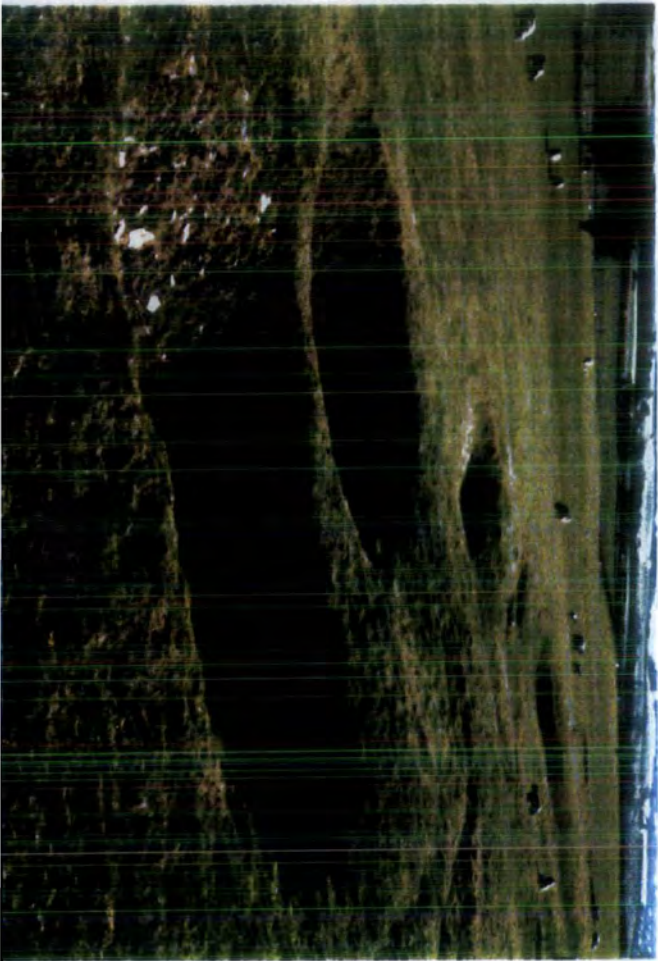
But the most significant and telling reaction from government to opencast coal mining has been in their willingness to regulate the operation of the planning system in response to the contrasting political attitudes in Scotland and North East England so as to meet an ideological imperative of maximising opencast production. Allied to this, in the North East, a policy was developed to meet the imperative

of maximising opencast revenue to the output limits that the market specification requirement will allow. And in Scotland, besides holding the markets, whilst investment is hibernated in three pits, opencast output has been maximised to the output limits of the market for Scottish coal. In the Scottish case the State has seen no reason to alter legislation with opencast production virtually unimpeded. Opencast expansion in Scotland, as we shall make plain, comes as much from internal manipulation of the planning system as accomodation from the corporate body politic towards the production of opencast coal.

These dissimilar processes have one common aim and result for the State and British Coal. By adapting legislation to the demands of regional situations it clearly suggests that planning law is being utilized in the interests of the State's objectives for the coal industry and private capital. Yet there are contradictions arising from and within the current legislation in Scotland and North East England that should give cause for concern to both opponents and proponents of opencast and 'authoritarian statism'. It is to these contrasting and different situations we now turn, following both Surveys [S1, S2] and through the public inquiries to the effect of opencast mining upon the public.

FIGURE 5.1 DAISY HILLS OPENCAST SITE AREAS OF PITFALLEN LAND

O.S. 3000 - LOOKING SOUTH



Part Two Opencast Mining, Public Interest and Private Gain:

Contrasting Processes in Scotland and North East England

i The Political Context of Opencast Coal and Environmental Policy

As the surveys [S1, S2] indicated, the public interest is not always served when negotiation and consultation is contained at a 'professional' level between Mineral Planning Authorities, district councils and opencast operators. However, so great is the State's intention to ensure private accumulation by regulating the supply of opencast coal through the operation of the planning system, the alternatives for the public are indeed limited and dependent upon local authorities acting in their interest. In Scotland the outcomes from a corporatist approach to opencast mining have been somewhat different to those of the conflict approach in North East England. Arguably, the public interest has been bartered for private gain in Scotland, by comparison, south of the border the public interest has, to a great extent, been overridden by the hand of the State. Human and environmental problems resulting from the impacts of these two different situations are, nevertheless, fundamentally similar. British Coal consciously minimise the effects of opencast mining on peoples lives and the environment, yet they would not dispute that as an extractive industry it does exact a toll on the environment and people alike. Scotland excepted, it is for these and other political reasons that many opencast applications are taken beyond the refusal/consent stage to public inquiries.

Public Inquiries provide an opportunity to the public to express opinions on the proposed development in the context of a legally regulated procedure. This level of public participation is meant to be an essential part of the public inquiry process. However, there are indications that in determining the amount of influence exerted upon the proceedings of a public inquiry some people are as much marginalised by their class as by the political nature of the inquiry process, "ensuring only the powerful benefit" (Arnstein 1969). Despite its limitations, the public inquiry process is the most democratic forum available for people to exercise some constraint over opencast development other than through the ballot box. In Scotland people's concerns over opencast mining have only rarely been allowed to proceed to the level of a public inquiry [S2]. Of course, the extent of participation in the planning process will also vary from region to region and council to council, but that does not wholly account for the stark contrast in approaches to opencast applications between Scotland and North East England.

North East mineral planning authorities (MPA's) have found it difficult to comply with the State's endeavours to create the conditions for the free operation of the market and defend the public and environmental interest. Restrictions upon the power and control of MPA's are clearly laid out in MPG3, regulating opencast output "for the industry to make commercial decisions about the sites they wish to work and the level of output for which they wish to aim" (Para. 7). "There is always a presumption in favour of development" (Para. 9) but British Coal do have a duty to have regard to the preservation of amenity when formulating proposals for opencast working (Housing and Planning Act

1986, Schedule 8.1). Although not stated this makes it incumbent for both bodies to arrive at Section 52 agreements on planning gains (1971 TCPA, Circular 22/83). However, "opencast coal extraction need not be incompatible with Green Belt objectives" (Para. 17) and "the fact that a site lies in a National Park is not sufficient reason in itself for rejecting the proposal" (Para. 13). However, any proposed intrusion upon such environments cannot discount Circular 4/76 where MPA's undertake a rigorous assessment to determine the need for the proposed development and whether it could be justified in the public interest (Hansard, H.C., 9th April 1987, Cols 393, 394). A process of further regulation occurs from the State tightening the relationship between MPG3 and its method in acceptance of development plans, moving control further away from local authorities to the opencast industry (Para. 19). Where long term programmes (for opencasting) have been agreed between industry and local authorities "the Secretary of State will have regard to them in approving development plans and deciding opencast appeals" (Para. 22). The process is reinforced by the Planning and Compensation Act 1991 which redefined the purpose of the development plan in making decisions on opencast mining. Allied with Circular 14/91 stating "the plan should be followed unless the weight of other considerations tell against it", makes it almost obligatory for local authorities to give beneficial treatment to opencast programmes in their development plan. This process regulates the development of opencast in favour of the industry and against the public and environmental interest by giving more weight to opencast development programmes in development plans than ever before.

However British Coal have recognised the need to calm the rising environmental concerns and impact on the quality of life in local communities affected by opencast mining. In their "Framework Policy on the Environment" (British Coal Jan. 1991) they mark out a framework of environmental policies and objectives to balance the need to achieve its business aims and those of the public concern and interest using Environmental Assessments (E.A.). Using E.A. is not a concession; Circular 15/88 following E.C. Directive 85/337 demands that in most situations an E.A. should be undertaken anyway.

In the North East, Northumberland County Council (NCC) following over 40 years of continued opencast activity have renewed their Structure Plan. Summary Policy C4 mirrors those concerns stating that mineral workings will be determined in the light of certain criteria:

- # the need for the mineral.
- # the employment prospects.
- # the effect on agriculture.
- # the impact on the landscape
- # the effect on features of archaeological, architectural, historic or natural interest.
- # transport considerations.
- # the effect on residents and local communities.
- # the cumulative effect on the environment and the local community.

The operational focus in the North East is shifting to North East Northumberland to accommodate PGI specifications and because south of the River Coquet, where there is a presumption in favour of opencast mining, there are few sites available for extraction. With their Coast Management Plan and Landscape Enhancement and Forestry (LEAF) Programme supporting the policies laid out in the Structure Plan placing the emphasis upon people and their environment and history (NCC, Planning

for the Past 1991) the stage is set for more conflict in Northumberland. The Countryside Commission designated the coastline from Cresswell northwards as a 'Heritage Coast' and places an obligation on NCC to conserve for the enjoyment of the public. However, British Coal have already extracted and prospected behind Druridge Bay (Fig. 4.4) and in Areas of Outstanding Natural Beauty (AONB) at Plenmeller (Fig 5.2). As we know they are also prospecting in the Allerdene and Unthank areas south of Berwick (Fig. 4.1). For the Countryside Commission the record of British Coal in the past has not been a good one:

Since December 1985 the Commission has been consulted on five applications. All comments have been copied to the NCB, but unfortunately there is no indication that any of our comments are being taken into account. Indeed, instead of improving the situation has become worse. We are now concerned that the NCB are not taking adequate measures to minimise environmental effects of new opencast mines.

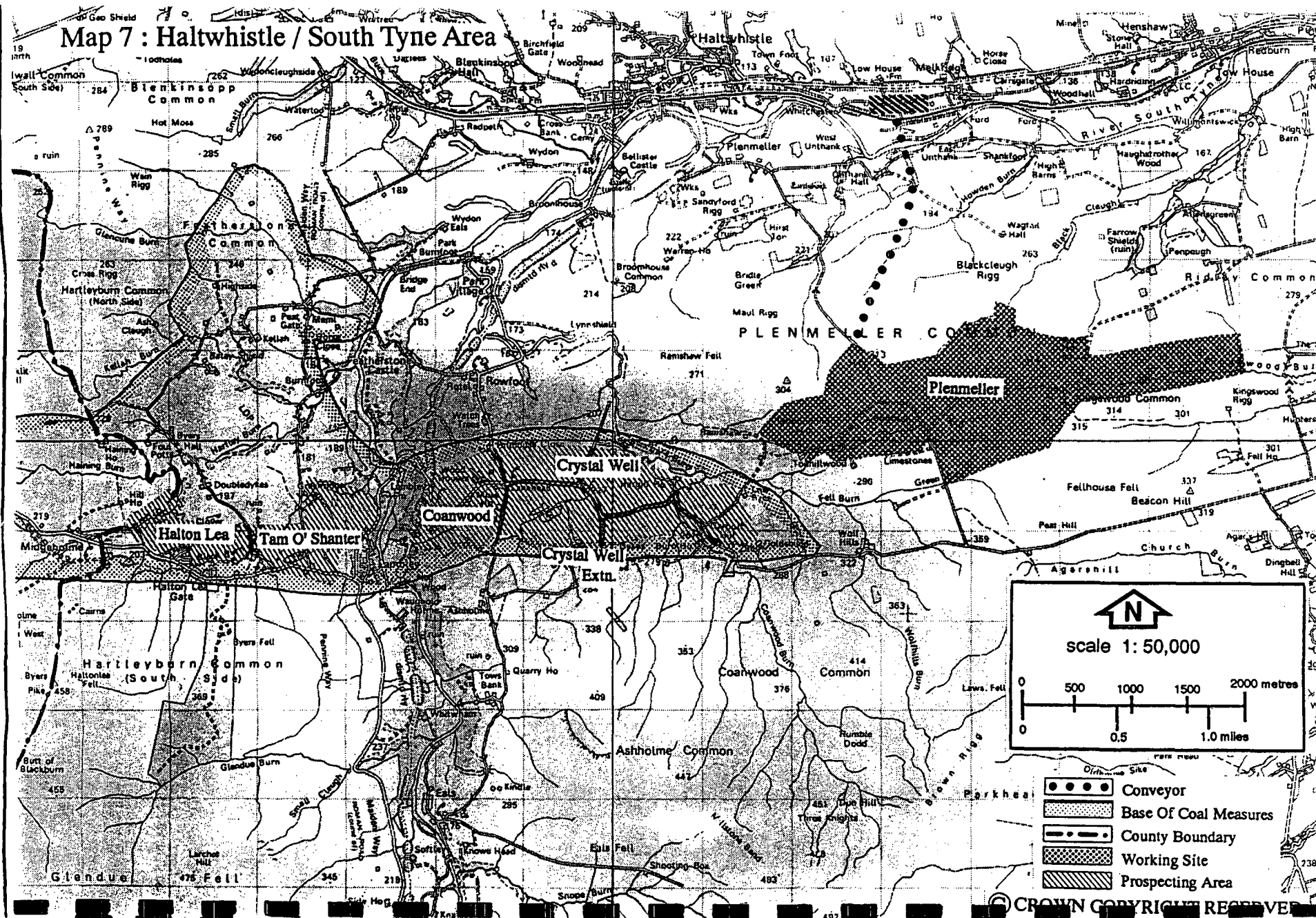
Caroline Brewster, Countryside Commission, to Mr.T. Vitagliano
Dept of Environment, Letter 15/9/1986.

One major concern has been repeated in statements by North East planning authorities not least Durham County Council (DCC) in their Structure Plan Policy 91 and summarized by NCC:

that the cumulative effect of sites working or under restoration at the same time do not result in unacceptable environmental and social problems.

NCC, The Coal Industry in Northumberland 10/12/1991, para. 5.26

Certainly mineral extraction within 250 metres, or operations involving blasting within 500 metres of any group of 10 dwellings or more will not be tolerated (DCC. Policy 88). Contrast this regulation of operations with the corporatist approach in Scotland from Graham Uren, Director of Technical and Planning Services, Clydesdale District Council, in his Report to Planning Committee, 18th September 1986:



Source: NCC (1991)

Impact on Coalburn - The direct effects of operations on the application site can be very largely the subject of planning conditions. On the other hand the interpretation of condition and the measurement of any disturbance from noise, dust etc. can present complex problems for enforcement at later stages. It is unrealistic to use conditions which will prevent severe operating problems for British Coal as head-on enforcement may not readily be achieved.

para. 6.7 (my emphasis).

the applicant proposed that the absolute minimum distance between the edge of the excavation area and inhabited dwelling houses should be 65 metres but, after following representations by the District Council, the applicant doubled this minimum distance to 130 metres.

para. 4.6

By comparison, adherence to strict limits in the North East using British Standards 5228 and 4142, Circular 10/73 and the Control of Pollution Act 1974 contrasts with the select references by Graham Uren to noise levels at the Coalburn site.

Maximum noise levels are in excess of those recommended by the Environmental Health Department of the District Council. The applicants proposals on noise levels cannot be regarded as unreasonable although the continuation of the higher noise levels (up to 65 dB(A) until 10 p.m. each weekday is unacceptable.

para. 5.11

From these examples we can see that two contrasting standards of environmental planning are in operation in Scotland and North East England. These seem very much related to the political approaches of the local authorities and the labour movement to the State's respective policy in each region in the expansion of opencast coal. Corporatist approaches to opencast mining show environmental planning standards are relaxed in favour of opencast development. The State does not apply the same degree of regulation that is prevalent in a situation where resistance to opencast expansion prevails and is synonymous with strict application of environmental standards. It means that residents in

Coalburn are not receiving the same approach to quality of life issues and environmental planning to that delivered in North East England. The outcome for the public and the environment are made clear by the statements from those living in Scotland and the North East.

ii Human Issues Arising from Public Inquiries

The issues opencast mining has raised by its intrusion upon people's lives and their environment have deepened dramatically from the small scale disturbance during the 1950's to problems in the 1990's of health, quality of life and conflict over control of their environment [S1]. Environmental Assessments (Circular 15/1988) may well look after the environment but not the people in the community and it is time for a Social Impact Assessment as long as there is:

always a presumption for allowing applications for development, having regard to all material considerations, unless that development would cause demonstrable harm to interests of acknowledged importance.

DOE Circular 14/1985

That 'acknowledged importance' has rarely included the health and well being of people in communities and results from the framing of legislation and policy which prioritise opencast mining development above the interests of the public and the environment. Despite the platitudinous overtures on the environment, opencast mining development in certain communities, as the residents' survey found [S1.], becomes more than an persistent intrusion upon peoples lives. At the Brusselton Hill Top public inquiry loss of amenity was a major issue for the residents. Great consternation was shown from British Coal's proposal that 10 public rights of way be suspended as well as the parts of three others during the operation of the site (Stevenson, NCB, Proof, Brusselton, para. 12.1) Questions over the loss of liberty as well as amenity were raised, and for good reason. Some of these paths, being of great antiquity, are still used for access and communication from one village to another rather than pure leisure; in return for the loss of

access British Coal offered two alternative paths.

The impact of opencast mining in the area, in terms of loss of amenity and the future well being of the public, was not lost on the Inspector:

Opencast workings have been present around Shildon throughout living memory. Fields and footpaths are lost and restoration is bare and featureless.....the area should be left in peace.
Inspector Jenkins Report of the Brusselton Hill Top Public Inquiry to the Secretary of State Para. 351, 24/8/1987

and that Fred Wright, a local Training Officer with:

an interest in Ornithology had noted several uncommon species of bird at Brusselton Reservoir. The disturbance would have a direct effect on these birds. Of particular interest and concern is the likely effect of interference on expensive amateur radio equipment installed at Brusselton Cottages, the 12 metre high baffle banks would blank off a considerable area from radio signals. Many hours of study and much expense could be completely wasted. The offer by the NCB to raise the mast would be some help.

Para. 354

And in an unusual departure for an H.M. Inspector there came a highly subjective but compassionate gesture:

His elderly parents live in the Cottages and are at a stage in life where the peace that they have earned would be shattered by the proposed site. Both are unwell and deserve to be left in peace..... In my opinion the effect of an opencast site, so close to the town, would have a severe impact on the life, employment and surroundings of Shildon.

Mr. C. A. Jenkins, Inspectors Report to the Minister at the Department of Environment 24/8/1987, Paras. 355 and 380.

Even so, the presence of an opencast site has driven some people out of communities they have lived in most of their lives (Joyce, DCC, Proof, Billingside, para. 10.75) and has upset newcomers to the community who thought they had an idyllic environment (Poulson, Proof, Daisy Hills). Similar concerns have been voiced in Scotland, where in a departure from the direction and approach taken by North East MPA's and opposition groups, the concept of amelioration and planning gain is used. The

Scottish survey [S2] showed that planners chose not to fully utilize the available legislation and policy preferring to accommodate the needs of British Coal, pressures for supplying employment and bargaining for improvement in amenities. One major concern for the Strathclyde Regional Council, their District Councils, the political parties and Alisdair Hutton MEP was over the numerous grants available for the provision of new infrastructure to support the development and the form this would take by way of new road and rail networks (Appendix 3). While they were embroiled in this debate British Coal got on with its need to develop opencast mining on a large scale in Strathclyde. Though the approach by Scottish planners denies certain democratic avenues and scope for public opposition, it did not prevent anger and cynicism at a meeting of Clydesdale District Council to determine approval of the Coalburn site.

The Region went behind the District Council's back to hold their own talks with British Coal over the transport problem
Councillor Edward Wright J.P.

Nothing short of a dual carriageway and a by-pass at Rigside will appease the people.
Councillor Malcolm Wardlaw

It would bring 200 jobs to an area with the highest male unemployment in West Clydesdale.....We either flunk it and leave it to the Scottish Office to do our dirty work for us, or approve it today
Vice Convenor David Smart

What are British Coal giving back to the community in Coalburn?
Councillor Irene Logan

The life of a child in Rigside is worth more to me than all the bloody coal in Coalburn
Councillor Jimmy Hood (ex NUM Scottish Area Executive)

....and what of the £400,000 given by British Coal for road improvements (to the Region)
Councillor Tom Prentice
Clydesdale District Council, Minutes of Meeting 6/11/1986

Previously, the Coalburn Action Group sent a letter to Mr Uren, the Director of Planning (7/10/1986). The letter is most telling for being more concerned to maximise environmental improvement and minimise intrusion in return for 'putting up with the site' than stopping the development. Examples of this included provision of double glazing on all houses, reduction in rates for all residents, and setting up a benefit fund for residents. British Coal replied in kind and following the request for a new community hall:

British Coal representatives agreed that they would approach CISWO and the Scottish Development Agency with a view to putting together an appropriate financial package. British Coal do not lose any opportunity to prompt contractors to invest in the community.

Confidential Statement of the Planning Sub-Committee:
Proposed Opencast Development at Dalquhandy following a Meeting
with Representatives of British Coal, 10th October 1986.

Unlike the North East, no Miners Support Group existed to make representation as it had folded shortly after the miner's strike. However, more than 450 individuals objected to the Coalburn application and were supported by 'Communities against Opencast', the Scenic Trust for Scotland and SCRAM, the Scottish anti-nuclear group. Yet without the formal support of the MPA, fully utilizing the legislation and policy, their opposition was relatively diminished and eventually fruitless. However, councils in the North East are also not averse to securing benefits for the community:

It is the County Council's intention to seek wherever possible community or environmental benefits in association with granting permission for opencast coal operations.
Northumberland County Council (NCC), The Coal Industry in
Northumberland Consultation Document, 10/12/1991

By contrast and comparison, the difference in NCC's approach to the issue of opencast mining and lies in their attitude and ability to

defend the public interest. Harry Collinson gives us a vivid insight into the relationship between land and community and its importance to people within those communities:

At Lofthouse, Medomsley, Whittonstall, Woodhead and in the Derwent Valley and at Daisy Hill (first inquiry) the case was again and again successfully made that opencast mining on this scale is incompatible with the intimate small-scale attractive historical rural landscape of this part of Britain. A good landscape made more vital by the contribution it can make to the mostly deprived lives of the people living close to it. And they do live close. Pit village, fields, pit village is the close knit pattern of the old coalfield. The miners trod the footpaths across these fields for fresh air; their descendants do it often from enforced idleness resulting from unemployment. Escape from unemployment will not come through the temporary transient and few jobs created by opencasting. Harry Collinson, Deputy Chief Planning Officer, Proof of Evidence to the Rosehills Public Inquiry 28/10/1986, P.13

Apart from opposition to Coalburn and deputations to the Francis Project in Fife there has been little concerted activity against opencast mining in Scotland, mainly for the reasons already outlined in Chapter 3. Yet a typical private sector approach as outlined by BMC Mining Ltd., if allowed in Scotland, possibly could change the public's perception and attitude towards opencast mining:

Objects to presumption against opencast coal in Green Belt areas: Conservation Areas; Areas of Nature Conservation; Areas of Great Landscape Value; Areas of Good Agricultural Land; and Areas of Special Scientific Interest. Considers the whole coalfield areas should be designated as presumption for areas and each site considered on its merits. BMC Mining Ltd, Consultee Comments on the Alteration No.1 Opencast Coal to Lothian Region Structure Plan, January 1988

The public should take note that a process of areas of presumption similar to that proposed by BMC Mining has taken place in Strathclyde, making it the opencast economy of Scotland. However, it is quite revealing that since the deep mines have closed and despite the huge expansion of opencast mining unemployment remains a major problem in the

old coalfield areas of Strathclyde Region. Despite a high and continuing presence of opencasting in the Motherwell area unemployment has remained consistently higher than the Regional or Scottish national averages (Motherwell District Council, District Economic Profile, 1990). Councillor Adam Lawson from the Douglas Valley has persistently reminded the Regional Council that his area has the highest unemployment in Strathclyde Region and that in 1991 31% of long term unemployed were under 25 years of age. Health of the population has also become an issue with morbidity rates increasing along with chest and heart disease. To compound the situation the former sense of community and social cohesion was disappearing with many of the original families drifting out of the area and the Council adopting a policy of 'dumping', unsocial families from other areas. Just over the border it is interesting to note that a similar process was found by the residents survey (S1) in the North East but not to the extent of Douglas Valley. Still, the approach to opencast mining is markedly different despite the advent of MPG3.

Opencast coal mining presents a narrow unrewarding choice for the majority of residents. It is often a balance between maintaining the quality of life in rural area and survival in a low-waged economy, often in a single industry (Midwinter et al. 1988), or allowing open development to flush temporary capital into the area, as in the case of opencast mining. The argument for British Coal and other opencast operators then becomes one of offering alternative higher waged short-term employment balanced against maintaining the quality of life and the environment towards a more integrated (Association of District

Councils 1989) or holistic approach. Direct employment in the North East opencast sector at the point of production accounts for 1000 jobs, in Scotland it is approximately twice that amount.

Martin Joyce, of Durham County Council argued:

Set against this, the creation of temporary jobs, many of which are likely to be merely "transfers" from other sites that have finished working elsewhere, or seasonal workers, does not bear comparison with the long term secure employment which the County Council and other agencies are promoting in this area.

Martin Joyce, Chief Planning Assistant, Proof of Evidence to the Billingside Public Inquiry, para. 12.10, 23/6/1987

British Coal play down the environmental impact upon employment. Their performance in the environment has improved over time beyond that of the private sector. Working hard at improving their environmental image in the community has brought rewards in terms of securing planning permissions and contributing to the local economy.

I think you have got to set the Flowers report in its context. It was set up in 1978 which was 13 years ago when it reported in 1981. Certainly our methods have improved tremendously over the last 11 years, the environmental hassle isn't directly related to the tonnage a site produces. Many sites with big tonnages have low environmental hassles.

Ray Proctor, Director, British Coal Opencast Executive, April 1992

It is accepted knowledge that British Coal, having the best resources and technical knowledge from MAFFs and DAFF (Scotland), lay claim to the better record of site working and restoration than the smaller private operators such as Banks, Youngs or McKeag in Scotland. However, the smaller operators lay claim to 'commonality', living in the same area they also share the intrusion and disruption with the residents but are providing the benefits of employment.

Justification for opencast mining is the satisfaction of economic need. The key to mining a site is to mine it in an environmentally acceptable way. Economic gain needs to be balanced against the environmental disturbance of that site. It is we that have to design schemes that are environmentally acceptable to that site. Why should the local planners be any better than the industry to determine what is best for the environment. We are all part of the coalfield community. It is our environment as well as theirs.

Harry Banks, Managing Director of H.J. Banks Ltd, March 1992

Alarmed at the development of opencast mining in the Scremerston area John Picking Chief Executive of Berwick Town Council argues that the industry is unsuited to economic development in the area. There is an estimated 20 million tonnes of coal between Scremerston and Etal and Ford. "We view potential development of that scale with utter dismay."

He goes on to argue that far from increasing employment opencast mining will act as a deterrent for jobs in tourist development, the district's main employment. The Ford and Etal estates of Lord Joicey employ more people on tourism than in administration and agriculture, whether these jobs meet recommended E.C. criteria on minimum wages is another issue. Both Northumberland and Durham (DCC, Charter for the Environment) have set their stalls out to green the county to attract high-tech clean industry, offering "a modern working environment consistent with the best environmental expectations".

Ken Flaherty, chairman of Northumberland County Council's Environment and Economic Development Committee, has a long involvement with the intrusion of opencast mining into the Northumbrian countryside. In terms of MPG3 he was asked why they moved their stance from one of opposition to conciliation on opencast mining, he said:

We see ourselves as helpless victims. The law is so framed it is so one one-sided in favour of opencast operators that local councils are finding it increasingly difficult to strike a happy balance

Kevin Flaherty, Northumberland County Council, Interview March 1992

In County Durham George Hardy, who has endured a central role in the 'greening of the North East', is scathing over the hypocrisy of the Department of Environment who bury their heads in the sand over the outcome of their:

MPG3 which is meant to protect the environment but contradicts the reality that 17 of the last 19 refusals by the County were overruled by that same government department.

George Hardy, Deputy Director of Environment, Durham County Council, Conversation, March 1992

Concentration or intensity of opencast workings raises the spectre of its impact upon public health. Very few studies have been done but circumstantial evidence from public inquiries (Headmaster Nettlesworth School, Daisy Hills P.I.) suggests that cases of respiratory affliction have increased in communities down-wind of opencast sites.

Dust and Noise are certainly deleterious to the human body, and obvious to any coal-face worker. But to live with it for 24 hours a day, six days a week, can be extremely harmful in the long term. Evidence is coming to light from the series of public inquiries of the public health effects of opencast mining, especially in the long term. From previous experiences residents at public inquiries feared the dust and noise levels, water and lagoon safety, blasting, hours of working and the speed of lorries. At Daisy Hills the playgroup leader expressed alarm at the effect the dust from the site would have on an already high incidence of asthma in children in the area. South West Durham Health Authority area (Annual Report 1991) has reported some of the worst

health in Britain. Morbidity rates are high for Ischaemic Heart Disease, Cancer of the Lung, and Chronic Obstructive Pulmonary Disease (Emphysema and Bronchitis) and related to the high incidence of smoking and a poor diet. The Authority are also showing concern for the effect of industry on the environment through a new research study of asthma in the community in association with Newcastle University. Arguably, account should also be taken of the dust distributed by the continuing incidence of opencast mining with its high concentration of opencast sites in the last 30 years and spanning over the last 50 years,

Noise from opencast sites has been one of the most important issues at any public inquiry. The long term effects from opencast sites are not fully known and types of noise from a site may have a different effect from that of being under an airport flight-path. In respect of opencast mining, the Inspector at the Rosehills public inquiry concluded in his report:

Although technically measures to ameliorate the effects of noise and blasting could be provided, they are subjective issues..... I am satisfied that these would lead to a serious diminution in the quality of life presently enjoyed by local residents.

H.M. Inspector's Report to the Secretary of State, Rosehills P.I., para. 9.2, 1986.

It is however recognised that noise can have psychological effects on the human personality. Circular 10/73 Planning and Noise covers all industrial usage and urges "Local Planning Authorities to base their own policies on the recommended national standard of site levels of 75dB(A)(Day) and 65dB9A)(Night) and of maximum dB(A) noise levels within dwellings with windows closed of 55(Night) and 45(Day). The latter two figures correspond to the level of human conversation and measurements

of opencast site noise should be taken from "noise sensitive dwellings"

(Leaming, Chester-le-Street D.C., Proof, Daisy Hills P.I. 1987)

Evidence from general practitioner, R. Graham at the Horsegate P.I. (1976) stated that 18 out of his 39 patients in Whittonstall made specific complaints about noise and dust from the local opencast site and some were suffering from an anxiety state (Leaming, *ibid.*). Again, evidence of the effects of blasting from residents living near to the Tanners Hall site was given by Martin Joyce to the Billingside public inquiry.

I was seated in the complainant's house at the time of the blast, and it felt like a distant rumble of thunder to me. I was not unduly perturbed but the complainant, and his wife in particular, were visibly distressed by the blast and could not be reassured either by me or British Coal officials.

And a former resident wrote to the County Planning Officer to say

Since I have moved from Wooley Grange I am not going to suffer from the affects of blasting. I can assure you, however, that these affects can be diliterious (sic) physically, mentally, and to property...

Martin Joyce, Chief Planning Assistant, Proof of Evidence to the Billingside Public Inquiry, paras. 10.76 and 1077, 23/6/1987

At Quaking Houses residents in the shadow of opencast mining have stated how powerless they feel and this tends to underline the findings of the residents survey surrounding the Daisy Hills site (S1.). Yvonne Hilland resides next door to the extension to Chapmans Wells opencast site at Quaking Houses:

Two draglines work on the site. One minute your room is very dark and the next minute its like Blackpool Illuminations.
Yvonne Hilland, Resident, Quaking Houses, March 1992

Across the road Diane Richardson has become a seasoned campaigner in opposing opencast mining in the area. Forming the Quaking Houses

Environmental Trust, she petitioned villages in the area and produced newsletters informing the residents of the developing situation, following a capacity meeting in the village hall.

Durham County Council can't give us a time when all this will finish. We will have to look to our so-called representatives to make the decisions for us. In the case of Quaking Houses we have never been considered for many many years here. It's always been money that's been put before people in our situation

Diane Richardson, Quaking Houses Environmental Trust, March 1992

From the map of the area indicating British Coal's prospecting areas there are three other large sites targeted for development acquired when Chapmans Wells is finished. Residents further north in the 'high country' at Greenside not far from the 'Little Moscow' of Chopwell felt very indignant over more opencast development not least because:

People have had to fight twice because they were against it 30 years ago.

Frankie Williams, resident, Greenside Public Inquiry

Tony McGhee, his compatriot against Coal Contractors application to mine 58,000 tonnes of coal from the 45 acre site at Greenside, complained bitterly over the intrusion of opencast mining back to 1920:

It doesn't matter what direction you leave this village you will see an extraction or a coal site. Now we hev' hed enough, we cen gan back to the 1920's here. We hev' only 51% of Green Belt left here.

Tony McGhee, resident, Greenside Public Inquiry

Critically, the compilation of legislation and policy regulation between 1988 and 1991 redefined the parameters of planning for opencast mining, maintaining coal supply. Consequently, the focus at public inquiries has been shifted in importance for the people in opencast coal communities from 'the market for coal' to the environment, public health and the quality of life. Increasing evidence suggests that continuous,

concentrated and intensive coal extraction is mentally and physically harmful to public health. Starkly, it can be no different in Scotland, with or without the extra State regulation to secure the supply of opencast coal through the planning system. Adopting a more confrontationist approach however, may bring stricter adherence to environmental planning and health standards.

Ultimately, the fight has become one between the imperatives of the state facilitating economic freedom of the energy industry through secondary planning legislation, failing to recognise the place of people and their community in the environment and, the right of people to maintain control over their political, economic and spiritual relationship with 'the land'. It is all very well having Environmental Impact Assessments but this does not fully measure the impact of opencast upon people, their culture and communities. As long as power and control of the coal economy and environmental planning remain distant from public accountability, facilitated by hand of the State, a Social Impact Assessment will be needed before an opencast application can be legitimately accepted.

Increasingly, residents are seen as an impediment to the workings of the coal economy, where the state institutes planning legislation for opencast coal only for the public and their institutions to process it through public inquiries back to an almost inevitable overruling by the state. The whole exercise will continue to disenfranchise the public and neuters the MPA's as long as legislation written for the industry by the industry masquerades as an instrument of democracy. The issues of

power and control over land is embedded in the history of capitalist relations with the people who are most close to it. At the other end of the current spectrum one of the Diggers in the 17th Century argued:

And if the earth be not peculiar to any one branch or branches of mankind, but the inheritance of all, then it is free and common for all to work together, and eat together. And truly, you counsellors and powers of the earth, know this, that wheresoever there is people, thus united by common community of livelihood into oneness, it will become the strongest land in the world; for then they will be as one man to defend their inheritance, and salvation (which is liberty and peace) is the walls and bulwarks of that land or city.

Gerrard Winstanley, 1649, The True Levellers Standard Advanced

iii Class and Alignments at Public Inquiries into Opencast Mining

Public Inquiries into opencast mining provide one of the few stages where the public can view open conflict between an instrument of the State and the representatives of the public interest over the accumulation of capital. For the most part, it is an open contest: between British Coal attempting to enforce its policy of expansion, assisted by the State's legislation and MPA's representing a public whose powers are increasingly fettered by that regulation.

Unfortunately for British Coal, persistent opposition has often prevailed over the States game plan. Each public inquiry raises standard and individual issues but the industrial and demographic history and class composition of the area affects the quality and level of opposition [S1]. This was evident from the four main public inquiries fully covered by me as well as visits to others such as Marley Hill. Mining as an occupational status of people once saturated the areas affected by the proposed sites but the political consciousness varied across the coalfield.

North East MPA's took 23 decisions to refuse opencast applications between 1981 and 1988 which then went to public inquiry. Of these refusals, the Department of Environment upheld 15 and overruled 8 others. However, since the introduction of tighter planning regulation (e.g. MPG3) the Department of Environment have upheld only 8 of 27 appeals that went to public inquiry. Telling testimony to the State's application of new planning regulation is also provided through 17 of the last 19 public inquiries being lost by Durham County Council.

Table 5.2

SOME PUBLIC INQUIRIES INTO OPENCAST MINING HELD UNDER CIRCULAR 3/1984
GENERAL CLASS AND COMMUNITY COMPOSITION AND OPPOSITION

Site	Date of P.I.	Class and Community	Outcome
Rose Hills	28/10/86	Strong ex-mining community still proud of their history well motivated and organised politically including women. Locals dominated incomers.	Refused Consent
Brusselton	3/2/87	NUM CPRE Academic co-ordination Apathy, high unemployment, poor cohesion since loss of rail works. Mining links now weak. Articulate individuals defending own corner. CPRE, NUM etc.	Refused Consent
Daisy Hills	28/4/87	Paternalism in indigenous community. Commuter belt now gone. Great age gaps. Contrasts in class composition. Local opposition dominated by incomers. NUM CPRE co-ordination	Refused Consent Overturned by Secy. State
Billingside	23/6/87	Socially stable, mixed economic community. Mining still meaningful memory. Active environmental work by individuals and council. Articulate middle class locals and incomers co-ordinate with CPRE	Refused Consent
Marley Hill		Sparsely populated site area Working class periphery. Opposition organised by NUM Poor P.I. attendance due to isolated location. P.I. dominated by organised bodies CPRE, NUM etc.	Refused Consent

Source: Ethnographic Notes (Jim Ellison), Durham County Council.

Table 5.2 shows the well publicised public inquiries upon which the public's attention focused at the intensity of the struggle between British Coal and public opposition to opencast coal expansion. The table indicates articulate individuals or bodies dominated the opposition. Input by indigenous people depended on the level of political consciousness and class composition and this is confirmed by the Daisy Hills Survey [S1]. The greater the political consciousness, the greater input and control the working class have over organisation of opposition and proceedings at public inquiries. Networking with organised bodies (CPRE, NUM etc.) in opposition to opencast mining depends upon the level of that political consciousness. If it is distinctly lacking, then it is left to middle class individuals and organised bodies to articulate the opposition's case; and that raises questions of its own purpose.

Rosehills and Daisy Hills public inquiries stood out for me from the rest through my personal involvement with protagonists from both sides and my past involvement with the people in the communities. Close involvement with the groups was a necessary part of my work but in the case of Rosehills I chaired a meeting of the residents who opposed the opencast mine application to disseminate information. Having worked and grown up with a number of the residents in earlier years 'living the situation' achieved some unique insights for the research. The ability to do so came through a mutual trust present from the network of relations socialised in mine and community that still prevailed in a consolidation of class interests arising from industrial and social

change. Behaviour patterns in the way people interacted remained relatively unchanged from 25 years ago. Each day the residents enthusiastically grouped for material and moral briefings before passing the information into the community; this seemed to reinforce solidarity and bring determination to their opposition.

None of the residents had public inquiry experience apart from the local councillors, but the eagerness shown by the residents to engage in the process was extraordinary. The background to this may be explained by the opposition to British Coal arising from the 1984-85 miners strike. And most especially the raised consciousness of the women's group in the village which operated during that strike. While the men spoke at the inquiry, it was the daughters of miners who organised the opposition.

All the pits in the district having closed in the 1960's, many miners in the Pelton and Beamish district which included the Rosehills site still travelled 25 miles each day to work at the coastal collieries; for most miners it would be their third or even fourth colliery. In these situations problems caused by closure, felt mostly at the level of the family, enlarge the stress of everyday life. Opencast mining proposals on a miner's doorstep, in competition with deep mines, becomes disturbing in the extreme even for the less ambivalent. Feelings of distrust over displacement and disruption have been present from the 1960's and the 'mining clearances' when miners were transferred as 'industrial gypsy's' to Nottinghamshire, Derbyshire and even Somerset. The 1984-85 strike only served to concentrate and channel them in a united direction in a way that the strikes of 1972 and 1974 never did,

underpinned by the political consciousness raising in the late 1970's by the Durham Area Broad Left.

For some residents the issue was one of maintaining a quality of life in the district following the landscaping of the despoilation in the 1960's. The local parish priest, resident for three years, in evidence at the inquiry made little mention of the indigenous population and clearly had in mind representing the minority middle class perspective. He first gave a summary of the last twenty years:

The parish has a population of some 1500-2000. The same size of population as the Falklands who were considered important enough to spend millions of pounds on to preserve their way and quality of life. This parish at one time contained six collieries within its boundaries. These pits were responsible for the formation of the villages and their social and economic continuance. Over the last twenty years these villages have moved from industrial communities to pleasant semi-rural dormitory communities.
Parish Priest, Evidence to Rosehills Public Inquiry 28/11/86

It is at this point that the priest's comment diverges from the pastoral care of all in the community to pastoral care of the few. With the vast majority of housing provided by the council serving the indigenous population, he concentrates on the needs of the middle classes in his evidence.

And with this transformation new people have been drawn into the area. The villages being justifiably popular for a number of reasons;

1. Good access to work and shopping
2. Good quality housing
3. Situated in a rural pleasant environment
4. Houses going at reasonable prices
5. A desire to be part of a recognisable and definable community.

This process, the blending of newcomers in the area has not been without friction.
ibid.

Of course it is not without friction as the community is the "product of past historical development, the product of many economic revolutions." (Marx 1976, p. 273). The inability to recognise that what took decades of labour is held precious and not always tangible or consciously shown, and then desire it all as an immediate material commodity is perceived to be disturbing to the point of being insulting. Insensitivity to the issue of employment does not help when the majority have lost their employment and have had to settle for lower-paid work or no work at all.

Patently, the priest's concern was more for employed newcomers and their quality of life than the local people who had already created the social/environmental networks where their "value of labour power contained a historical and moral element." (Marx 1976, p. 275). His views, it can be argued, stand in stark contrast to the employment needs of the local people in an area where unemployment is higher than the county average since the closure of the 6 pits in the area. Sighs of disbelief could be heard from the opposition group after his following statement.

It is my contention that the quality of life in the villages will be affected by the proposed opencast because it will put the clock back. Part of their attraction is the absence of industry (my emphasis).

Parish Priest, Rosehills Public Inquiry, 28/11/86

He clearly needed reminding that without industry there would not have been any villages. In a different perspective local councillor Potts, himself a miner, and once involved on the fringes of the Durham Miners Broad Left, spelled out the importance for his class of their relationship with land past, present and future. He argued that for

many years local people have traditionally walked the fields as an
antidote to working down the pit, but now in the "absence of industry";

there is a high proportion of retired and unemployed
people in the community ... We haven't got very much
going for us. We feel to take this land away from the
people is unacceptable.

ibid.

Clearly, both claim to represent the community in different contexts.

One pastoral, the other political. Both oppose opencast to maintain
continuity of the environment, but there the similarity ends. To some
extent, the priest articulates the material interests of 'possessive
individuals' (Macpherson 1977) and the politician the interests of the
'indigenous dispossessed'. Nevertheless this did not stop them
combining in common cause and presenting a successful opposition.

Talking to Potts privately he complained that the incomers want the best
of both worlds without giving much in return. They have jobs, but if
they thought fit would deny the local people the right to bring new
industry into the area to preserve their rural idyll. These tensions
and conflict were subsumed under the common aim of thwarting the threat
common to all - British Coal's appeal to opencast land to mine 600,000
tonnes of coal.

That opposition was plain to see - the stern men in the grey suits -
sombre, purposeful and all twelve or so strategically placed around the
hall measuring the opposition. They contrasted with the relaxed but
studious approach of the opposition, and gave you the impression that
for all the intimidation of the occasion, they still retained a sense of
balance in their lives. Contrasting with this the National Coal Board
men in their grey suits always carried a sense of urgency incongruous

with everything else in the hall.

Nevertheless, the men in the grey suits came and went daily, seemingly impervious to the presence of the local residents. Many of them would sit in the hall all day and not utter a word to any but their own kind; and then only at lunchtimes or at the end of the day. For some of the women's group they were the butt of jokes about boring men. But perhaps the truth was that the job is boring if you don't wholly believe in what you are doing. Some didn't, before re-organisation of the opencast executive it was clear that they came from similar backgrounds with heavy family commitments too.

Later, writing an ethnographic account of Daisy Hills Public Inquiry I found that little had changed between the protagonists in terms of class, alignments and "professional conduct". I noted that;

The appearance of all assembled gives off the impression that the 'war has intensified'. The seating of the opposition seems positioned like a set of toy soldiers in a war game: ranked in importance. Behind them come a collection of local objectors led by Brian Poulson, a settler, whose defensive space marks out certain differences between the indigenous population and the objectors, most of whom arrived in the area within the last five years and are, as the survey indicates, from the middle classes.

This is certainly evident from the addresses of the objectors and my visits during the survey. None were from the council estates. Brian Poulson for the Nettlesworth Action Group however did gain substantial support in his petition against the opencast mine from council tenants. But the point is that even within this common alignment against the plan for opencasting at Daisy Hills there were class cleavages. The further

you went up the hall to the inspector, the more pronounced the class differences: working class at the back to middle class towards the front. On Day Six of the inquiry, the objectors and residents gave their evidence to H.M. Inspector MacDonald. Again I wrote;

From observations made collecting my survey papers I find the hall is made up mainly of professional and skilled classes from private households. The objectors, apart, from three who are seated on one side of the hall. However the Action Group appears to centre around the interests of residents of Woodlands Terrace which according to the estate agents has "commanding views over the countryside".

Why weren't some of the thousand householders petitioned from the council estates on the committee of the action group? That question was asked when I met the Action Group in their homes, but never satisfactorily answered. It also raises the question of the role of the Parish Council. - why didn't they draw up the thousand household petition?. The answer to both questions is rather complex and lies in the evidence from the survey [S1]. Briefly, it is deferentialism and relative deprivation historical to many mining communities that have undergone change, based on class differences between the indigenous population and the new settlers, many from professional non-mining backgrounds.

The fact that the professional classes often articulate the feelings of the communities is not uncommon. But whether they organise opposition to opencast in the interest of all or mainly in their own interests is very much open to question. That there are common and deliberate alignments between classes in opposition to opencast there is no doubt. However, if only the middle class in the community were petitioned

little weight would be carried by such a petition with few signatures. That is why Brian Poulson, realising the social geography of the community, embarked upon the task of collecting signatures from the working class housing estates which dominate the area. A measure of their dependence upon these signatures comes in the form of a letter I received from the Action Group indicating their frustration in achieving their aims.

Unfortunately your questionnaire has proved to be quite a distraction to our work
Letter, 14/4/1987 to Jim Ellison from Jan Race, Nettlesworth Action Group.

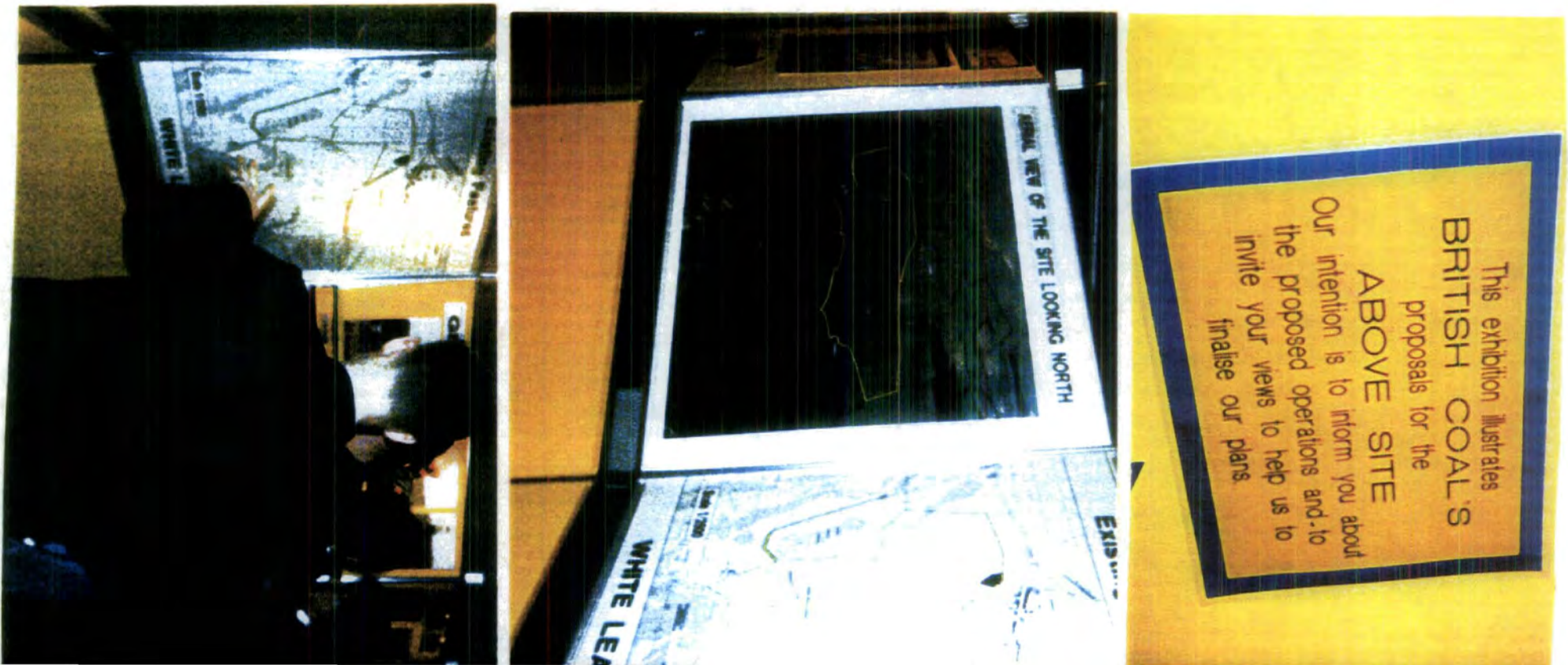
In this situation the middle class, who see their investment threatened perhaps more than council tenants, need the larger majority of the working class to realise their interests are protected. But, where would the working class interests be without the middle class to articulate the opposition to opencast mining?. Then again, do the working class only benefit when the middle class interests are threatened?. Cynically, in the case of winning five out of six public inquiries , all that may matter is that class divisions are subsumed by common opposition to a threat to their common interest - the environment and the quality of life. But after the common fight, the challenge to the middle class is will they then support a cause to bring industry and employment back into the area they so covert?

Such combined opposition between the councils, residents and anti-opencast groups were having an effect upon British Coal. Over time marked changes occurred in British Coal's approach to Public Inquiries into opencast. Few of these changes were unconnected to this powerful

and successful opposition. The first indication that some departure was taking place from the attitudes shown at the Rosehills Public Inquiry came at the Daisy Hills Public Inquiry on 28th of April 1987. The arrival at the inquiry of Ray Proctor, Managing Director of British Coal Opencast Executive was unprecedented. In an interview on the steps of the old miners hall his open manner was reflected in the attitude of other members of British Coal. The major concern became apparent when Brian Timms, eventually to be a Commercial Manager British Coal Opencast in the North East, asked what they could do to strike up better relations with communities. "Show greater concern for the public, do Public Relations before, not during public inquiries", was my reply. This they were eventually to do with fervour.

During a period when there were six public inquiries into opencast mining, British Coal's public relations was very poor, low key and almost site specific during an inquiry. Having lost five of those inquiries they turned in 1989 to a sharper and higher pre-inquiry profile. This was most evident prior to their application for the Whitelea site , near Crook in Co. Durham (Fig. 5.3). The purpose was to influence the public over the application before it was placed before the planning authority by going right into the heart of the community. Three exhibitions were held at key centres, ironically using council and community property whose history was very much tied up with that of local miners. Peases West, Sunnyside and Roddymoor are synonymous with mining high quality coals in low seam mining of the West Durham coalfield. Roddymoor drift mine closed in 1986. Shortly after, British Coal began prospecting the adjacent Whitelea opencast site for the

FIGURE 5.3 BRITISH COAL PRE*APPLICATION EXHIBITION AT RODDYMOOR MINERS HALL FOR THE WHITESIDE SITE



remaining Roddymoor take. While this shift in the pattern of mining has been commonplace in the west of Durham it was never synonymous with any public relations exercise. The change in attitude from British Coal is striking in several respects:

1. The determination to secure opencast production can be measured by the investment of a public relations exercise run by sharp, well groomed young people imported into the area from down south. (Fig 5.3)
2. Conversation with them yielded the view that they held strong commercial values which promoted the new image of a marketed orientated British Coal.
3. They came well trained in communication of rehearsed facts and figures. Special attention had been paid to graphics and photography in the exhibition and they were the verbal extension of the graphics.

Yet, their individualism contrasted starkly with the more genuine warmth of local people and they were conscious that their well groomed image appeared incongruous in the small tin shed of Roddymoor Miners Welfare. Self-consciousness aside, the whole exercise conveyed serious endeavour to the point of urgency by British Coal to overcome inbuilt opposition to further development of opencast mining. And from 1989 this new approach to public relations coincided with the States on-going increase of regulation in the planning system and a low point for MPA's losing a large proportion of public inquiries. Apart from Marley Hill in Durham/Tyne & Wear, British Coal's 'public relations train' has been most evident in the logical and successful drive for more suitable coals in East Northumberland.

British Coal have needed this new approach allied to policy legislation from the State, to regulate and overcome the dogged determinism of people to preserve their existing environment and against the

substitution of deep-mined coal by opencast coal output. Here, class differences are often subsumed under the immediate common interest of opposition to the commercial interest of British Coal. In this respect, the difference between the North East and Scotland has been marked by the attitude of the planning profession, the NUM and council members in their approach to British Coal.

iv Conclusion to Chapter Five: The Public Interest in Contrast

i. Bartering the Public Interest for Private Gain in Scotland

MPA's in Scotland have had a long 'working relationship' with British Coal. And taken with the benefits of the corporatist relationships previously detailed (Chpt. 3.) it makes more clear why British Coal have enjoyed a trouble free operation in Scotland. In Scotland, the applications to mine coal by opencast methods at Coalburn (10 m.t.) and Franc's Project (2 m.t.) were two outstanding examples of British Coal's successes that were not tested under the scrutiny of a public inquiry. However, despite the fact that many people had reservations over these and other applications, such as the Blindwells site, both the public understanding and pressure against the developments have been insufficient to force a public inquiry into opencast applications against such a strong corporatist amalgamation. This situation stands in stark contrast to the many public inquiries in the North East which provided the public with some redress on opencast proposals; yet while the difference is derived from the historical relationships in the two regions it raises a more fundamental question concerning the exercise of power and control over the use of legislation.

A comparative approach raises the central issue of the use and conditions of planning law under which these applications were considered. Arguably, when Coalburn was given permission on November 6th 1986 it has not been fully considered by Clydesdale District Council under Circular 4/1984 with proper interpretations of paragraphs 5, 15,

and 16. Fife Region 'called in' the Francis application from the Districts, only to ignore in its report to the council (Sept. 1988), the market requirement for the coal and use 'English secondary legislation' to legitimate the acceptance of the application.

Contrast this process with the singularly consistent approach in the North East, despite changing legislation from Circular 3/1984 to its successor MPG3, for applications at Daisy Hill and Marley Hill respectively. Here, the NUM and the County Councils joined forces with interest groups in a common policy of opposition to opencast development. British Coal's market requirement for the coal was debated and tested to the full in public and weighed against the environmental and economic concerns of the residents, the County planning department and objectors' interests. Despite the inherent advantage of MPG3 for British Coal, the Marley Hill application was examined in view of "the possibility of supplying the market from less damaging alternative sites or secure sources of supply" (Para. 11) and the balance between the economic benefit and the environment that may be gained from working the site (Para. 10). In contrast to North East England much of the debate in Scotland has been either in council chambers or behind locked doors and debate in public has been marked very much by the absence of public inquiries into opencast mining. The major points brought into sharp focus by the Scottish survey (S2) confirm this approach to opencast applications, especially those from British Coal.

However, it would be wrong to state there has never been public concern over opencast applications in Scotland. The problem is that it has

rarely been allowed to surface beyond the council chamber. The clamour for a public inquiry into Coalburn was real enough in some quarters of the public to warrant the Labour Leader, Councillor Edward Wright J.P. travelling from Glasgow to see me at an Edinburgh hotel where the following day I was giving a seminar to Lothian Regional Council on opencast mining (Nov. 1986). Disturbed at the manner in which the Coalburn application was being implemented he asked for help on public inquiry procedures, outlined the concerns of the public and provided some voluminous reports and correspondence. One of these reports was from the Director of Planning at Clydesdale District Council, Mr. Uren who was instrumental in regulating the conditions for permission to opencast coal at Coalburn. This was very apparent in the Report to the Planning Committee on the 18th of September 1986 where he set the application in the context that:

for a number of years the council has been in active discussion with the National Coal Board about the potential for open cast coal development in the Douglas Basin (para 1.1)..... It could be said that the Douglas Valley, with the current prospect of a major opencast development almost 15 years after coal was last produced, epitomises many of the facets of the Campaign (to revitalise the area) - dereliction, social deprivation, economic inertia and unemployment, as a legacy from the past.
Mr. Uren, Director of Planning, Report to the Planning Committee of Clydesdale District Council 18/9/1986, para. 1.5.

The decision to give consent to the application was made in the full knowledge of the:

sensitive issues of environmental effects of opencasting in prospect in the context of considerable expansion of opencasting in Scotland at the time of job losses in deep mines. Mr. Uren, para. 1.5).

With this in mind it is pertinent to draw attention to Circular 4/1984 where it states:

Each project should be considered in terms of the market requirement for its planned output (taking into account the alternative sources of supply, including deep-mine coal) as well as the environmental, agricultural and other planning considerations.

Circular 4/1984, Para. 15 (my emphasis).

Arguably, no serious consideration was given to deep mined coal as an alternative source of supply (and its associated jobs) when Uren assessed the 'market requirement for the coal'. From the language it is clear the market requirement for the coal and British Coal's need for the coal from Coalburn were assessed in British Coal's terms where:

A major factor is the exporting opportunity from the West. Although Kilroot power station in Northern Ireland is the stated market at present, the latest marketing context for British Coal, responding to crises in recent years which have brought imports of coal into the country, creates a world-wide dimension in exporting opportunity - and associated pressures on prices and development costs.

Mr. Uren Para. 1.8.

Given the size of the site it is not surprising to find extensive effort and consideration given to the environmental impact, and considerable liaison and cooperation with British Coal to effect a common understanding on environmental issues. The political expediency of this can be measured by the concerns of the Coalburn Action Group. Despite placing numerous objections to both Clydesdale District Council and British Coal none of these focused upon paragraphs 5, and 15 of Circular 4/1984. It must have been some relief to British Coal, and equally intriguing to me, that no direct challenge was made regarding the 'need for this coal' and its 'market requirement'. Even upon representation to a Parliamentary level the debate continued to assume an inherent acceptance of the application, the only issues are personal ones concerned with the environmental and traffic re-routing issues:

Thank you for your letter. Dame Judith Hart and I have already intervened on behalf of Glespin. Now this is a change of route.....

I will write to Mr. Uren, but before I do so how would the residents view a road between their houses and the Douglas Water?

Lord Home of the Hirsel, letter to A. Holbrook, Rigside
September 24th 1986.

It became clear that had the public and its servants had sufficient knowledge of planning legislation, its implementation and the political economy of energy markets, the debate and agenda of the Coalburn application would have been very different. Equally clear from his report, in respect of these factors, was the reluctance of Mr Uren to disseminate adequate information; he thereby provided a favourable outcome to British Coal.

While Policy 20 in Clydesdale states that:

The District Council shall be prepared to give favourable consideration to proposals for opencast mining activity in the preferred areas.

Lesmahagow and Douglas Valley Local Plan.

It is incumbent upon MPA's to act in the public interest and by way of Circular 4/1984 (Paras. 5 and 15) consolidated by Policy 86 in Clydesdale:

....that applications for opencast mineral extraction shall be supported with sufficient technical information as the Council may determine.

Lesmahagow and Douglas Valley Local Plan.

Unfortunately, the MPA chose not to go beyond British Coal for technical information, and sparse as it was in terms of the standards required in North East England this was accepted without question. In assessing the market and the need for the coal, in terms of other sources of coal, the

deep mine contribution was virtually ignored. Taking account of the recent investment in infrastructure to accommodate the expansion of opencast in the west of Scotland (Chpt. 3) perhaps the die was already cast and was the reason for the focus upon the narrow issue of concentrating upon:

A major factor is the exporting opportunity to Northern Ireland and the stated market at present.

Mr. Uren, Report to the Planning Committee, para. 1.8.

Extensive research and analysis of the energy market in Northern Ireland (Chpt. 3) finds no justification for any optimism about likely continued levels of coal-fired generation in that region. Instead of accepting British Coal's statements at face value, an assessment of the Northern Ireland market would find that the strategy of NIES is heading towards self sufficiency through a 'balanced one third fuel option'. As long as the language of the document maintains that:

the applicant considers a strong long-term market for coal from this site in that Province and elsewhere.

Mr. Uren, para. 5.8.

When there patently isn't one, attention is re-focused elsewhere.

Accommodation of British Coal's application without a proper assessment of the market and need for the coal, thereby putting sites and tonnages in the bank, indicated a hidden agenda for Scottish Opencast. Taken with the planned infrastructure investment all this served to indicate that the planned expansion of opencast and decline of deep mines in Scotland was well laid before the 1984/85 miners strike and the 1985 New Strategy for Coal, which was meant to be the harbinger of change. By giving consent for the Coalburn opencast site under the narrowest of definitions, led by Mr. Uren, Clydesdale District Council they have

accommodated British Coal's interests which have been recently defined for them by the State and for the State, rather than the interests of the public. With control exerted within the MPA's over the flow and control of pertinent information, the need for the State to institute regulation of the planning system as it did south of the border is avoided.

A lot of this misuse of information in planning originates from the often inadequate responses in Local Plans (Healey, 1983) to deal with the expansion of opencast mining and the technical demands from current legislation. Equally, as the Scottish Survey (S2) showed, many planners do not have a grasp of the essential demands of opencast legislation. In the Clydesdale and Francis cases there have been those who do have this necessary understanding but chose not to implement it!

One aspect of the Francis development previously examined in Chapter 3. is particularly disturbing. Again the MPA took as its argument British Coal's agenda for accepting the application and then backed it up with secondary legislation which was legally inapplicable in Scotland. It suffices to let the Report of the Fife Regional Director of Planning in September 1988 speak for itself:

British Coal have advised that the overall quality and quantity of reserves is not in doubt (para. 2.2c).

Regard should also be had to (new) Department of Environment guidance on opencast coal workings in May of this year. (MPG3, para. 5.1.3)

Once again planning officers appeared to be controlling the flow of information avoiding the for assessing the market requirement in light

of Circular 4/1984. Then again, we have the startling situation of planners asking councillors in Scotland to have regard to secondary planning legislation that is enforceable only in England and Wales. Advice is then given, which is taken directly from MPG3 on the market need to work the coal as a commercial decision for British Coal. This sets the tenor for the rest of the document, most of which remains an avoidance of the issue of an assessment of the need for the coal and the accommodation of British Coal in working the site.

Within the planning of Scottish opencast coal developments there is a clear approach to large site applications such as Coalburn and Francis. The concentration on environment and employment issues masks the reluctance to deal with more complex issues in Circular 4/1984. Indeed this and the willingness to accommodate British Coal, by regulating the control and flow of information, is denying the public access to the right to debate such critical points. In turn this tends to mystify the real motives for opencast expansion in Scotland that are distinct from those in North East England which are as much technical as economic. It is clear from the North East experience, and the visit of Ed Bush of Strathclyde Regional Planning Department to Daisy Hill public inquiry, that legislation demands that planners undertake a full assessment of 'the market requirement for the coal' and 'the need for the coal' in the site. Keeping information and knowledge out of the public domain and within the confines of a debate between British Coal and the MPA, essentially denies the public the right to exercise some power and control over public planning and energy supply. It is a matter of regulation of the planning system without the need for more planning

legislation and constitutes a breach of planning protocol - public interest bartered for private gain. While this may have led to a satisfactory outcome for the State and British Coal it falls outwith the expectations of the Royal Town Planning Institute (RTPI).

11. The Public Interest and the Hand of the State in North East England

Deficiencies in the democratic processes in planning outlined earlier in this chapter are reinforced by experiences of State regulation and interference in opencast public inquiries in North East England.

Processing an opencast application needs an open forum where both sides exchange information to the benefit of the public and the operator. For the public to have faith in the public inquiry process the whole exercise has to be seen to be just, balanced and without interference.

It is well to remember that, in contrast to Scotland, British Coal could not get close to the MPA's and the NUM in the North East, thus the State used alternative sanctions and policy regulation. Combined knowledge and information gained by the public ensures some control over the outcome of opencast applications. However, two cases show democracy was only on loan and power and control over opencast coal supply was realigned by the State.

The standard type of economic/technical information used at a public inquiry assists the democratic process and is exemplified from the Marley Hill public inquiry. British Coal had thought the public inquiry losses and traumas over Circular 3/1984 had gone but that was not to be the case. MPG3 was introduced to reverse the fortunes of the protagonists at public inquiries into opencast mining, though not as straightforward as British Coal would have wished. The objectors' network had disembowelled MPG3 and come up with the familiar arguments of Circular 3/1984 in a different guise, but the context of argument was still the same - The 'need for the coal' and 'the market for the coal':

Economic benefit is explained in para 10 of MPG3 with the help of a number of illustrations:

1. Low resource cost of the coal
2. The need for the coal due to some special qualities
3. The need for coal for blending with other coals
4. Local employment benefits
5. The need to avoid sterilization of reserves
6. To assist in the efficient extraction of other minerals in the site

This proof will discuss the following points with respect to economic benefit:

1. the economic benefit of Marley Hill coal as a special product in its own right
2. the economic benefit of Marley Hill coal as a blending coal to make saleable deep mine coal

And most importantly:

3. the general economic benefit of Marley Hill coal to the overall market position of British Coal in the region taking into account "the possibility of supplying the market from less damaging alternative sites or secure sources of supply"
4. the "resource cost" of Marley Hill coal and the delivered cost of alternative sources of supply.

The economic and other benefits arising from an opencast operation must somehow be balanced against the environmental damage arising from it.

Gladstone B., Durham County Council, Proof of Evidence to Marley Hill Public Inquiry, Para. 2.7

In contrast and comparison to Scotland this approach forms the basis on which North East Councils defend the public interest at public inquiries. Combined knowledge and information from mineral planners, academics, councillors, miners and environmentalists have made a formidable contribution to the dissemination of information. From these strands, often coming together under one umbrella, opencast applications a forcible challenged to opencast applications has been made resulting in a public inquiry. In turn, British Coal have responded with increased technology, data sourcing and intelligence gathering from the

experience of many public inquiries across the country. Reverses in results from public inquiries since increased regulation of the planning system have not vanquished the opposition to opencast. Public inquiries may be fewer in number as councils' financial constraints make them selective in their targets but the weight of the opposition has not diminished. Here again, we see the effect of the 'authoritarian State' this time in the use of financial constraints becoming an instrument of political regulation of the planning system and of the public's right to a public inquiry.

Even prior to the implementation of MPG3, two public inquiries brought into true perspective the real nature of power and control over the supply of opencast coal through the operation of the planning system, removing any illusions over the democratic process of public inquiries.

The first concerns the site at Plenmeller in the wild heart of the Northumbrian countryside. A straight question of why the State were so keen to secure this site demands a straight answer to the long term future of this area. After all it needed over three million pounds worth of infrastructure (conveyor, road and railhead) before a nut of coal could be mined and that is without transport costs which are sensitively avoided. As we have noted in Chapter 4. it was remarkable how British Coal chose to disregard its stated metallurgical coal market. This was revealed at the public inquiry when British Steel's specification for the coal was compared to the specification of Plenmeller coking coal and found wanting.

The State's hand in this public inquiry was revealed in a most unusual practice when they appointed the Chief Crown Mineral Agent, Mr. A. Grierson "as an assessor to assist the Inspector, Mr. R. Pierce" (my emphasis) at Plenmeller. Equally unusual is the production of a report by that person who is meant to be an assistant to the Inspector and in such a bias fashion so as to influence the Secretary of State's decision on the application. The Plenmeller decision in favour of British Coal was considered so deplorable by Council Officers and opponents such as CPRE that they took it to the High Court but found that although their case was sound the Secretary of State's decision would stand.

CPRE intervention in this matter raises a further question over the application. When they asked British Coal for geological and technical information on the following:

- i The names of the coal seams on the site
- ii The Geological report of the Seams
- iii The information about the number and extent of any previous workings on the site (which could have led to oxidisation of the coking coal thus rendering it unsuitable or less suitable)
- iv Sulphur content of the coals
- v Ash content of the coals
- vi Dry Mineral Matter Free Data
- vii Volatile figure on basis of (vi)

Mr. Collier of the Opencast Executive provided names of coal seams and some information about item (iii) but, after referring to his superiors refused any information on items (ii), (iv), (v), (vi) and (vii).....

It is our fear that this secrecy could indicate that the data would not stand up to the form of scrutiny applied to NCB data put forward for the Whittonstall and Woodhead sites. (erroneous and deliberately misleading)

Jill Boyd, Secretary, Northumberland and Newcastle Society (CPRE)
Letter to John Lodge, County Planning Officer, Northumberland
County Council, 6/6/1985

Items (i) and (iii) would be public knowledge and British Coal would have nothing to fear from releasing this data, as the names and number of seams continue to exist long after they are worked out. What is in question and can be revealed from the rest of the items, especially item (ii), is the geological condition of the site and the extent of the reserves. British Coal may well have stood to make 5 times the profit by selling the coal to the PGI rather than sell it to British Steel but why was the State so keen to secure this site?

The second site at Daisy Hills extends to around 250 acres of mainly agricultural land and was subject of my survey of residents in surrounding villages (S1). Being subject to two public inquiries the site is in itself a rarity and unique for two other contrasting reasons. Firstly, the ability of the public to influence a Council policy sufficiently to force a public inquiry and have that policy decision overturned. At the first public inquiry into Daisy Hills in 1979 Durham County Council's acceptance of the appeal site was overruled by the Inspector. At the second public inquiry some seven years later Durham County Council were able to argue that:

Similar planning issues now as were determined by the 1979 Inspector and accepted by Secretary of State for Energy. There should be and is reasonable expectation of, consistency of decisions.

The Secretary of State should therefore dismiss this appeal unless, on comparison with the 1979 case;

the environmental/amenity impact
has been significantly reduced

and/or the need for the coal has become stronger.....(P.5)

BCC have advanced a need case that relies essentially on BCC being the only arbiter of market requirement. It is a self

serving case. (P. 18)

Durham County Council, Closing Submissions, Daisy Hills Public Inquiry, 1986

Inspector MacDonald rejected British Coal's case to mine coal at Daisy Hills. Yet in an unprecedented action by Nicholas Ridley, the authoritarian hand of the State was used to overturn the Inspector's decision. The context of this decision reveals the reason for not adhering to accepted protocol. This was at a time before MPG3, when every site in the North East was being placed before a public inquiry. With 5 out of the last 6 applications for opencast sites at that stage being lost by British Coal, performance was not matching the 'New Strategy For Coal', itself only 2 years old. Starkly, the State holds the ultimate sanction.

Arguably, in North East England the State was saying the public and the planning process were on leash, to be hauled in when they had overstretched their mark. Basically, the public were gaining too much control over the outcome of coal supply from opencast mines and the State in both cases, for different reasons, decided it would control the final outcome. The fact that at Plenmeller and Daisy Hills the applications had gone through the due process of a Public Inquiry, yet with a predictable outcome as far as the State was concerned, is most disturbing. Equally disturbing is the use of further regulation and policy legislation regulating the planning system making a predictable outcome for opencast applications in the majority of cases. It serves as a constant reminder of the 'authoritarian statism' of the current period when even the public participatory process in planning can be undermined at will.

CONCLUSION TO THE THESIS

The coal industry has been in long decline since the first world war, a decline marked by conflict with labour over the control of the production process and the accumulation of capital. The role and development of opencast coal mining in this process has had a critical impact on the form and condition of the coal industry in its twilight years. Opencast coal mining may well have been used as a supplement in coal production in two world wars, but its commercial value was recognised in infancy and has increased markedly over the past two decades. Its impact has been no more dramatic than in Scotland and North East England. Though presented with very different political, cultural, economic, geological/chemical and geographical factors in each region, related to the production and burning of coal in power stations, British Coal pursued the common aim of the commercial development of the coal industry in both coal regions. Opencast coal production is now the dominant mode of coal production in both coal regions. Once nationalisation withers and dies the civil engineering industry, being the sole operator on behalf of British Coal, is in the unique position of possibly having not only its industrial inheritance returned but the bonus of huge assets with it in what is an insecure market for the coal.

The principal aim of this thesis was to analyse, explore, explain and challenge, where appropriate, the reasons for the expansion of opencast mining in Scotland and North East England, within the declining market for coal. Such an aim has been predicated upon the advancement of the thesis that the 'instruments of the state' have regulated, assisted and

facilitated the expansion of opencast coal, through a dual approach of positive discrimination of opencast coal in the operation of the planning system and the arbitrary financial regulation of British Coal operations.

The work was made necessarily complex by the interaction of technical, financial, political, economic and legal processes in the production, sourcing and generation of coal. The thesis has established some key findings concerning its origins and motives, financial and legislative regulation and the need at all for opencast coal, much of which generally confirms the main thesis of the work.

The first of these is that to a great extent the commercial origins of opencast mining followed the 1930 Coal Act which formalised the commercial usage of opencast coal resulting in profitable workings during the latter half of the 1930's. Both the State and the private sector had similar motives for its development and in 1943 combined in dual control of the opencast sector. Opencast coal was cast as a supplement to overall coal production, but in reality the State recognised that there was always a strategic alternative to deep mine output and manpower.

The Treasury's response to the 1976 IMF impositions following the critical period of the early seventies created the conditions for production of coal based purely on commercial criteria. The institution of a political shift in coal production through this financial regulation of the coal industry ensured an element of competition

between opencast and deep mined production. With the advent of an monetarist government in 1979, opencast sector was expanded and consolidated while the deep mines were run down. Following this came a whole raft of policy regulation in which the ideological rationale was made clear, preparing the industry to operate in the private sector. While opencast already operates profitably, under dual control with the private sector, it is of no cost to the State. Alas deep mining is, and the State has no economic or ideological desire to support deep mines that cannot compete in the 'market place'.

Financial regulation of the coal industry has taken several forms. The thesis shows an overall generalised sweetening operation of the coal industry at the taxpayers expense. British Coal's financial costings of opencast and deep mine coal and their accounting procedures are arbitrary and flawed. 'Shadow pricing' mechanisms devised by British Coal discriminated in favour of opencast coal and against deep mined coal. Moreover, despite the marginal cost of opencast coal being higher than the marginal cost of deep mine coal, British Coal arbitrary choose to quote the average cost of deep mined coal which is higher than opencast coal. This tends to mask capital, transport, environmental and social costs which are not taken into account when assessing the comparative price of coal production from each sector.

British Coal have hibernated investment in the three super pits of Longannet, Frances and Monktonhall towards a new era in coal. While opencast coal was 'holding the markets for coal' deep mined production was phased out with substantial amounts of investment hibernating in and

around the super pits. Furthermore, in the west of Scotland the State chose to 'rig' the market for opencast coal against lignite in Northern Ireland to meet its immediate privatisation objectives for Scottish Coal and NIES. The report produced by a government quango Northern Ireland Economic Development Council (NIEDC) was flawed. By favouring coal against lignite, so as to bring on stream the second coal-fired power station at Kilroot, it chose to ignore certain vital evidence. By doing so brought to bear a political outcome chosen by government based upon ideological imperatives of privatisation of NIES and British Coal.

In the North East we have established that there is little or no technical need for opencast coal to be supplied to PGI markets as the power stations were built with a specification to burn deep mine coal and much of the opencast coal is too rich to burn. Far from their claim that deep mined coal needs opencast to improve the blend, the opposite is the case: opencast coal often needs deep mined coal to dilute it down to a suitable specification. In a complex matrix of technical quality, cost and specification matching, British Coal maximise opencast coal to the limits of the PGI specification to extract maximum financial gain. Combined, these two major factors of coal production, namely the financial regulation of coal production and the technical strategy of maximising opencast coal, supplant deep mined output in the North East to meet British Coal's commercial expedient of remaining in the market to provide low cost coal to the power generation industry (PGI).

Finally, this thesis also shows that the State has intervened in the supply of opencast coal in North East England through the operation of

the planning system, but in contrast, found it unnecessary to do so in Scotland. There are now legal contradictions in the operation of the planning system with regard to opencast coal. In Scotland, corporatism avoided the need for more planning legislation as planners regulated the planning process in the interests of British Coal themselves. This stands in contrast to North East England where a combative approach to opencast development needed the legislative intervention of the State to maintain the supply of opencast coal. In both cases planning law, policy legislation and procedures have been (mis)used to regulate the supply of opencast coal to consolidate its position in energy production. Surveys [S1,S2] confirmed the wider public tend to be marginal in the opencast mining planning process.

Overall, a prescriptive policy existed for the coal industry to turn it into a commercial business for operation in the private sector. The State's task has been to set a framework so that a market (contrived or otherwise) in energy generation was created and coal traded as a commodity in the energy sector. The outcome has been most profound. One in which the State has discriminated in favour of opencast coal mining, and where in the North East there has been no technical need for opencast coal and only a contrived one in Scotland. All of which has been beyond the public and environmental interest and disastrous to those working in the deep mines.

The human cost of all this has been immeasurable. With "bloody opencast everywhere", one view from a visit to West Lothian makes the final poignant point:

Necessary suffering is everybody's birthright. Unnecessary suffering, suffering that is socially engineered for profit, is an obscenity for which our society has always had too much tolerance.

W. MacIlvanney, 1991, Surviving the Shipwreck

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The Situation of the Coal Mining Industry
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Records of the Scottish Coal Owners Association (SCOA) 9/5/27
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Public Record Office

Hansard Parliamentary Debates, House of Commons

Table of Statutes

Patchett v. Leatham (1949) 65 TLR 69 at P.70

British Standards

BS 5228 - A Code of Practice for Noise on Construction and Demolition
Sites (Applicable to Surface Coal Extraction By Opencast
Methods (1984)

BS 4142 - A Method of Rating Industrial Noise Affecting Mixed
Residential and Industrial Areas (1975)

GOVERNMENT CIRCULARS

DOE = Department of Environment

DOE Circular 52/1972 Enacting Skeffington

DOE Circular 3/84 Opencast Coal Mining

DOE Circular 10/73 Planning and Noise

DOE Circular 15/88 Guidance on Environmental Impact Assessments

DOE Circular 16/87 (WO 25/87)- Development Involving Agricultural Land.

DOE Circular 22/83 Planning gain

DOE Circular 28/87 (WO 54/87)-Opencast Coal Mining.

DOE Circular 14/91 - Development Plan Guidance

DOE Circular 14/1985

DOE MPG1 - General Considerations and the Development Plan System.

DOE MPG2 - Applications, Permissions and Conditions.

DOE MPG3 - Opencast Coal

SDD Circulars

4/1984 - Opencast Coal

23/1987 - Opencast Coal

23/1973 - Planning and Noise.

14/1975 - Public Inquiry Procedures

20/1980 - Development Control in National Scenic areas

38/1981 - Countryside (Scotland) Act 1981

3/1982 - Wildlife and Countryside Act 1981

5/1982 - Town and Country Planning (Minerals) Act 1981

6/1984 - Local Government and Planning (Scotland) Act 1982

22/1984 - Section 50 Agreements - planning gains

26/1984 - Planning Appeals.

SDD Planning Policy Guidance Notes

PPG1 - General Policy and Principles

PPG2 - Green Belts.

No.1 - Agriculture in Scotland.

No.3 - The Countryside

No.4 - Forecasting Employment for Regional Reports and Structure Plans

No.6 - National Coal Board Scottish Area: Trends and Development,
1975-1980.

No.27 -Structure Planning

No.30 -Local Planning

Local Plans and Structure Plans

All Structure Plans in the Scottish Regions of Strathclyde, Lothian, Borders, Dumfries and Galloway, Central, Fife and the Local Plans of the 20 District Councils covered in the Scottish Survey [S2] were examined. Durham and Northumberland County Councils and Gateshead MBC and Newcastle City Council Structure Plans were examined as well as the Local Plans of Derwentside, Chesterle-Street, Sedgfield, Morpeth, Blyth Valley, Hexham, Alnwick and Berwick District Councils .

Proofs, of Evidence

All Proofs of Evidence and Inspectors Reports from Public Inquiries Quoted in this Thesis are repositied at the appropriate County Council Mineral Planning Authority in the North East England. A Selection of the major Proofs of Evidence used are given below:

Leaminging,	Chester-le Street, D.C. Daisy Hills P.I., DCC.
D. Catchpole,	British Coal, Rosehills P.I., DCC.
Burford,	British Coal, Billingside P.I., DCC.
Etherington	NUM, Marley Hill P.I., DCC.
Beynon,	NUM, Daisy Hills P.I., DCC,
A. Grierson	Assessors Report Plenmellor P.I., NCC
Horsler,	British Coal, Daisy Hills P.I., Brusselton Hill Top P.I. Billingside P.I., DCC
Stevenson,	British Coal, Rosehills P.I., Marley Hill P.I., Brusselton P.I., Billingside P.I., Daisy Hill, P.I., DCC
Joyce	DCC, Billingside P.I. DCC
Napier	CPRE Daisy Hills P.I., Plenmellor NCC
Prior,	DCC, Daisy Hills P.I., Brusselton P.I., DCC
Hird	DCC, Marley Hill P.I., DCC
Gladstone,	DCC, Marley Hill P.I., DCC
M. Brocklesby	CPRE, Marley Hill P.I., Gateshead MBC.
G.K. Wilson	CPRE, Brusselton Hill Top, Medomsley(1974), Horsegate (1976), Whittonstall (1977), Woodhead(1983) Witton-le-Wear (1984) Plenmellor 1986 (DCC)

DCC = Durham County Council: NCC = Northumberland County Council.
Rosehills P.I. Nov. 1986, Daisy Hills P.I. April 1987
Brusselton Hill Top P.I. 1987 Billingside P.I. 1988
Marley Hill P.I. 1990 Plenmellor P.I. Jan. 1986

APPENDICES

Methodology

Introduction

The research work in the thesis involved oral and documentary historical reconstruction, two attitude surveys overlaid with participant observation. Concentrating upon the coherence of the thesis has been a complex task not least because of the nature of the subject matter. The work has multi-focused across methodologies 'articulating qualitative and quantitative methods' (Fielding and Fielding 1986) using relevant implementation and application of those methods sensitive to the specific focus of the work,

The purpose of method as a tool in this work has been to emancipate and illuminate the underlying reasons and 'structural mechanisms' (Sayer 1992) behind the process of the expansion of opencast mining and the displacement of deep mined output and employment. An understanding of the place of this perspective in the research process assisted the decisions upon appropriate methods and approaches in the work, conscious that values, beliefs and 'background assumptions' (Gouldner 1971) affect thinking, behaviour and social relations. In turn, behaviour is affected by the knowledge people have of their social world which itself does not exist independently of this knowledge. At base, the philosophical approach to the work recognises the fundamental 'guiding thread' to Marx's political economy:

In the social production of their life, men enter into definite relations that are indispensable and independent of their will, relations of production which correspond to a definite stage of development of their material productive forces. The sum total of these relations of production constitutes the economic structure of society, the real foundation, on which rise legal and political superstructure and to which corresponds definite forms of social consciousness. The mode of production of material life conditions the social, political and intellectual life process in general. It is not the consciousness of man that determines their being, but, on the contrary, their social being that determines their consciousness. At a

certain stage of their development, the material productive forces of society come into conflict with the existing relations of production,....

Marx K. Preface, A Contribution to the Critique of Political Economy 1859

Strenuous effort was made to maintain and prevail the ideal of the realist approach of Sayer (1992) across the research; here observation is taken to be conceptually mediated with knowledge embedded in the social action of events and objects which are complexly differentiated and structured (Sayer 1992: 45-84). Sayer, combines the theoretical and the empirical in a step by step move from the abstract to the concrete by using a hierarchy of types of concepts, from the foundations of historical materialism to concrete social experiences. He argues the purpose of combining theoretical claims with empirical research using an interpretative understanding are to unearth the objects, forms and conditions of capitalist processes in a more reasoned and transparent manner. Past approaches to gaining knowledge and information were often based upon the 'objective' accumulation of facts speaking for themselves turned into data without any philosophical grounding. Given the controversial nature of the research and the lack of 'openness' of some organisations, the 'multi-access' approach to the retrieval of information and data attempts to avoid a naive objectivist approach and recognises knowledge is embedded in the social action of events

Documentary Research

Historical documents provided a context of past trends and practices, initiating the construction of the nature of the present social and political process (Burgess 1990). How you collect and use documents is important (Platt 1981) and the judicious and appropriate mix of historical, private and public, legal, government records combined with solicited and unsolicited documents such as that from the Earl of Weymess outlining the 'corporate nature' of the coal industry in Fife (p.91). The purpose was to compare the themes and patterns of

the past to current trends and practices to verify and justify certain positions. For example planning policy documents from all mineral planning authorities involved in opencast mining were examined and compared for consistency and contradiction with legislation. Cognisance was taken where possible of the social context of document production in this process. Full utilisation of official documentation and primary documentation "not on public account" was made to validate social and political events and situations. For it is as much as that which is lacking in documentation as which it contains that focuses the mind. Scott, who given the experience of this research, justifiably divides documents into four categories of accessibility, provides a broad definition of documentary research as 'physically embodied texts, where the containment of the text is the primary purpose of the physical medium' which 'recognises its diversity as a valuable feature of social research' (Scott 1990, p12-13). He approaches documentary research at three levels of interpretation; intended meaning, received meaning and internal meaning all of which I was mindful of in this "contested terrain" of energy and the community environment. Documentary "attempts at persuasion" (Sparks 1992) have been at the centre of public inquiries and public relations work of British Coal. While not taken at face value, the documents and oral evidence given at public inquiries have proved valuable in measuring the anxiety of the State to maintain the opencast agenda and complete its privatisation task and the range of emotions of their opponents to secure culture, community environment and a social dividend out of any intrusion that may occur.

Public Inquiries (P.I's) into opencast coal mining in the North East of England were identified as a storehouse of documentation and as a gateway to more intensive examination and evaluation of the issues, key players and the public in this conflict. Access to

documents both official and unofficial were identified as a variable factor but clearly to be gained through a variation of methods and approaches. Primary documentation from the parties involved in these P.I's provided the foundation and a major source of information for interpretation and identification of important questions relating to energy provision and public policy. Multiple evaluation approaches to monitor events and situations as proceedings of the P.I's and the energy strategy unfolded, intense though this became, clearly had its rewards. Transcribed evidence from cross-examination compared to the verbatim transcripts of the parties involved and especially British Coal was crucial in identifying fact from fiction and policy from practice. However, a continuous process of participant observation also played an extensive part in information retrieval.

Participant Observation

Participant observation in meetings of the Opencast Action Groups and the Scottish Mineral Officers Group (SMOG) and at least 5 public inquiries supported by their taped proceedings together with active group involvement prior to the Rosehills public inquiry produced valuable results to support documentary evidence. Extensive notes were taken on my observations in assessing the various positions of the parties involved and the cleavages within the opponents to opencast mining. Here I was as much concerned with the power relationships as the marginalisation of the public in the planning process. Of course presentation of findings are important, the line between subjectivity and objectivity is a thin one and awareness that the interpretations of lay understandings (Hutton 1986) were conveyed through my own frame of reference was a conscious exercise.

Participant Observation was used at various opportunities to assess in both familiar and unfamiliar social settings to make transparent various behaviour and biographies. Intensive involvement prior to, and during four major public inquiries and loose involvement at two others gave continuity and consistency in understanding the social setting, position, behaviour and retrieval of information of interested parties and individuals. The situation was where:

The process in which an investigator establishes a many-sided and relatively long-term relationship with a human association in its natural setting, for the purposes of developing a scientific understanding of that association.

Lofland and Lofland (1984), Analysing Social Settings: A Guide to Qualitative Observation and Analysis, P.12

In entering the field of public inquiries that rely as much on data as they do on oral statement, bargained encounters and perceptions, meant that you could not avoid the linking of qualitative and quantitative methods (Fielding and Fielding 1986). Participation in the planning policy formation of Lothian Region's plans for opencast meant taking on a different 'persona' with using a refined approach where:

Qualitative and quantitative methodology are not mutually exclusive. Differences between the two approaches are located in the overall form, focus and emphasis of study.

Van Maanen (1979) Reclaiming Qualitative Methods for Organisational Research: A Preface', Administrative Science Quarterly (P520)

However, the nature of social discourse at public inquiries means that there is no linear flow for one particular approach. Often judicious adoption of various approaches at different intervals became appropriate, sometimes taking it into the realm of *triangulation* (Burgess 1984, 144-145). In the main, this took the form of the description of events and behaviour concentrating upon primary oral information from participants in focus, whilst often objectively excluding myself from those conversations and events. Following Van Maanan

(1988), at other times 'impressionist tales' of the interplay between narratives are highlighted to reinforce the point of issue. 'Confessionist tales' of personal involvement in the research such as at the Scottish Mineral Officers Group (SMOG) seminar remind us of the traumas of participant observation to achieve satisfactory results and data. In all situations efforts to maintain a reflexive consciousness prevailed in the analytical process in relations between and among investigator and among research participants (Gergan and Gergan 1991; 93). There were however, problems of 'persona' in the process of what Gold (1969) describes as being a 'complete participant', 'participant as observer' whilst 'gaining access' and 'utilising flexibility' which affected my perception and recall of events in entering and exiting different context settings (see Polsky 1985, Hobbs 1988) across the whole series of public inquiries. The degree of access to various groups and people depended upon *cultural attachment and reciprocal familiarity* (See also Bruyn 1966, Hughes 1976) as in the case of 'complete observation' of the Rosehills residents group. Interpretation and comparison of the 'significance of observation' (Whyte 1984: 96) was then achieved, through unstructured interviews with some of the residents over the time of living the experience with the residents. The concept of *cultural attachment and reciprocal familiarity* paid dividends on an individual level even with key personnel in British Coal who invariably entered the domain of the group. Less conventional methods included "covert participation" (See Humphreys 1970) undertaken within Surtees Haulage Company, while ostensibly employed as a planning consultant, to identify the shipment/transshipment of opencast and imported coal and their associated costs. Again, Fielding (1981) saw himself in a similar position between core of the organisation and good of society. The exercise assisted in understanding how a myriad of small-time private operators 'interlocked' with larger bodies and individuals in support of the economic agenda of the State in what they called "the coal business".

Analysis and revision of analysis, comparing acquired documentation and data with observations (Fielding and Fielding 1986) continued during the fieldwork but the in-depth analysis did not come until the fieldwork ceased. Then reflection took place having fuller vision across the range of contested terrain between the State, British Coal and the public at these public inquiries before writing up (see Wolcott 1990).

From the beginning there was always a problem of gaining the truth in a real sense and in a theoretical sense where it was a matter of practical adequacy. Interpretation of contested ideas and material circumstances of the opponents and proponents in the conflict became an important part of arriving explanations of various processes. However, moving in and out of situations in a multi-access approach was not without its problems. It was difficult to remain a detached and independent observer at public inquiries. Participating in pressure-group activity while maintaining long-standing relationships with British Coal marketing people and still holding the confidence of the local NUM proved to be testing but successful. My intentions were clearly stated to every contact and in every situation so that peoples perception were relatively uniform and that lay expectations were not raised. Evidence of my acceptability and the degree of my objectivity and independence came from H.M. Inspectors at the public inquiries I attended. After consulting all the contesting parties found me to be independent and as a consequence raised no objection to my taped recording of the proceedings. Helpful this may have been in legitimating my independence to 'significant others' I endeavoured to secure greater objectivity during public inquiries by remaining distant from all parties during research activity at public inquiries and conduct any interviews away from the proceedings.

In a gradual manner, from interpretation of the material, I was able to focus upon the main issues and key players in this conflict and develop and identify the processes and practices that were shaping energy and coal production in Britain. Material from proofs of evidence laid out the arguments of persuasion which were then interpreted and tested through documentation from historical and current sources. Taped proceedings of the cross-examination of the parties at P. I.'s threw up as many questions as verifications to my interpretations. For this reason unstructured and semi-structured interviews with key people were undertaken, partly for verification and clarification, but also for opening up channels of information both formal and informal.

Interviews

Interviews across the research were extensive, ranging from informal, unstructured, semi-structured of the lay participants to structured taped interviews of the most senior protagonists in government and British Coal. The structured interviews were appropriate to the situation where impersonal relations were held with key people in British Coal and the local government and so Oakley (1981) and Wakefords (1981) criticism of putting the interview in an unnatural relationship with the interviewee is void as the relationship was cold already. In general unstructured interviews, often tape recorded (see Burgess 1984, p120), predominated always aware of over-rapport. Acceptance within the resident's action group opposing opencast mining prior to the Rosehills P. I. was gained from trust developed between us in the community many years previous. The ties engendered in the Scottish coalfield in the late 1970's equally played a similar role in getting to the emotional heart of matters in Scotland's beleaguered mining communities. The value of this was that they "opened up" more to me than an "outsider" and consequently participation provided an

avenue to develop a more accurate description of the way a "less articulate majority" felt over the impact of opencast mining. This allowed an additional and unique insight into the contrasting approaches to coal production in Scotland and North East England. To gain further evidence of these different approaches and to identify the apparent disparities in the planning system as well as the perceived impact of opencast mining upon the former mining communities in a more quantitative manner two surveys were undertaken both sides of the border.

Social Surveys

First a 300 household survey (S1) in North East England of 4 villages surrounding an area subject to a public inquiry into opencast coal mining. The purpose of this survey was to examine the public's responses and attitudes in its relationship with British Coal and the Local Authority in the context of the planning system and public inquiries. While this became a huge task and given the overall social condition of the people the one third response rate has to be seen as a successful outcome. The combination of the result of this survey and the documentary and oral evidence as well as the transcribed proceedings of the P.I's provided qualitative and quantitative material of great value. The proceedings of public inquiries, highlighting power and class constructions which re-inforced the interpretation that the planning framework tended to marginalise the majority of the community. Stemming from this came the additional reason to undertake a survey of Scottish local authorities.

The survey of District Councils as Mineral Planning Authorities in Scotland which had opencast mining in their district. The survey's purpose was to analyse why there was no opposition to opencast mining in Scotland by examining the policy and approach of Planners and Council Member and to evaluate to what extent marginalisation of the majority of the

public were to the development of opencast mining and planning process. The aim common to both surveys (S1)(S2) was to determine the level, perceived or otherwise, of public control over the expansion of opencast mining.

The wording of questions in the surveys followed the work of Moser and Kalton (1971, pp318-31) in terms of keeping the questions as specific and unambiguous as possible, using simple language and without any presumptuous or leading questions. That is not to say that in the Scottish survey (S2) the overall tenor did not test the political sensitivity of the respondents in asking of their attitudes to policy and practice in mineral planning. The two surveys also provided the inevitable problem in what Mackie (1974) has called 'the cement of the universe - 'adequacy at the level of cause', aware that multiple causality can have multiple effects and those can change over time. The standard approach has been to adopt a model but given the nature of the research this was felt to be inappropriate. Indeed, Tukey (1977) has argued that although adoption of a model is the ideal approach to gain corroborative evidence from survey data no single model has ever shown to be the only good fit to survey data. Marsh (1982, p 124) argues that extensive piloting and trial analysis of the results before proceeding with the questionnaire is the only solution to accuracy: this is not doubted but often overlooked or limited by resources and situational constraint.

The procedure for the two surveys (S1, S2) both involved the collection of quantitative and qualitative data through voluntary written responses to the main issue of the questionnaires and through follow-up interviews. The value of such an approach has been recognised by Marsh (1982, p. 117) who placed great emphasis on follow up to social surveys to gain the reasons and interpretations for peoples actions. Besides taking it beyond 'statements of

statistical probability, providing adequacy at the level of meaning (Runciman 1978) the follow-up interview lends validity to the form and quality of the survey.

Individual Networks

Feeding in to the various methodological approaches came evidence in different forms through a network of individual sources often on a personal basis. As an additional methodological approach it should be given greater form, for in many instances it is the totality and strength of the data and information given that adds quality to the research. Marketing managers in British Coal in Scotland and North East England were prepared to discuss commercially confidential matters. The Planning Officers in the Regional Councils were more forthright than their counterparts in the District Councils (Mineral Planning Authorities) in Scotland. North East Mineral Planning Authorities (MPA), and Durham MPA in particular, through their collation of statistics have provided vital information relating to opencast applications, their sites and their performance. A stint on a harbour management board gave me immediate access to information from various port authorities in Scotland and the North of England on the import/export of coal. Close individual associations in state, energy and local authorities, beyond normal networking, became an essential part of the research for key strategic information "not on public account". Valuable information on energy, the workings of the State and its Ministers was given under increasingly difficult conditions in a working relationship with 'Brian Buroo' in the Scottish Office. Ultimately my own employment background in mining was of great assistance in understanding opencast mining and energy production.

Summation

I believe my methods and approaches of data collection were of necessity both conventional and less conventional, but nonetheless rigorous in facticity, producing a qualitative and original account of the different means used by the State/British Coal in pursuing parallel objectives of increasing opencast coal production in Scotland and North East England towards a new era in energy production. Behind which lay complex political alignments susceptible to pressure from dominant forces such as the State, financial interests, the power generation industry, and not least the opencast operators. The reasons are political, economic, social and historical. The research methods employed assisted greatly in determining that the common issue is who is to control production in Britain and maximise surplus value from that production.

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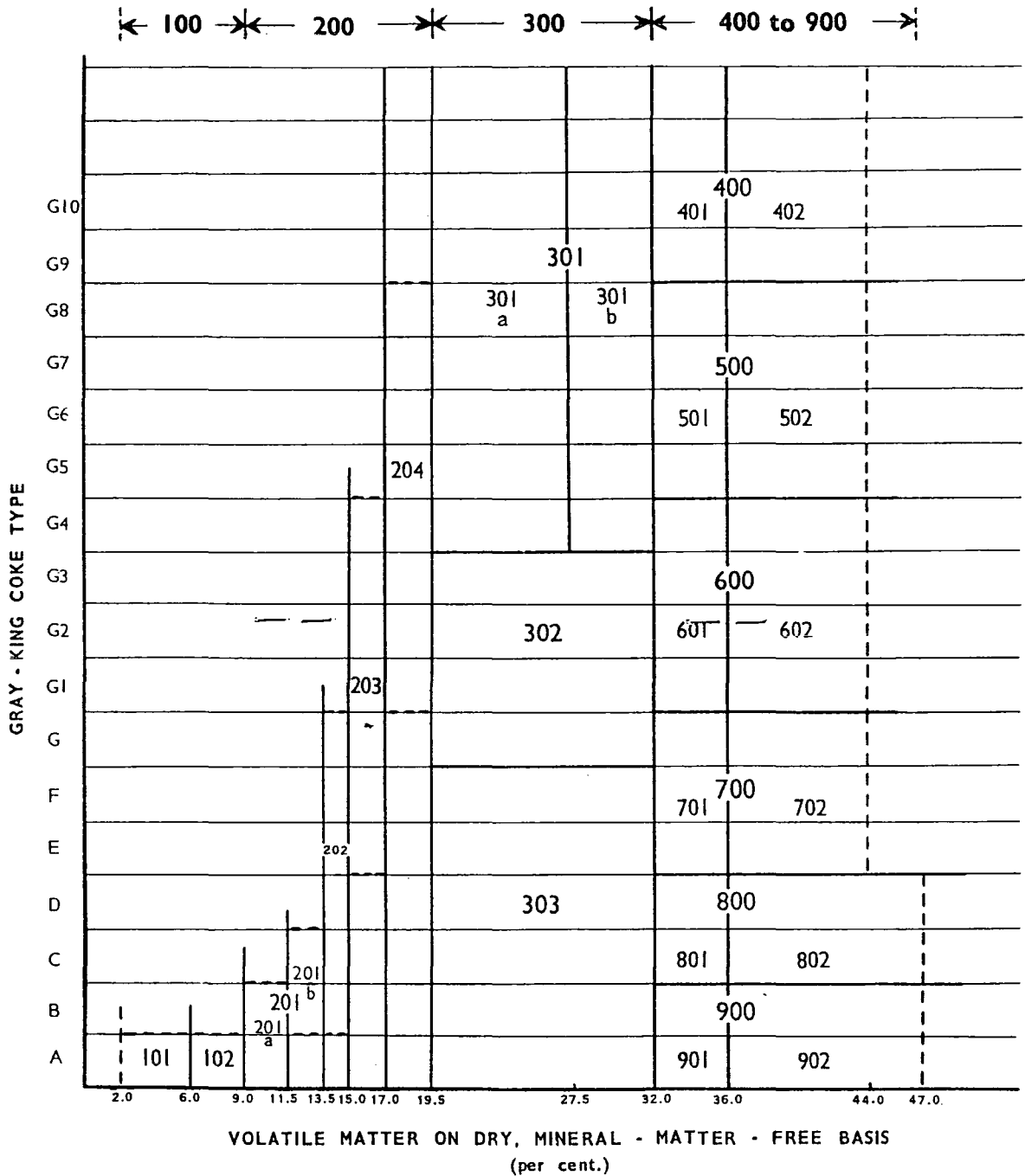
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APPENDIX 2. Coal Classification System
and CEGB Coalfield
Variations in Rankings

COAL CLASSIFICATION SYSTEM USED BY N.C.E.

(Revision of 1964)



- Defines a general limit as found in practice, although not a boundary for classification purposes.
- Defines a classification boundary.

NOTES

1. Coals that have been affected by igneous intrusions ('heat-altered' coals) occur mainly in classes 100, 200 and 300, and when recognized should be distinguished by adding the suffix H to the coal rank code, e.g. 102H, 201bH.
2. Coals that have been oxidized by weathering may occur in any class, and when recognized should be distinguished by adding the suffix W to the coal rank code, e.g. 801W.

THE COAL CLASSIFICATION SYSTEM USED BY THE NATIONAL COAL BOARD

(Revision of 1964)

Coals with ash of over 10 per cent. must be cleaned before analysis for classification to give a maximum yield of coal with ash of 10 per cent. or less.

Coal Rank Code			Volatile Matter (d.m.m.f.) (per cent.)	Gray-King Coke Type*	General Description
Main Class(es)	Class	Sub-class			
100	101† 102†		Under 9.1 Under 6.1 6.1 - 9.0	A } A	} Anthracites
200	201	201a 201b	9.1-19.5 9.1-13.5 9.1-11.5 11.6-13.5	A-G8 A-C A-B B-C	} Low-volatile steam coals
	202 203 204		13.6-15.0 15.1-17.0 17.1-19.5	B-G E-G4 G1-G8	} Coking steam coals
300	301	301a 301b	19.6-32.0 19.6-32.0 19.6-27.5 27.6-32.0	A-G9 and over G4 and over } G4 and over	} Medium-volatile coals } Prime coking coals
	302		19.6-32.0	G-G3	Medium-volatile, medium-caking or weakly caking coals
	303		19.6-32.0	A-F	Medium-volatile, weakly caking to non-caking coals

400 to 900:-			Over 32.0	A-G9 and over	High-volatile coals
400	401 402		Over 32.0 32.1-36.0 Over 36.0	G9 and over } G9 and over	} High-volatile, very strongly caking coals
500	501 502		Over 32.0 32.1-36.0 Over 36.0	G5- G8 } G5-G8	} High-volatile, strongly caking coals
600	601 602		Over 32.0 32.1-36.0 Over 36.0	G1- G4 } G1-G4	} High-volatile, medium- caking coals
700	701 702		Over 32.0 32.1-36.0 Over 36.0	E-G } E-G	} High-volatile, weakly caking coals
800	801 802		Over 32.0 32.1-36.0 Over 36.0	C-D } C-D	} High-volatile, very weakly caking coals
900	901 902		Over 32.0 32.1-36.0 Over 36.0	A-B } A-B	} High-volatile, non-caking coals

*Coals with volatile matter of under 19.6 per cent. are classified by using the parameter of volatile matter alone; the Gray-King coke types quoted for these coals indicate the general ranges found in practice, and are not criteria for classification.

†In order to divide anthracites into two classes, it is sometimes convenient to use a hydrogen content of 3.35 per cent. (d.m.m.f.) instead of a volatile matter of 6.0 per cent. as the limiting criterion. In the original Coal Survey rank coding system the anthracites were divided into four classes then designated 101, 102, 103 and 104. Although the present division into two classes satisfies most requirements it may sometimes be necessary to recognize more than two classes.

NOTES

1. Coals that have been affected by igneous intrusions ('heat-altered' coals) occur mainly in classes 100, 200 and 300, and when recognized should be distinguished by adding the suffix H to the coal rank code, e.g. 102H, 201bH.
2. Coals that have been oxidized by weathering may occur in any class, and when recognized should be distinguished by adding the suffix W to the coal rank code, e.g. 801W.

AVERAGE QUALITY OF NCB MINED COAL AS INVOICED: BY NCB AREAS
1982-83

	NCB Area								Total
	Scotland	North Eastern	Yorkshire	North Midlands	South Midlands	Western	South Wales	Unknown	
Clean Coals:									
Thou. tonnes delivered	-	856	32	105	369	613	213	248	2,436
Moisture %	-	9.2	11.0	18.8	10.9	9.3	10.9	12.5	10.4
Ash %	-	4.8	10.0	9.8	9.3	8.9	9.3	7.5	7.5
Volatile Matter %	-	31.9	29.9	29.7	21.3	31.3	21.3	17.3	27.6
Net CV kJ/kg	-	28,986	26,247	21,628	27,617	27,531	27,617	26,235	27,660
Ash (dry basis) %	-	5.2	11.2	12.0	10.5	9.8	10.5	8.6	8.3
Sulphur %	-	1.1	1.5	1.1	1.1	1.4	1.1	1.3	1.2
Chlorine %	-	0.26	0.25	0.36	0.06	0.34	0.07	0.19	0.23
General Coals:									
Thou. tonnes delivered	114	5,683	21,275	20,737	5,997	8,362	2,971	-	65,139
Moisture %	15.0	10.0	10.8	12.2	14.8	11.4	9.8	-	11.6
Ash %	13.1	15.2	17.2	16.5	14.9	14.9	17.1	-	16.3
Volatile Matter %	28.9	28.4	27.9	28.1	28.5	28.9	10.5	-	27.4
Net CV kJ/kg	23,039	24,445	23,294	23,001	21,668	23,683	25,027	-	23,280
Ash (dry basis) %	15.4	16.8	19.3	18.8	17.5	16.9	19.0	-	18.4
Sulphur %	1.0	1.7	1.7	1.5	1.6	1.6	1.2	-	1.6
Chlorine %	-	0.20	0.25	0.36	0.18	0.48	0.05	-	0.29
Dirty Coals:									
Thou. tonnes delivered	-	1,465	2,348	805	-	-	-	-	4,618
Moisture %	-	12.9	9.2	10.8	-	-	-	-	10.6
Ash %	-	22.8	21.9	23.0	-	-	-	-	22.4
Volatile Matter %	-	26.5	25.2	25.7	-	-	-	-	25.7
Net CV kJ/kg	-	20,328	22,424	21,257	-	-	-	-	21,552
Ash (dry basis) %	-	26.2	24.1	25.8	-	-	-	-	25.0
Sulphur %	-	1.3	1.7	1.7	-	-	-	-	1.6
Chlorine %	-	0.22	0.14	0.24	-	-	-	-	0.18
Fine Coals:									
Thou. tonnes delivered	-	-	305	143	1	-	-	-	449
Moisture %	-	-	22.0	22.0	19.0	-	-	-	22.0
Ash %	-	-	20.5	27.6	14.9	-	-	-	22.7
Volatile Matter %	-	-	18.4	17.6	-	-	-	-	18.1
Net CV kJ/kg	-	-	17,392	14,023	20,013	-	-	-	16,326
Ash (dry basis) %	-	-	26.4	35.4	18.4	-	-	-	29.2
Sulphur %	-	-	1.4	1.6	-	-	-	-	1.5
Chlorine %	-	-	0.12	0.11	-	-	-	-	0.12
Total NCB Mined:									
Thou. tonnes delivered	114	8,004	23,960	21,790	6,367	8,975	3,154	248	72,642
Moisture %	15.0	10.4	10.8	12.3	14.6	11.3	9.9	12.5	11.5
Ash %	13.1	15.5	17.7	16.8	14.4	14.6	16.6	7.5	16.4
Volatile Matter %	28.9	28.4	27.5	27.9	28.0	29.1	11.2	17.3	27.2
Net CV kJ/kg	23,039	24,177	23,138	22,871	22,043	23,943	25,203	26,235	23,288
Ash (dry basis) %	15.4	17.3	19.8	19.1	16.9	16.5	16.4	6.6	18.5
Sulphur %	1.0	1.6	1.7	1.5	1.6	1.5	1.2	1.3	1.6
Chlorine %	-	0.21	0.24	0.35	0.17	0.47	0.05	0.19	0.28

478

Opencast Coal Liason Group

Joint Strategy Statement

An Investment Strategy for the
Extraction and Transportation of
Major Coal Resources in Strathclyde

Strathclyde Regional Council
British Coal
British Rail
Clydesdale District Council
Cumnock & Doon Valley District Council
Kilmarnock & Loudoun District Council
Kyle & Carrick District Council
Monklands District Council
Motherwell District Council



RECOMMENDATIONS

A strategy for major opencast coal extraction has been prepared jointly by Strathclyde Region and District Councils, British Coal and British Rail. This strategy has been prepared within the context of Strathclyde Regional Council's Approved Planning Strategy which directs opencast coal extraction to clearly defined 'Preferred Areas' within the Region. The elements of this strategy are set out in Diagram 1 and its accompanying Schedule. It is recognised that its implementation depends upon the rate at which the necessary resources can be committed by the various parties. It is, however, considered that the following recommendations be adopted to ensure that maximum benefit is achieved through a concerted programme of action and so that any necessary additional resources can be justified and secured.

GENERAL - TO ALL PARTIES

It is recommended that all parties re-affirm their current and continued commitment to the primary objectives of the strategy:

- (a) to develop the opencastable coal reserves in the 'Preferred Areas' of Ayrshire and Lanarkshire;
- (b) to restore related degraded or derelict land;
- (c) to maximise transportation of coal resources by rail rather than by road;
- (d) to minimise associated environmental intrusion during both extraction and transportation.

SPECIFIC - TO BRITISH COAL

It is recommended that British Coal adhere to the overall strategy and its central concept of 'Preferred Areas' extraction in the development of their rolling six year coaling programme.

It is recommended that British Coal continue to invest in relevant rail and, where necessary, road infrastructure linking extraction areas, disposal plants and related markets as per the terms of the strategy and the central 'Preferred Areas' concept.

It is recommended that British Coal, as part of the environmental benefits associated with 'Preferred Areas' extraction, rehabilitate degraded land adjacent to, or contained within, the boundaries of the programmed sites in their rolling six-year programme.

SPECIFIC - TO BRITISH RAIL

It is recommended that British Rail continue their joint working with British Coal to develop the necessary rail linkages within the terms of the strategy.

It is recommended that British Rail continue their strategy of pursuing a shift from road to rail of all relevant opencast coals.

It is recommended that British Rail accord priority to any necessary procedures required to implement the strategy, including Parliamentary Orders.

SPECIFIC - TO STRATHCLYDE REGIONAL COUNCIL

It is recommended that Strathclyde Regional Council give immediate priority to detailed investigation of the road schemes listed under the strategy with a view to their earliest incorporation in the TPP evaluation procedure and potential placement in the TPP programme.

SPECIFIC -

TO THE SCOTTISH DEVELOPMENT DEPARTMENT

It is recommended that the Scottish Development Department adhere to their current Trunk Road investment programme in respect of the A76(T) by-passes and the replacement of Hyndford Bridge (A73(T)) so as to dovetail with the infrastructure investment elements of the strategy.

SPECIFIC -

TO RELEVANT AYRSHIRE AND LANARKSHIRE DISTRICT COUNCILS

It is recommended to District Councils that, within the terms of their Development Control and Local Planning functions, that priority be accorded to enabling the development of the 'Preferred Areas' reserves whilst ensuring that necessary local environmental and design safeguards are integral to this planning process. In particular, it is recommended that consideration be given to the pre-planning of environmental action which might ameliorate the impact of coal extraction (e.g. pre-planting) or result in more effective restoration programme (e.g. concurrent land renewal).

SPECIFIC - TO ALL PARTIES

It is recommended that all parties recognise the evolutionary process of the strategy and its ongoing nature and re-affirm their commitment to a monitoring process which will allow the future dynamics of the opencast industry to be identified and the strategy to be adjusted to take account. In particular, it is considered that the implications for this strategy and its implementation of this and any change in the licensing arrangements for private operations will require to be assessed. This could involve an annual meeting of the Strategy Liaison Steering Group in addition to the regular technical meeting of officers.

SUMMARY

1 There are five major component types in this strategy - see accompanying strategy diagram. (Diagram 1)

A - Open-Cast Extraction Sites

B - Coal Disposal Plants

C - Coal Transshipment Facilities

D - Rail Infrastructure

E - Road Infrastructure

A - OPEN-CAST EXTRACTION SITES

In the period to 1995, thirteen separate open-cast sites will be operational under the umbrella of British Coal.

<i>Number on Diagram</i>	<i>Location</i>	<i>Site</i>	<i>Status</i>
1	Doon Valley	Chalmerston	Operational
2	New Cumnock Basin	Roughhill	Operational
3	New Cumnock Basin	House of Water	1993-94 start
4	New Cumnock Basin	Librymoor	Operational
5	Skares Basin	Piperhill	1991-92 start
6	Cumnock Valley	Darnconner	Operational
7	Cumnock Valley	Ponesk	Operational
8	Cumnock Valley	Airdsgreen/Spireslack	1989-90 start
9	Cumnock Valley	Powharnal/Gasswater	1991-93 start
10	Douglas Valley	Dalquhandy	Operational
11	Douglas Valley	Broken Cross	1995-96 start
12	Motherwell Basin	Damside	1989-90 start
13	Monklands Basin	Drumshangie	1992-93 start

The life cycle of these sites vary considerably from two or three years to twenty years. Within the period to 1995, only the Drumshangie site in the Monklands basin is subject to real uncertainty as to its development and as such, the question of its linkage and treatment infrastructure cannot yet be resolved, although steps have been taken to protect the full range of potential transportation solutions. Outwith the period to 1995, it is anticipated that the focus of further new development will be the Douglas Valley. However, it should be noted that this extraction strategy will be subject to two primary constraints - one, that British Coal satisfy the requirements of the Local Planning Authority when submitting relevant planning applications and, two, that external market conditions allow British Coal to maintain its current and proposed extraction policy.

B - COAL DISPOSAL PLANTS

In order to service this geographical distribution of sites, five Disposal or Coal Treatment Plants will be operational under the British Coal umbrella. At each of these Plants, raw coal will be received, processed through washing, crushing and blending and output to the client market as a finished product.

<i>Number on Diagram</i>	<i>Location</i>	<i>Facility</i>	<i>Status 1989</i>
14	Killoch	Wet-dry processing	Operational
15	Knockshinnoch	Dry processing only	Operational
16	Dalquhandy	Dry, limited wet	Operational
17	Powharnal	Dry processing only	1992-93 start
18	Climpy	Dry processing only	1989-90 start

C - COAL TRANSHIPMENT FACILITIES

In order to facilitate distribution of the finished product to market in bulk or to facilitate transportation of raw coals in bulk to Disposal Plants for processing, four transshipment facilities will be operational.

<i>Number on Diagram</i>	<i>Location</i>	<i>Nature of Transshipment</i>	<i>Operating Agencies</i>	<i>Status 1989</i>
19	Ravenstruther	Road to Rail	BC/BR	Operational
20	Ayr Harbour	Rail to Ship	BC/BR/BP	Operational
21	Cronberry	Internal Road to Rail	BC/BR	1992-93 start
22	Chalmerston	Internal Road to Rail	BC/BR	Operational

D - RAIL INFRASTRUCTURE

In order to facilitate maximum movement of materials by rail rather than by road traffic there will be five major investments in rail infrastructure.

<i>Number on Diagram</i>	<i>Location</i>	<i>Nature of Investment</i>	<i>Operating Agencies</i>	<i>Status 1989</i>
14	Killoch	Rail Load/Unload Infrastructure	BC	Operational
20	Ayr Harbour	New sidings and remodelling of layout	BR/BC/BP	Operational
22	Doon Valley	Re-open rail link	BR/BC	Operational
24	Mauchline-Annbank	Re-open rail link	BR/BC	Operational
25	Cronberry-Auchinleck	New rail link	BR/BC	In preparation

E - ROAD INFRASTRUCTURE

In order to minimise the impact upon those Communities located astride or adjacent to main road routes utilised by coal traffic, eleven major investments in new road infrastructure will be required.

<i>Number on Diagram</i>	<i>Community</i>	<i>Route</i>	<i>Nature of Investment</i>	<i>Agency</i>	<i>Status 1989</i>
26	Cumnock	A76(T)	Bypass	SDD	1990-91 start
27	New Cumnock	A76(T)	Bypass	SDD	1991-92 start
28	New Cumnock	B741	Relief Road	SRC	No date study

(Continued over)

(Continued)

<i>Number on Diagram</i>	<i>Community</i>	<i>Route</i>	<i>Nature of Investment</i>	<i>Agency</i>	<i>Status 1989</i>
29	Cumnock	A70	Inner relief road study	SRC	1990 programme
30	Coylton	A70	Bypass study	SRC	1989-90 start
31	Ochiltree	A70	Bypass study	SRC	1989-90 start
32	Muirkirk	A70	Traffic rationalisation	SRC	No date
33	Douglas	A70	Road realignment	SRC	No date
34	Rigside	A70	Road realignment	SRC	1991 start
35	(Hyndford)	A73(T)	Bridge replacement	SDD	1992-93 start
36	New Cumnock/ Cumnock	Unclassified (Knockshinnoch to Killoch)	Road upgrade	SRC	Ongoing

Whilst the priority for scarce resources must lie with direct action to relieve communities where impact affects concentrations of population, additional resources will be required for general improvement of road linkages outwith nucleated settlements, including those minor routings accessing the main arterial network where these are utilised by coal traffic.

EXPLANATION

The principle underlying this strategy of investment in open-cast coal extraction and related transportation infrastructure, is a desire to enable the maximum economic and environmental benefits of exploiting these resources to accrue to Strathclyde at minimum impact to communities within Strathclyde. To this end, the emphasis is upon maximising rail transportation of raw extracted coals and finished coal products and minimising road-borne transportation.

The essence of this approach is to ensure that the movement of materials from point of extraction to point of treatment to point of disposal or transhipment is effected by rail in all instances where this is both feasible and economic. The construction therefore of new disposal facilities at Dalquhandy and Powharnal and new transhipment facilities at Ravenstruther and Chalmerston reflects a requirement to minimise the distances travelled and communities affected. Similarly, the new rail linkages between the Doon Valley and its primary disposal facility at Killoch and its external markets and between the Cumnock Valley and Killoch and the national rail network reflect the need to link areas of major production to the primary processing facility in the Region and to their markets by rail to minimise road-borne transportation. The substantial investment in rail 'load' and 'un-load' infrastructure at Killoch is also part of this same objective.

Schedule 1 - The Proposed Strategy Components (See also Diagram 1)

<i>Item Number</i>	<i>Component</i>	<i>Nature of Action/Site</i>	<i>Agency</i>	<i>Status at 1989</i>
1	Chalmerston, Doon Valley	Extraction Site	British Coal	Current - Expiry 1996
2	Roughhill, New Cumnock	Extraction Site	British Coal	Current - Expiry 1994
3	House of Water, New Cumnock	Extraction Site	British Coal	1993 - 1994 Start
4	Librymoor, New Cumnock	Extraction Site	British Coal	Current - Expiry 1995
5	Piperhill, Skares Basin	Extraction Site	British Coal	1991 - 1992 Start
6	Damconner, Cumnock Valley	Extraction Site	British Coal/Private	Current - Expiry 1992
7	Ponesk, Cumnock Valley	Extraction Site	British Coal	Current - Expiry 1989
8	Airdsgreen/Spireslack, Cumnock Valley	Extraction Site	British Coal	1989 - 1990 Start
9	Powharnal/Gasswater, Cumnock Valley	Extraction Site	British Coal	1992 - 1993 Start
10	Dalquhandy, Douglas Valley	Extraction Site	British Coal	Current - Expiry 2009
11	Broken Cross, Douglas Valley	Extraction Site	British Coal	1995 - 1996 Start
12	Damside, Motherwell	Extraction Site	British Coal	1989 - 1990 Start
13	Drumshangie, Monklands	Extraction Site	British Coal	1992 - 1993 Start
14	Killoch Disposal Plant	Rail Off-load/Load Infrastructure	British Coal	1989 - 1990 Commissioning
15	Knockshinnoch Disposal Plant	Coal Disposal	British Coal	Current Plant
16	Dalquhandy Disposal Plant	Coal Disposal	British Coal	1989 - 90 Commissioning
17	Powharnal Disposal Plant	Coal Disposal	British Coal	1992 - 1993 Construction
18	Climpy Disposal Plant	Relocate at Damside	British Coal	1989 - 1990 Re-commissioning
19	Ravenstruther Transhipment Plant	Road to Rail Load Infrastructure	British Coal/British Rail	1989 Commissioning
20	Ayr Harbour Transhipment Plant	Coal Storage and New Rail Infrastructure	British Ports/British Rail	1989 Commissioning
21	Cronberry Transhipment Plant	Rail Load Infrastructure	British Coal/British Rail	1992 - 1993 Construction
22	Chalmerston Transhipment Plant	Rail Load Infrastructure	British Coal/British Rail	1988 - 1989 Commissioning
23	Chalmerston - Killoch Link	Re-open Rail Line	British Rail/British Coal	1989 Re-commissioning
24	Mauchline - Annbank Link	Re-open Rail Line	British Rail	1989 Re-commissioning
25	Cronberry - Auchinleck Link	New Rail Link	British Rail	1992 - 1993 Commissioning
26	Cumnock - Auchinleck A76	New Road Bypass	Scottish Development Department	1990 - 1991 Start
27	New Cumnock A76	New Road Bypass	Scottish Development Department	1991 - 1992 Start
28	New Cumnock B741 - A76	Relief Road Options	Strathclyde Region	Feasibility Evaluation Proposed
29	Cumnock A70 - A76	Inner Relief Road Options	Strathclyde Region	Detailed Study 1990
30	Coylton A70	Road Bypass Options	Strathclyde Region	Feasibility Evaluation in Progress
31	Ochiltree A70	Road Bypass Options	Strathclyde Region	Feasibility Evaluation in Progress
32	Muirkirk A70	Traffic/Parking Rationalisation	Strathclyde Region	Feasibility Evaluation Proposed
33	Douglas A70	Road Realignment	Strathclyde Region	Feasibility Evaluation Proposed
34	Rigside A70	Road Realignment	Strathclyde Region	1989 - 1990 Start
35	Hyndford Bridge A73(T)/A70	Bridge Replacement	Scottish Development Department	1992 - 1993 Start
36	Knockshinnoch - Killoch Unclassified Road Link	Road Upgrade	Strathclyde Region	1988 - 1989 Start

14. A number of other factors also dictate the level of traffic into and out from disposal and transshipment plants and hence the level of current and future impacts on communities:

- (a) Coal extraction current and future planning and programming
- (b) Geographical relationship of disposal and transshipment points to their sources and their markets.
- (c) Nature of external transportation linkages at disposal and transshipment points.
- (d) Size and nature of contracts negotiated by British Coal in respect of their consumers.

STRATEGY FORMULATION

Strategy Objective

15. The basic objective of the strategy is to enable the industry to deliver the longer-term economic and environmental benefits of open-casting the 'Preferred Area' coal resources whilst minimising the associated wider environmental conflicts, particularly linked to the transportation of the coals. In effect, this revolves upon maximising rail-borne movements and minimising road-borne movements, with necessary investment programmes in infrastructure to accommodate this shift in mode of transportation.

Coal Extraction Plans and Programmes

16. The primary determinant of a strategy must be the location, the actual source of the extracted coals, as this determines volumes and directions of all consequent flows. British Coal's forward planning entails a six year development plan aimed essentially at a three-fold policy of:

- (a) maintaining current production by phasing in new sites for those nearing exhaustion
- (b) servicing newly won markets
- (c) creating the potential to service further markets

17. Table 1 has set out the basic geographical distribution of the coal resources and sites currently operating under British Coal's current programme. The table also indicates the likely life expectancy of these sites and it can be seen that four of the seven sites will be phased out during the time of the current programme. In order to maintain its policy as described above, the future extraction programme will phase in replacements and open up new sites to accommodate market demand. Table 4 and Map 2 set out the anticipated extraction programme.

Table 4 British Coal Extraction Programme 1989 - 95

<i>Basin Name</i>	<i>Operating Site</i>	<i>Category</i>	<i>Expiry Date</i>
1 Doon Valley	Chalmerston	Existing	1996
2 New Cumnock	Roughhill	Existing	1994
	Librymoor*	Existing	1995
	House of Water	Replacement	-
3 Skares	Piperhill	New	-
4 Cumnock Valley	Damconner	Existing	1992
	Ponesk	Existing	1990
	Airdsgreen/Spireslack	Replacement	-
	Powharnal/Gasswater	New	-
5 Douglas Valley	Dalquhandy	Existing	2009
	Broken Cross	New	-
6 Motherwell	Damside	Replacement	1998
7 Monklands	Drumshangie	New	1998

**Site lies outwith Strathclyde but coal is processed at Knockshinnoch*

18. The basic geographical pattern remains unchanged with the existing operation in each basin being maintained with replacement as necessary eg Airdsgreen/Spireslack being the replacement for Ponesk in the Cumnock Valley, Damside the replacement for Headless Cross in the Motherwell Valley. Additionally, a new presence in the Skares and Monklands basins is anticipated, with an expansion of capacity in the Cumnock basin at Powharnal-Gasswater and in the Douglas Valley at Broken Cross to meet known or anticipated market demand.

19. It is important to stress that this concept of a six year programme means that the new and replacement sites will commence development within the six years of the programme but that their working lives may run for up to twenty years. The formulation of a strategy must therefore recognise that this form of development is long-term in nature and the associated conflicts are therefore of a long-term nature.

20. The strategy has been formulated to date upon the extraction plans and programmes of British Coal as the major source in the extraction industry. However, the possibility has arisen of a change in private sector licensing arrangements; in consequence this sector of the industry may in the future assume increased importance. This potential shift in focus within the industry will constitute an important element in the monitoring of the Strategy and its context.

Disposal and Transhipment Plants

21. The geographical relationship between the programmed extraction sites and their associated disposal plants is the second factor determining the direction and volume of coal movements. British Coal intend to maintain the current geographical relationship with new in-

frastructure only coming on-stream where market demands dictate expansion of the extraction programme. As a result, the current disposal plants and transshipment facilities will continue to form the basis of the system. The relationships outlined on Table 3 will therefore remain unchanged. Killoch will continue to function as the fulcrum of preparation and disposal in Ayrshire because of its capacity both for 'wet processing' and its ability to supply a wide range of products. The only anticipated increase in disposal plant infrastructure relates to the inclusion in the extraction programme of the Powharnal-Gasswater site in the Cumnock Valley. The coal reserves at this site are of appreciable scale with a long though undefined working life. British Coal would therefore anticipate a new disposal plant in that location, though restricted to 'dry' processing only with any necessary 'wet' treatment being conducted at Killoch.

22. Amongst other new reserves anticipated in the extraction programme are those of the Skares basin. No new disposal plant facility will be required to service this development due to the close proximity of Killoch, a few miles north of the basin. Similarly, the reserves in the Douglas Valley scheduled for the end of the current six year programme, will be treated at the new disposal plant at adjacent Dalquhandy before being transhipped to market from the new transshipment plant at Ravenstruther, constructed to handle demand from Dalquhandy.

23. In effect, the evolving strategy for disposal and transshipment facilities is one which seeks to establish a processing capacity in virtually each operating area, with the exception of the Doon Valley, to handle the majority of coals extracted in that area whilst acknowledging that interchange between extraction areas will continue to occur either for 'wet' treatment at Killoch or for blending purposes to produce the required specification of products at the various Plants. The basic pattern of interchange between plants and sites will therefore remain substantially unchanged. The one new movement which may be anticipated is between the Cumnock Valley, and Killoch as coals from the Powharnal-Gasswater site may require washing before disposal.

24. An additional and critical element in the Strathclyde context is the role of Ayr Harbour transshipment facility in servicing external markets. Handling and storage capacity has to date been limited, necessitating frequent lorry traffic through Ayr to the harbour for enshipment. As part of the evolving strategy, enhancement of this facility has been the subject of recent investment by British Rail and British Ports.

Transportation Linkages

25. The third determinant of traffic volumes and coal flows is the nature of the linkages between extraction sites and their Disposal Plants and between the Disposal Plants and their Transshipment Points and markets. Tables 5 and 6 set out in summary the nature of these linkages, as anticipated during the 1989-95 period.

Table 5 - Transportation Linkages - Extraction Sites and Disposal Plants 1989-1995

<i>Coal Basin</i>	<i>Extraction Site</i>	<i>Transport Out of Site</i>	<i>Related Disposal Plant</i>	<i>Transport In to Plant</i>	<i>Transport Out from Plant</i>
Doon Valley	Chalmerston	Rail	Killoch	Rail	Rail/Road
New Cumnock	Roughhill	Road	Knockshinnoch	Haul Road	Rail
		Road	Killoch	Road	Rail/Road
	Librymoor	Road	Knockshinnoch	Road	Rail
Skares	Piperhill	Road	Killoch	Road	Rail/Road
Cumnock Valley	Damconner	Road	Killoch	Road	Rail/Road
		Road	Knockshinnoch	Road	Rail
	Ponesk/Airdsgreen	Road	Knockshinnoch	Road	Rail
	Powharnal/	Rail	Killoch	Rail	Rail/Road
	Gasswater	Haul Road	Powharnal	Haul Road	Rail
Douglas Valley	Dalquhandy	Road	Dalquhandy	Road	Road
Motherwell	Damside	Haul Road	Climpy	Haul Road	Road
Monklands	Drumshangie	?	?	?	?

Table 6 - Transportation Linkages - Disposal Plants and Transshipment Points 1989-95

<i>Transshipment Point</i>	<i>Transport Into Point</i>	<i>Transport Out from Point</i>	<i>Related Disposal Plant</i>	<i>Transport Out from Plant</i>
Ravenstruther	Road	Rail	Dalquhandy	Road
Ayr Harbour	Rail	Ship	Dalquhandy	Road
			Killoch	Rail
			Knockshinnoch	Rail
			Powharnal	Rail
Cronberry	Haul Road	Rail	Killoch	Rail
			Powharnal	Rail
Chalmerston	Haul Road	Rail	Killoch	Rail

26. In terms of extraction sites (Table 5), transport of extracted coals to the disposal plants is and will continue to be road-borne, whether by internal haul-road or external public road. Few sites occur near existing rail infrastructure or have an economic capability of being linked to such infrastructure. Two exceptions to this rule feature -

- (a) at Chalmerston in the Doon Valley where, as part of the evolving

strategy, British Coal and British Rail have invested in a direct linkage to the existing but disused rail infrastructure in the area to allow direct rail access to Killoch Disposal Plant and to Ayr Harbour; and

(b) the planned extraction at Powharnal-Gasswater with a rail connection from Cronberry to Killoch and to Ayr Harbour. Because of the bulk-haul implications of this site, in disposal and in market terms, a transshipment facility for rail-borne movement is proposed for an adjacent location at Cronberry to enable transport by rail to both Killoch and direct to market.

Additionally, as part of the context of this category, it should be noted that British Rail have retained the solum of the former rail-line between Drumgelloch, Airdrie and Bathgate with a view, where economically feasible, to direct rail linkages and transshipment facilities for any future development of the Monklands Basin and reserves further east in Central Scotland. In Strathclyde, this pertains directly to the development of the Drumshangie site east of Airdrie. There remain considerable difficulties associated with this site which require to be resolved before the question of its linkages can be decided upon.

27. In terms of disposal plants (Table 5), the picture is dominated by road linkages into the disposal plants and rail linkages from the disposal plants. A major element in this has been heavy investment by British Coal, as part of the strategy, in rail-orientated unloading and loading infrastructure at Killoch and in re-opening formerly closed railway lines from the Doon Valley and also from the main Dumfries line via the Mauchline-Annbank line. As part of the future development of Powharnal-Gasswater, British Coal and British Rail are to promote a new line from the Cronberry area to Auchinleck to join with the main Dumfries line.

28. In terms of transshipment points (Table 6), the picture is dominated by direct rail linkages with the exception of Ravenstruther where the A70 is and will be utilised to transport coals from the Douglas Valley sites to the transshipment point on the rail line south of Lanark.

Influence of Market Requirements

29. The fourth influence over the number of lorry trips generated by the opencast industry in Strathclyde is the nature and size of coal contracts won by British Coal to supply its customers. The primary consideration is the actual volume of coal contracted to supply and the frequency of delivery. There are basically two forms of contract - large volume bulk orders eg industrial and power station and low volume, frequent delivery eg domestic and small industry users. In most cases,

BRITISH COAL CORPORATION

MONKTONHALL MINE

**MEMORANDUM OF ASSETS
FOR LEASE AND LICENCE**

WARDELL ARMSTRONG

SEPTEMBER 1991

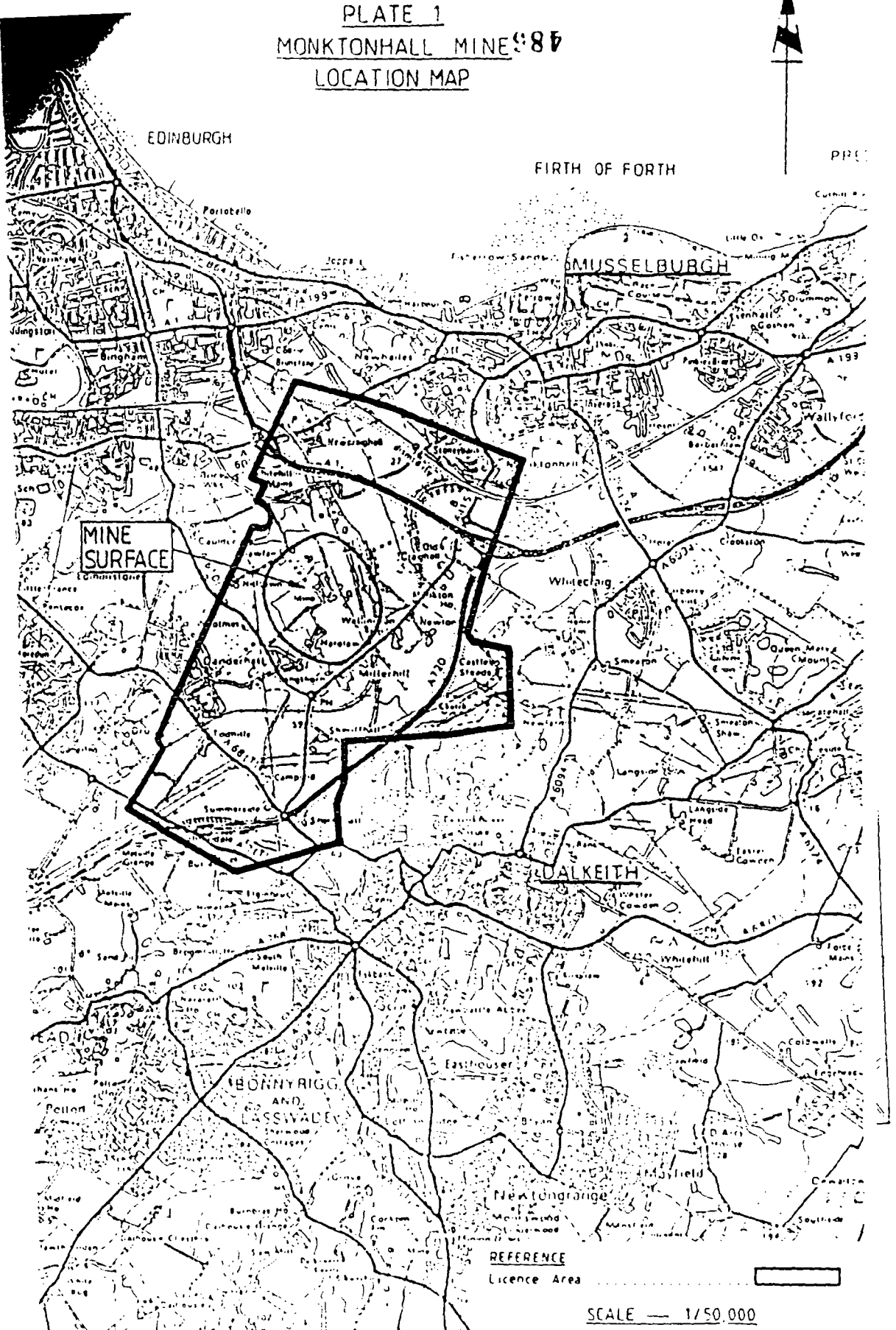
**WA WARDELL
ARMSTRONG**

Mining Engineering

Minerals Management

Geology and Geotechnics

PLATE 1
MONKTONHALL MINE 87
LOCATION MAP



HISTORY AND PRESENT POSITION

Monktonhall Mine was designed in the 1950's to produce in excess of 1 million tonnes of coal annually from the deep Carboniferous Limestone seams. The productive Coal Measure seams which lie about 460 metres above the shallowest workable coal seam (Parrot Seam) in the Limestone Group had been exploited previously from the numerous ancient shallow mines in this area.

Two vertical shafts were sunk between 1955 and 1961 to depths of 930 and 921 metres. Horizon tunnels were driven to the north and south at a depth of about 890 metres and intersected the Great, Stairhead and Gillespie Seams. The Great Seam is the thickest and most consistent of these and was successfully exploited from 1965 and during the 1970's in the central area close to the shafts. Further working took place in the 1980's through faulting to the north of this area together with limited extraction in the central area in the thinner Stairhead and Gillespie seams.

It had always been accepted that the coal reserves to the south of the Sheriffhall Fault would be worked from the Lady Victoria and Bilston Glen mines. In the late 1970s however, the main horizon tunnels at Monktonhall were extended to the south through this fault and reserves immediately south of it were re-allocated to this mine. One panel of coal, was extracted between 1981 and 1985 in the Corbiecraig Seam and new access tunnels intersected the Parrot Seam in this area. At the same time access tunnels were driven to intersect the Peacock Seam in the central area of the mine.

Up to 1980-81, Monktonhall Mine operated successfully with profits in 1979-80 reaching £2.20/tonne. Since that year the operational performance of the mine has been less satisfactory, viz:

Monktonhall : 1980-1987

Year	OMS tonnes	Cost £/tonne	Proceeds £/tonne	Profit (loss) £/tonne
1980/81				(7.6)
1981/82	2.31	38.3	30.1	(8.2)
1982/83	2.50	36.0	32.2	(3.8)
1983/84	2.52	44.5	34.4	(10.1)
1984/85	----- NATIONAL STRIKE -----			
1985/86	2.43	50.3	39.1	(11.2)
1986/87	2.12	68.8	39.4	(29.4)

Because of these continuing unsatisfactory financial results the Corporation decided in 1987 to suspend the main production activities of the mine. The central area development drivages in the Peacock Seam and the southern area developments in the Parrot Seam were completed during 1988. The Peacock Seam developments were driven 1,100 metres from the bottom of the access tunnels and the Parrot Seam headings now extend about 700 metres from the main south horizon tunnels.

Since 1988 the mine has not produced any coal and has been preserved on an essential care and maintenance basis with natural ventilation. Dams have been constructed on the tunnels to the north and south. Some of the underground workings in the Great, Stairhead and Gillespie Seams are now flooded and water flows from the dam sites to the pit bottom lodgement. The currently accessible roadways in the mine are those in the vicinity of the pit bottom and the development drivages in the Peacock Seam as shown on Plate 3.

Peacock Seam Reserves

(i) In situ

Area	Average In situ coal thickness (m)	In situ Reserves (mt)		
		Proved	Probable	Total Demonstrated
P1	1.25	2.33	-	2.33
P2	1.25	1.66	-	1.66
P3	1.20	1.76	-	1.76
P4	1.20	-	3.14	-
P5	1.15	-	2.32	-
Total		5.75	5.46	11.21

(ii) Workable and Recoverable

Area	Average Workable Coal Thickness (m)	Workable Reserves (mt)			Extraction %	Recoverable Reserves (mt)		
		Proved	Probable	Total Demonstrated		Proved	Probable	Total Demonstrated
P1	1.10	2.05	-	2.05	85	1.74	-	1.74
P2	1.10	1.46	-	1.46	75	1.10	-	1.10
P3	1.05	1.54	-	1.54	75	1.16	-	1.16
P4	1.05	-	2.75	2.75	70	-	1.93	1.93
P5	1.00	-	2.02	2.02	75	-	1.52	1.52
Total		5.05	4.77	9.82	-	4.00	3.45	7.45

(iii) Recoverable Reserves with additional surface protection in Areas P1, P2 and P3 (at 60% extraction maximum)

Area	Average Workable Coal Thickness (m)	Workable Reserves (mt)			Extraction %	Recoverable Reserves (mt)		
		Proved	Probable	Total Demonstrated		Proved	Probable	Total Demonstrated
P1	1.10	2.05	-	2.05	60	1.23	-	1.23
P2	1.10	1.46	-	1.46	60	0.88	-	0.88
P3	1.05	1.54	-	1.54	60	0.92	-	0.92
P4	1.05	-	2.75	2.75	70	-	1.93	1.93
P5	1.00	-	2.02	2.02	75	-	1.52	1.52
Total		5.05	4.77	9.82	-	3.03	3.45	6.48

Demonstrated Reserves in the Peacock and Parrot Seams are as follows:

(i) In situ

Seam	In situ Thickness (m)	In situ Demonstrated Reserves (mt)		
		Proved	Probable	Total
Peacock	1.15 - 1.25	5.75	5.46	11.21
Parrot	1.20	2.68	0.67	3.35
Total		8.46	6.13	14.59

(ii) Workable

Seam	Workable Thickness (m)	Demonstrated Workable Reserves (mt)		
		Proved	Probable	Total
Peacock	1.00 - 1.10	5.05	4.77	9.82
Parrot	1.20	2.68	0.67	3.35
Total		7.73	5.44	13.17

(iii) Recoverable

Seam	% Extraction	Demonstrated Recoverable Reserves (mt)		
		Proved	Probable	Total
Peacock	70 - 85	4.00	3.45	7.45
Parrot	70	1.88	0.47	2.35
Total		5.88	3.92	9.80

(iv) Recoverable Reserves with additional surface protection

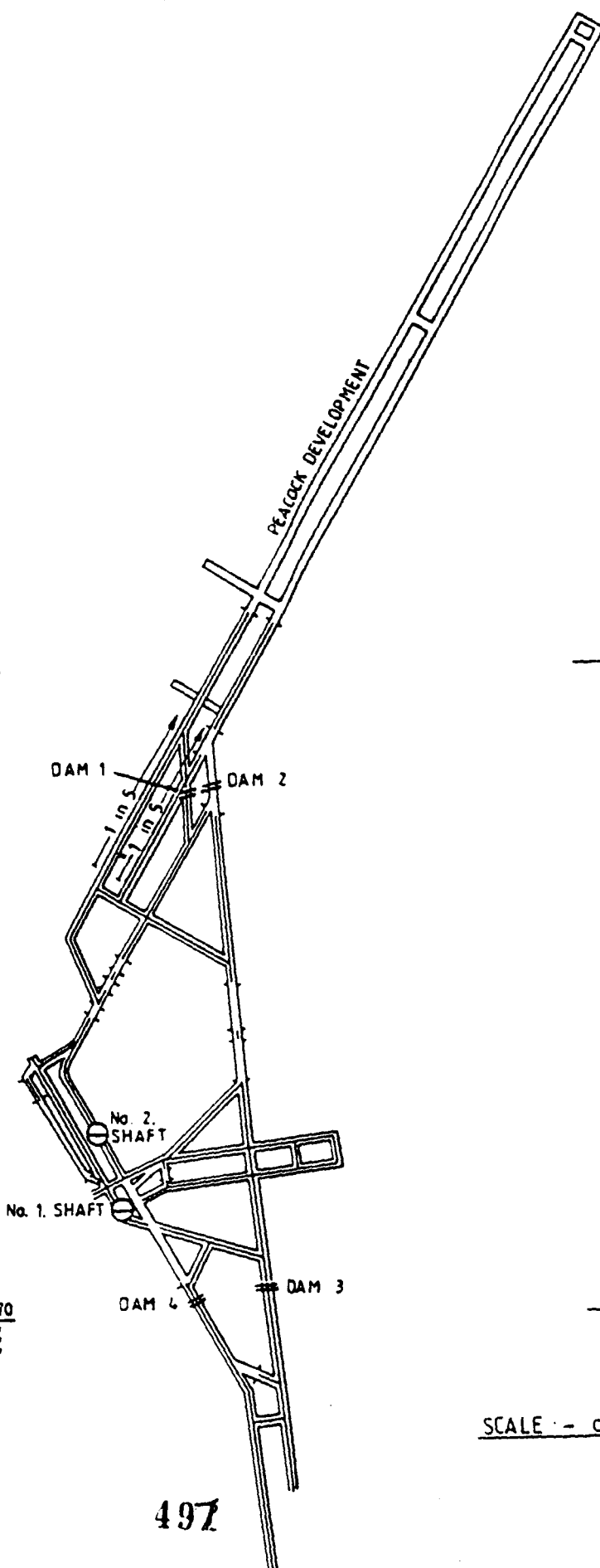
Seam	% Extraction	Demonstrated Recoverable Reserves (mt)		
		Proved	Probable	Total
Peacock	60 - 85	3.03	3.45	6.48
Parrot	70	1.88	0.47	2.35
Total		4.91	3.92	8.83

MONKTONHALL MINE
PRESENT UNDERGROUND ROADS

672



671

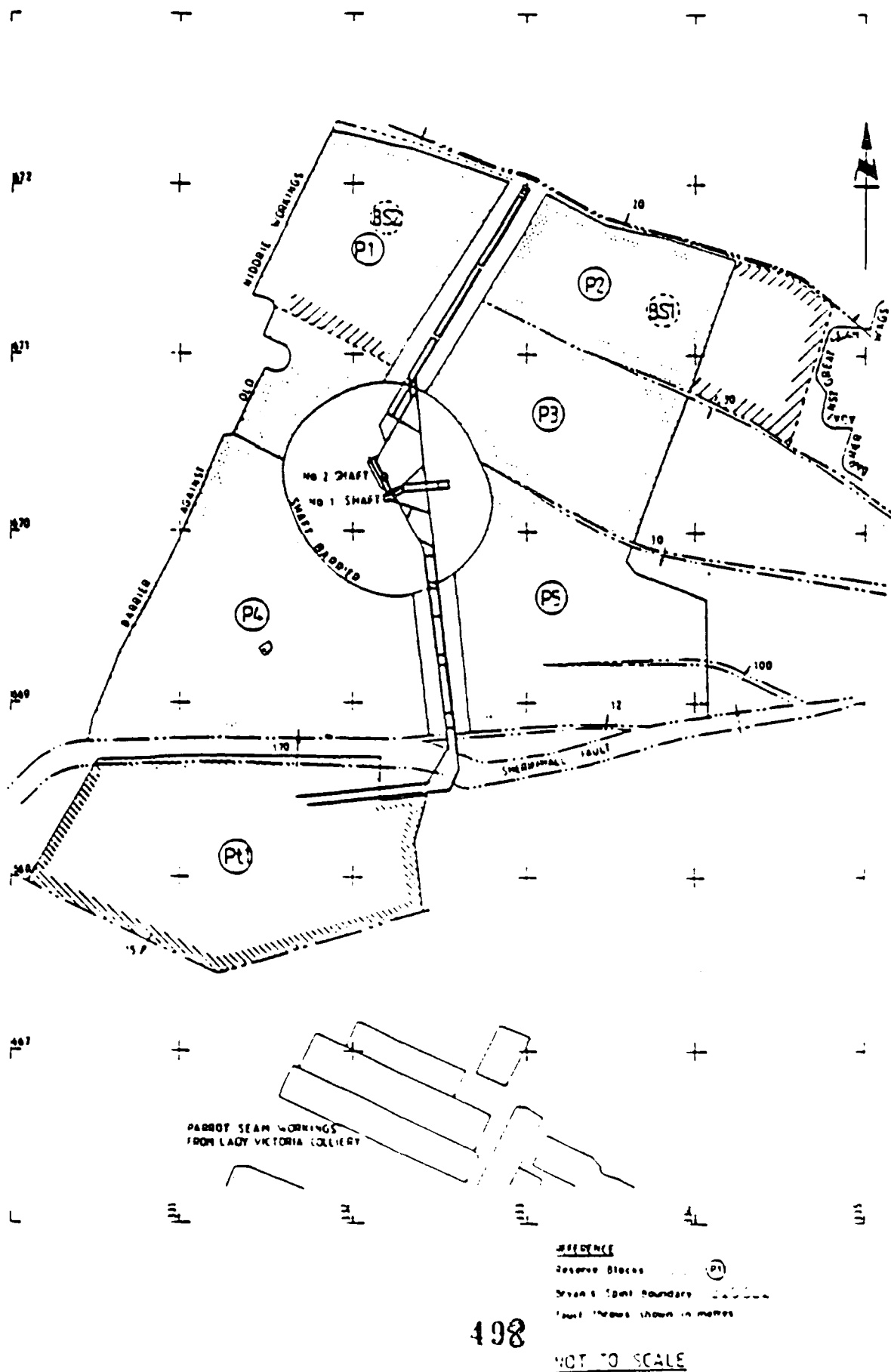


670
332

670
333

SCALE - c. 1/10,000

PLATE 2
MONKTONHALL MINE
MINE RESERVES



ANNEX 1

BRITISH COAL CORPORATION
HOBART HOUSE
GROSVENOR PLACE
LONDON SW1X 7AE

01-237 1980

SIR ROBERT HASLAM
CHAIRMAN

Our Ref: PQ 89/10

Gerry Steinberg, Esq., M.P.,
House of Commons,
London,
SW1A 0AA.

18th April 1989

Dear Mr. Steinberg,

Thank you for your further letter of 17th March about marginal costs.

In that letter you ask for figures relating to the marginal cost of an additional tonne of output at a long-life colliery obtained through higher coal face performance. The marginal cost of output will of course be specific to a particular colliery. For example, we investigate the marginal cost of incremental output when a capital project is put forward for consideration.

If I may refer you to Table 4.5, page 35 of the 1989 Monopolies and Mergers Commission report on the investment programme of the British Coal Corporation, you will see that the operating cost or incremental tonnage for three specific projects at three collieries was well below £1/GJ, and this is reasonably typical of the cost of output obtained by capital investment.

In your letter you mention that the Monopolies and Mergers Commission report on the Coal Industry in 1983 managed to quantify marginal cost figures. I believe you might have in mind a graph showing operating cost/tonne against cumulative output that appeared on page 307 of that report. However, the operating cost/tonne figures used in that graph incorporate fixed costs and so the graph is not an indication of marginal costs in the sense you refer to.

I think there might be some misunderstanding with regard to your central point. The marginal cost of additional incremental output from our continuing collieries will, indeed, generally be lower than the average cost from new opencast sites - although not by a large margin.

/The argument ...

The argument I was wishing to stress in my previous letter is that we see no conflict in pursuing a policy both of maximising output at our best long-life collieries, and at the same time, seeking to develop as much low-cost opencast output as possible. Both these sources are, by any standards, highly competitive against alternative energy sources.

You also asked in your letter for certain factual information on productivity and related matters, which is perhaps best set out in the Annex attached.

I hope this helps to clarify our position.

APPENDIX 7. Corporatist Opencast Meeting
Minutes (5/87) (Scotland).

501



Minutes of meeting between Local authority Planning
officer group and British Coal (Scotland) - 5/87.

Not to be used as a source

1. Mr. Laird opened the meeting, explaining the history of the region's concern for opencast coal working, which had led to the request for a meeting with British Coal Scottish Area Opencast. He explained that while the individual regions had differing views on what the significant issues were, there was recognised to be an area of common interest which it was considered could be best pursued by a joint approach to British Coal. Those issues of common concern gave rise to a number of questions on the way in which the opencast operations are conducted, and these were forwarded to British Coal by letter of 27th January, 1987. S.D.O. Circular 4/1984 also suggested there was a need for regions to approach British Coal to discuss such matters as programmes for working. For these reasons the inter-regional working group had considered it appropriate to request a meeting with British Coal. The questions put to B.C. by letter were accepted as an agenda for the meeting.
2. British Coal shared the concern of local authorities over the future of the coal industry and indicated a desire for regular liaison on the subject. The need for both deep and opencast coal to be produced at prices competitive with coal on the world market was stressed.
3. In response to question 1 of the letter, BC outlined the present and likely future intentions for deep and opencast working in Scotland. BC referred to an area strategy, which although not in the form of a published document, had been endorsed by BC, the STUC, the unions and the Labour Group of MPs. The present level of output was given as 3.6 million tonnes deep mined and 3 million tonnes opencast coal (600,000 tonnes of which comes from the private sector). BC's five year business plan envisaged that this approximate balance would be maintained over the next five years. It was stressed however that at present a "buyers market" prevails and as a result, prices had to be kept very low. The heavy dependence on SSEB, and to a lesser extent, the Northern Ireland market was also a feature. SSEB will take 4.2 million tonnes of coal in the current year. The tonnage taken by SSEB is partly dependent on export of electricity to the C.E.G.B. The distribution link has a capacity of some 1 million tonnes coal equivalent, the highest level of use to date being 600,000 tonnes coal equivalent and there were no exports last year (1986).

4. There was said to be no published background paper on the likely market ranges.
 5. In answer to question 2, BC did not accept that there was a general trend towards higher levels of opencast output. Output from opencast sites would only be increased to meet specific new contracts. For example, the Dalquehandy site in Strathclyde is being developed to cater for the Northern Ireland Power Station market. Other sites to be opened up are essentially replacements for existing sites nearing the end of their productive life. The following list of current and planned sites was given (BC sites only).
 6. Dalquehandy (Strathclyde) (to produce 200,000 tonnes 1988/89 possible increase to 600,000 1991/92. *NI market*)
 - Chalmerston (Strathclyde) ^{DALMELLINGTON} to replace Benbane with same level of output. ^{ARCHAEOLOGICAL} ^{LEGITIMATE}
 - Danside (Strathclyde) ^{MOTHERGILL} replaces Headless Cross. ^{EXT OF}
 - Blindwells Extension (Lothian) Production to fall to 300,00 tonnes.
 - Drumshangle (Strathclyde) ^{LAWACK} ^{PROSPECTING} Replaces Blindwells.
 - Westfield Link (Fife) to cover market fluctuations.
 - Ladbhill (Tayside) Replaces Thornyhill.
- when from* The five year plan envisages an increase in production from the present 2.4 million tonnes to 3 million tonnes if and when the Northern Ireland market develops. There is however competition from lignite in the market.
- 6 month* Even proved sites could not be brought into the programme very quickly. Any sudden increase in the market will be accommodated by expanding production at existing sites rather than opening up new sites.
9. On the question of reserves, there were 7.5 million tonnes on working sites, 4 million on identified sites not yet working, and 54 million on part proved sites.
 10. It was suggested to British Coal that local authorities should be provided with follow-up information on the results of prospecting.
 11. That part of question 2 dealing with the information available to local authorities on production reserves and employment was not dealt with.
 12. Aspects of questions 3, 4 and 5 were covered in the response to question 1. The market for coal in general and the requirement for particular coals were not fully discussed.

13. On question 6, BC confirmed that there was currently a very high level of private sector interest in opencasting and an increase in output. BC outlined the regulations governing the issue of licences. A licence is normally only granted where the applicant has obtained rights to the land and full planning consent. Section 50 consents are not normally acceptable. Sixty per cent of applications for licences are rejected but BC have been taken to the European court in the past for attempting to refuse a licence to protect their market. In certain circumstances, British Coal may be willing to support local authorities in appeals against the refusal of planning consent for opencast working.
14. The Association of Licenced Opencast Operators is pressing for a reduction in royalties paid to BC from the present £16 tonne to £11. ~~BC have offered to lower the level to £13.50.~~
15. BC confirmed that in certain special circumstances the 50,000 tonne limit for licences is exceeded. For example after working commences, the deposit of coal may be found to contain more than 50,000 tonnes and seams may be thicker than anticipated.
16. Many of the private sites are ~~said to~~ supply the domestic market (60% of private output) and domestic coal has ~~to be~~ imported at present, ~~this aspect of the market does not concern BC.~~ There is some competition from the private sector in the industrial market.
17. BC attempt to limit private operators to two working sites at any time.. There is increasing pressure to grant more licences, but this is being resisted by British Coal.
18. The output of opencast coal for the Scottish Area was given as follows:

Year	British Coal Sites (Million Tonnes)	Private Sector %	Total
1981/82	3.03 100	-	-
1982/83	2.80 91.8	0.25 8.2	3.06
1983/84	2.80 91.8	0.25 8.2	3.05
1984/85	2.25 84.9	0.40 15.1	2.65
1985/86	2.56 83.1	0.52 16.9	3.08
1986/87	2.40 86.5	0.58 19.5	2.98
1987/88	2.44	-	-

19. It is claimed that the private sector does not affect BC marketing to any great extent but that BC would not wish to see continuation of the trend towards higher levels of private sector output. BC's ability to restrain this trend through the licence system is, however, limited. The main reasons for the increase private sector output in recent years have been the effect of the miners strike on BC output and the large number of civil engineering contractors seeking work by expanding their activities into opencasting.

20. On Question 7 BC claimed to have regard for environmental factors in making decisions on sites to be worked, but stressed that attention had also to be paid to considerations of cost and coal quality. BC advised that the Scottish Area is operated on the basis of three sub-areas, and the aim is to split output evenly between the sub-areas. The sub-areas and present outputs of each are, North of the Forth (0.8 million tonnes), South of the Forth, (0.6 million), and Ayrshire (1.0 million). o/c 2.4
21. There was insufficient time for a full exchange of views on the environmental factors to be considered in dealing with opencast development. The local authority representatives made reference to a map prepared to show the relationship between shallow coal deposits and areas where there were policy constraints which could influence the working of these deposits. Further discussion was also considered necessary on the likely response of British Coal to "Preferred Areas" for extraction defined in local authority development plans.
22. Question 9 on comparative production costs and 10 on British Coals land acquisition policy were not discussed.
23. It was agreed that the local authority representatives would give further consideration to the information gained from the meeting and write to British Coal highlighting those issues raised in the original letter which required further discussion. There was agreement that regular meetings of this nature would be of mutual benefit. On behalf of the Officers Group, Mr. Laird thanked British Coal for their co-operation.

APPENDIX 6. Letter Etherington to
Ellison.

National Union of Mineworkers

Durham Mechanics

Central Office : N.U.M. (North East Area), P.O. Box No. 6, Red Hill, Durham, DH1 4BB

Office hours: Monday to Friday, 9 a.m.—12.30 p.m., 1.30 p.m.—5 p.m. Tel.: Durham (091) 384 3515

11 June 1990

WE/JW

Mr. J. Ellison
University of Durham

Dear Jimmy,

Thank you for your letter dated 31st May, 1990 asking for two visitor's tickets for this year's N.U.M. Conference. I have arranged this with Dave Hopper and as soon as the tickets are available I will see that you are furnished with them.

On another note, concerning the new National Mining Museum proposed for Monktonhall with an annexe at the Francis Pit, quite by chance since our conversation on the subject of investment in collieries I have had reason to speak to Adam Smith who is the Mining Engineer for the Scottish area of the N.U.M. I questioned him about the position at both Monktonhall and Francis and the position is as follows:-

1) Monktonhall: The workings that were in operation in conjunction with Bilston Glen have been physically sealed off. However, the driveages towards the Musselbrough basin are intact and all that is required to begin operations is for equipment to be placed on a face line. These roadways are all being maintained, the mine being kept free of water and both shafts are in proper working order. This would possibly explain the light that we saw on our way home when we were at the C.C. Conference two years ago.

2) The Francis Mine: All the old workings at the Francis Mine have been sealed off, as has the connection with the Seafield Mine. There are driveages out into new reserves somewhat similar to Monktonhall but there is no actual face line constructed. It would be necessary to drive face lines but the roadways are being kept maintained as are the shafts, and it is also envisaged, as you were quite correctly informed, that a drift is to be put in intercepting with the shaft area to gain direct access to these development roadways.

It would seem that the information you had was somewhere near being correct and it is obvious that these two units are in fact being properly mothballed so that they can start production within a relatively short time.

Yours sincerely,

OPENCAST COAL MINING: THE NORTH EAST [S1] AND SCOTTISH SURVEYS [S2]

i Introduction

From an early stage it was realised that the debate and action over opencast coal mining was conducted through a process whereby the public affected by it appeared marginal to decisions on its development. For this basic reason the two surveys were executed. The first one, a survey of residents affected by opencast(S1), is unique in that it afforded an opportunity to assess the responses of residents in a number of settlements affected and surrounding one site over the proposal to operate a site close to them and principally to assess their powers and capability to handle a public inquiry. It was the first survey of such a size undertaken and consumed an inordinate amount of time. The second survey(S2) came late in the research and arose out of the questions answered in the North East but not in Scotland. Why was opencast being allowed to expand apparently unhindered in Scotland?. An examination of why there was little or no opposition from the Mineral Planning Authorities in the District Councils was necessary.

The first survey(S1.) entitled an 'Independent Survey of the Public's Knowledge of, and Attitude to Public Inquiries into Opencast Mining' was a 300 household postal survey undertaken in April and May 1987 and the first survey of it's kind known to the author. It went beyond the

remit of the survey title and attempted to indicate the level of inequality and disparity between the major protagonists at public inquiries into opencast mining and members of the public. The areas the survey covered were designed to answer some questions raised at the first public inquiry I examined over people's relationship with the planning process, British Coal and the Mineral Planning Authority. The questionnaires were distributed by hand and each household was visited to reclaim the questionnaires and to undertake a brief informal interview regarding the questionnaire and people's feelings on the issue of opencast. While the survey brought answers to the main questions, it raised many other questions of social and political importance whose answers can best be ventured at another time.

The survey was opportune in that it took place before and during what was the second public inquiry into the Daisy Hills opencast site. People with some experience of previous engagements at public inquiries may be more informed than most others to make judgement and comment over their position. While it was undertaken the survey exacted comment from all sides concerned over the outcome of its findings. Some pressured for these to be released, others wanted them withheld for a period of time.

The first page (Questions 1-16) of the questionnaire covered respondents' political and economic history, especially in relation to the coal industry which once dominated the local economy. The second page (Questions 17-28) extracted people's knowledge and information of the public inquiry process and what they would and could contribute to

that process. Page three (Questions 29-36) elicited people's views on power and control over their lives in relation to the impact of opencast mining.

The second survey(S.2) entitled 'Opencast Coal Mining in Scotland: A brief survey of policy and approaches in District Councils', undertaken in May 1989, was in fact a twin comparative postal survey. Two questionnaires were sent to each district council in Scotland affected by opencast; one to the chairperson of the planning committee and one to the chief planning officer. The questionnaire to the Planners cross-referenced the questionnaire responded to by the chairperson of the planning committee. Each one covered their understanding of the application of planning legislation and current council policy on opencast. Furthermore, the exercise examined the communication of policy and legislation between planners and council members

The survey was followed up by visits to several key district councils. The purpose was to ensure a good response and speak to key respondents to verify the general overall approach to opencast mining in Scotland. Despite the geographical area that had to be covered and the limited time available to planning departments and council members they were extremely co-operative and the response was almost 100 per cent.

The survey served its purpose and gave the answer to the main underlying questions: Why was there little or no opposition to opencast coal mining and why no public inquiries on the scale of those in North East England had taken place in Scotland?. Again, it raised other questions

of political importance that cannot be pursued here.

Both surveys involved a substantial workload but the results made it all worthwhile. They form the necessary buttress to the knowledge and information gleaned from attending public inquiries and in effect provide balance to the overall work.

THE DAISY HILLS SURVEY

SURVEY OF THE PUBLIC'S KNOWLEDGE OF, AND ATTITUDE
TO PUBLIC INQUIRIES INTO OPENCAST COAL MINING

AT THE TIME OF

THE PUBLIC INQUIRY INTO BRITISH COAL'S APPLICATION TO MINE
COAL BY OPENCAST METHODS AT DAISY HILLS, SACRISTON, CO. DURHAM

JAMES M. ELLISON

The Daisy Hills opencast site lies surrounded by small villages each of which had its own colliery up until the 1960's employing a total of over 2,000 men. The last colliery to close was at Sacriston in December 1985. These villages which also encompass Waldrige Fell Country Park, a Site of Special Scientific Interest (SSSI), are situated just west of the main Durham to Chester-le-Street road about 3 mile from Chester-le-Street and 5 miles from Durham. The vast majority of dwellings are under the management of the Housing Department of Chester-le-Street District Council. The Mineral Planning Authority is Durham County Council. The Electoral Registers at County Hall were used to select an equal percentage of households in each village for the survey.

The survey was done against the background of the Public Inquiry into opencast coal mining at Daisy Hills which opened on April 28th 1987. The present application by British Coal was a revamped version of a previous application which went to Public Inquiry in 1979 and was refused by H.M. Inspector on that occasion.

The Survey's practical and foremost aim was to assess people's knowledge and attitude to public inquiries into opencast coal mining. Underlying these aims however is an assessment of the disparities between perceived and real power and control by people over their lives in the community. The survey also assesses the social condition of the people in the surrounding villages. The villages covered in the survey were Nettlesworth, Sacriston, Daisy Hill, Edmondsley and Chester Moor, all of which would have been directly affected by the working of the

site if permission were granted.

The procedure followed was that 339 questionnaires were posted after a pilot survey was taken of 10 houses in the village of Waldrige .

Personal door to door recovery was thought necessary for a number of reasons. In the widest sense I wanted to assess, through unstructured interviews and participant observation, the general political and social condition of people and what bearing this would have, if any, upon their attitude and approach to opencast mining and public inquiries. However the main reason, suspecting apathy and fatalism from the pilot survey, was the determination to achieve the best possible response rate to assess the extent of the subject title of the survey and verify how this affects the level of people's need to participate in the power and control of decisions made over their environment and community.

Each questionnaire is implicitly in three sections, the first a personal and social profile: the second, knowledge and the dissemination of information and procedure at public inquiries: finally, an assessment of the extent of change desired by people in level of power and control over decisions made relating to community and environment. The recovery rates were categorized in Table 1. to reflect in the latter section some indication of the political and social condition of the people:

Table 1.

THE CATEGORIES, RECOVERY RATES AND THEIR DEFINITIONS

339 QUESTIONNAIRES POSTED

285 HOUSEHOLDERS RECEIVED A QUESTIONNAIRE

107 HOUSEHOLDERS RESPONDED TO THE QUESTIONNAIRE

119 FAILED TO RESPOND FOR REASONS RELATING TO THEIR SOCIAL CONDITION

59 HOUSEHOLDERS FAILED TO RESPOND

32 DEAD ADDRESSES: Non - existing houses, such as the street in Chester Moor which has no odd numbers even though this is not at all clear in the Electoral Register.

22 UNINHABITED HOUSEHOLDS: Empty and boarded-up houses, including those at Sacriston's "Parades" housing estate which could become habitable. Includes also those which are in a state of renovation.

59 FAILED TO RESPOND: Those households which after calling twice for the return of the questionnaire gave no reply at the door. Also includes 8 householders which refused to participate in the exercise who objected for private reasons.

57 DISINTERESTED/INDIFFERENT: Those who did not place any value or purpose in completing the questionnaire by clearly stating so.

31 EXPRESSED APATHY AND FATALISM: Those who, upon probing expressed a value or an opinion which met the subjective criterion of 'where the future appeared blocked and expectations are so narrowed that life itself becomes a matter of some indifference'.

26 INFIRM UNABLE TO RESPOND

5 CASES OF PEOPLE IN DISTRESSED STATES IN NEED OF HELP AND SUPPORT

Table 2.

AGE GROUP TABLE					
	AGED 18 - 30	AGED 31 - 45	AGED 46 - 64	AGED 65 - 100	TOTAL
NUMBER OF PERSONS	10	24	33	40	107

Table 2 highlights the demographic imbalance towards an aged population in the "Fell" communities. It is interesting to note that 66 householders had relatives in neighbouring villages on the 'Fell'. The high proportion of people retired together with the figure of 33 in the 46-65 age group is more meaningful when cross-tabulated with other tables. The significance of the low figure in the 18 - 30 age group lies either in the fact that relatively few young people are settling in the "Fell" community, or there is a distinct lack of opportunity for the young to become householders.

Table 3.

OCCUPATIONS						
	RETIRE	UNEMPLOYED	UNSKILLED S/	SKILLED	SKILLED	PROFESSIONAL
Number of Persons	41	8	7	20	11	20

From Table 3. we are given a view of the occupational make-up of the area. The high proportion of retired people correlates with the demographic make-up of the population. As there is little or no professional work available in the community, the relatively high proportion of responses from professional people indicates two factors. Firstly, a shift in the class and occupational structure in the communities from thirty years ago. Most professionals originate from areas outside the indigenous population of the "Fell" communities. Secondly, they tend to use the community as a commuter belt. Their places of work lie in the neighbouring towns of Sunderland, Durham, and Newcastle. During the two Public Inquiries at Daisy Hills it was found that these people maintain an influence and a high profile in community life, sitting on local committees and organising petitions against opencast.

The figures for the skilled and semi-skilled of 11, and 20 respectively reflect the shape of the local labour market. Light Engineering, service sector, distributive trades, and motor repair trade, form the main avenues of employment for these people. The low demand for unskilled labour through the loss in agriculture and in construction allied to increased technology has forced a shift to adapt and re-train for semi-skilled work. It is difficult to account for the low figure for the unemployed. It may in part, as the age group table has indicated, be due to government training measures or an exodus from the community of young people looking for work, that they are not settling in the villages. From analysis of the questionnaires, both the vast majority of skilled and semi-skilled workers and the 8 unemployed

householders came from the 31 to 65 age group.

The years of residency depicted by Table 4 indicates the degree of social change, drifting from mining community to disparate economic community. We know from the nature of the mining industry that mobility out of the community was not a great factor 40 years or more ago. What was a factor was stability, and the category of "over 40" includes those who had been in the community 50 and 60 years. Equally the table can tell us how diffuse the process of settlement became over the period of a generation. These factors coming from the tables can then be compared and correlated to "Age Groups" and "Occupation" so as to throw some light on class, power and status groups at a later date. They may also indicate changes in attitudes to work and mobility over time for the inhabitants in the community.

TABLE 4

YEARS OF RESIDENCY IN THE COMMUNITY TO 1987							
	UP TO 5 YEARS	UP TO 10 YEARS	UP TO 15 YEARS	UP TO 20 YEARS	UP TO 30 YEARS	UP TO 40 YEARS	OVER 40 YEARS
NUMBER OF PEOPLE	7	10	10	12	16	5	47

Table 5 expresses the formal mining and political activity in the community. The table shows the strength of mining that prevailed in the community. Often trade union positions were both formal and informal carrying status and power at the pit and in the community. In the column "Those who held position on councils", it carries a clear formal title with position, power, and status recognised by all

sections of community. Despite a proportion of people involved in trade union and political activity there has been little or no industrial or political action stemming from the community during its history of industrial closure.

Table 5

MINING TRADE UNION AND POLITICAL ACTIVITY IN THE COMMUNITY			
	THOSE WHO WORKED IN MINING	THOSE WHO HELD POSITION IN THE NUM.	THOSE WHO HELD POSITION ON COUNCILS
NUMBER OF PEOPLE	41(81)	11(24)	8(9)

NB. The figures in brackets refer to those whose relatives:
1. worked in mining 2. held position in NUM,
3. held position on the Parish or District Council.

The figures of 41 and 81, while expected, are also indicative of dependence upon the single industry of deep mining once employing around the "Fell". Now that is gone there is little else but opencast mining and service industry in the community with vastly reduced employment of less than 200. Taken with Table 6 which represents the environmentally and politically active we have a measure of political commitment Only 10% said they were members of a political party, 8 of whom held a position in the councils representing a population only half of whom had any interest in politics. Remarkably however, it follows that we find 88% having such deep concern with the environment few must have seen it as a political question despite this clearly being the case with the Daisy Hills opencast site. 24 respondents having relatives that held trade union positions and little recorded

industrial /political activity indicate an instrumental approach to trade union activity. This is reflected, too, in the poor political responses and low attendance at a public meeting with Arthur Scargill arranged by the Durham 'broad left' at Kimblesworth working mens' club in 1979.

Table 6

ENVIRONMENTALLY AND POLITICALLY ACTIVE			
	INTERESTED IN POLITICS	INTERESTED IN ENVIRONMENT	MEMBER OF PARTY OR GROUP
NUMBER OF PEOPLE	55(51%)	94(88%)	11(10%)

Taking the 11 respondents who were members of a party and comparing that with the 8 "who held a position on the council", Table 5 reveals several points. Firstly, low political activity and the concentration of power in a few hands in the local party means little opportunity for change in or challenge to those holding office as council members. A low participation in politics by the remainder of the community also tends to reinforce the view that paternalism, the dependence upon others, prevails. Further, measured against the figures in Table 5 for trade union involvement, the participation rate underlines the view that trade union participation does not necessarily lead to politicisation and political participation. From personal experience in the NUM, 'Keeping politics out of other affairs' was actively pursued by some senior trade unionists in Durham, with the result that

power remained in the hands of the few. But as interviews have shown this was given legitimacy by the people, even activists such as Pheobe (Webster) Hodson of Nettlesworth one of the founders of the Adult School Movement, who believed that the Labour and Trade Union leadership would deliver a form of socialism. The problem has always been a distinct lack and avoidance of political education and agitation at the grass-roots level.

Table 7.

FORMAL EDUCATION PERIOD				
	THOSE FINISHED AT 14 YEARS	THOSE FINISHED AT 15 YEARS	THOSE FINISHED AT 16 to 18 YEARS	THOSE FINISHED AT 21+ YEARS
NUMBER OF PEOPLE	42	29	20	7

The figure of 42 for "those who finished at 14" is closely related to the age and residency figures. If one suggests the education system is structured to meet the needs of industry then a case can be made out that mining needed people educated to the level necessary to promote the interests of the industry and capital accumulation. It would be cynical to say that the corollary exists today with Tecs, Lecs, and Btecs and people end up the same way as industrial wrecks.

Only 20 out of 107 "stayed on" to take certificated courses and starkly only 7 continued through to higher or further education. From a cursory look at the occupations given such as pharmacist and lecturer we can suggest that these people may be 'incomers' to the community.

All this suggests a poor process of education for people in these communities leading to low achievement levels not unrelated to industrial demand. This is confirmed to some extent by Bob Davidson of Sacriston (NCB Senior Surveyor) who suggested that the pits in the west of the county were kept open to maintain a reserve skilled labour force for the coastal pits.

The table for formal education, especially when allied to that of extended education in Table 7. assess further the extent of educational achievement in the community. Bearing in mind the ageing population and those who finished their formal education by the age of fifteen, the figures certainly indicate a capacity for education outside the demands of education for the traditional industrial labour market.

Table 7.

EXTENDED EDUCATION		
THOSE WHO UNDERTOOK EDUCATION COURSES		THOSE WHO UNDERTOOK FURTHER OR HIGHER EDUCATION EDUCATION
Number of People	39	28

Clearly many undertook education courses after their formal education had failed them. The figure of 39 for "Those who undertook educational courses" may be indicative of people's desire for wider learning as much as it may be a response to the changed needs of industry identified in the occupations table. What is perhaps equally telling is the figure of 28 for those who undertook further and higher education. Despite the drawbacks for many of a low level of education for people mainly educated before the advent of comprehensives, it would appear some sought greater levels of knowledge. A more in depth social survey may substantiate the evidence from this personal and social profile. Basically inequalities persist in the community of a social, educational and economic nature. Arguably, this is not unrelated to a dependence in the past upon a single industry and an education system geared to supporting industry and not meeting the emancipation of the people in it. Table 9 marks the beginning of the section specifically dealing with opencast mining and graphically illustrates the durations which people have experienced of opencast operations in the community.

Table 9.

OPENCAST OPERATIONS				
THOSE WITH EXPERIENCE OF O/CAST OPERATIONS NEAR HOME	IN THEIR LIFETIME	DURING LAST 5 YEARS	DURING LAST 10 YEARS	DURING LAST 20 YEARS
NUMBER OF PEOPLE	31(29%)	28(26%)	12(10%)	17(15%)

What Table 9 initially reveals is a fairly constant presence of opencast mining across peoples lives. Despite recent opposition, there has been a marked increase of people with experience of opencast mining near their homes during the last five years to 1987 of 16 per cent.

Given the genuine concern for the environment however, and, the high degree of opposition to the opencast application (Table 10), it becomes obvious that such an opencast industry has been imposed from above with little regard for the indigenous population. It also means that the councillors representing the people have not always converted their concerns into policy decisions. If anyone is in doubt over opposition to opencast mining then Table 10 indicates people's knowledge, approval and disapproval of the application to extract coal by opencast methods.

Table 10

BRITISH COAL'S APPLICATION TO MINE COAL BY OPENCAST METHODS AT DAISY HILLS			
	KNOWLEDGE OF APPLICATION	APPROVED OF APPLICATION	DISAPPROVED OF APPLICATION
NUMBER OF PEOPLE	90 (84%)	18 (17%)	75 (70%)

Emphatically, seventy per cent of respondents disapproved of British Coal's application to mine coal by opencast methods at Daisy Hills. Even so 17 per cent approved the application mainly on the grounds of the anticipated employment opencast mining may bring to the area, despite their overriding concern for the environment.

Table 11 reinforces the findings in Table 10 with results that shed greater light upon their considered preferences. The weighting of respondents' preferences are heavily in favour of the environment and the community and the views of local people taking more importance than national energy needs and the profitability of British Coal. It follows, that if people count more than the economics of energy then, people and their environment should take priority when making decisions that affect their cultural and environmental well-being.

Table 11

PREFERENCE OF IMPORTANCE (ENVIRONMENT AND ENERGY)				
	ENVIRONMENT AND COMMUNITY	VIEWS OF LOCAL PEOPLE	NATIONAL ENERGY NEEDS	PROFITABILITY OF BRITISH COAL
FIRST PREFERENCE	62 (58%)	30 (28%)	10 (9%)	2 (2%)
SECOND PREFERENCE	30 (28%)	57 (53%)	5	5
THIRD PREFERENCE	4	8	78 (73%)	7
FOURTH PREFERENCE	1	4	2	62 (58%)
NOT CONSIDERED 2 AS A PREFERENCE		4	5	25 (23%)

The first and second preferences of 58 per cent and 53 percent for environment and community and the views of local people respectively, are diametrically weighted against national energy needs (73 per cent)

and the profitability of British Coal(58 per cent) as third and last preferences. Although 90 people had knowledge of British Coal's application to extract coal by opencast methods it still meant that 17 did not. This is surprising in close communities considering the high profile given by the opposition group and the media.

Dissemination and value to the public of information regarding the Public Inquiry is outlined in Tables 12 and 13. They indicate the problem of serving people's "right to know" and assesses how good the quality and volume of that information is, bearing in mind that management of information is directly related to power and control over those who receive it.

Table 12

MODE OF INFORMATION REGARDING APPLICATION		
PEOPLE WHO RECEIVED NOTICE BY POST	PEOPLE WHO RECEIVED INFORMATION BY PUBLIC NOTICE	PEOPLE WHO RECEIVED INFORMATION FROM PRESS
47 (44%)	23 (21%)	56 (52%)

Table 13

VALUE OF INFORMATION RECEIVED ON PROCESS AND RIGHTS AT PUBLIC INQUIRIES						
INFORMATION ON RIGHTS VERY USEFUL	INFORMATION ON RIGHTS USEFUL	INFORMATION ON RIGHTS NO USE	(MORE AND BETTER INFORMATION FROM)			
			COUNTY COUNCIL	BRITISH COAL	BOTH SATISFA- BODIES TORY	
10	27	10	7	8	71(66%)	23

Twenty three had seen the statutory public notices posted by the County Council. The biggest mode of information was the press which considers the issue important as news because of the inherent conflicts of the public inquiry. As 56 people received information through the press it is an extremely useful mode of dissemination. However, the bias should be taken into account and treated as a secondary source.

With 47 receiving notice by post from the County Council and when aligned to the figure of 37, though rather low for those who thought that information useful or very useful means it may possibly be the most objective and useful form of information for use within the Public Inquiry. Patently, the public should receive more and better information from both the County Council and British Coal(66%). In addition they should be allowed the ability and education to distinguish between news and formal information on rights and responsibilities at Public Inquiries.

The purpose of Table 14 is to correlate any need for knowledge and information, substantiated in Tables 12 and 13, with people's actual knowledge of the Public Inquiry process.

Table 14

KNOWLEDGE OF PUBLIC INQUIRY PROCESS			
	THOSE WITH A GREAT DEAL	THOSE WITH A LITTLE KNOWLEDGE	THOSE WITH NO KNOWLEDGE
NUMBER OF PERSONS	4 (3%)	36 (33%) 11**	65 (61%)

** 11 people said they had attended a previous public inquiry.

With only 11 people indicating they had attended an enquiry and just 4 stating they had a "great deal of knowledge" it makes the findings in Table 13 all that more salutary. Those 36 people with a little knowledge may have experienced Public Inquiries in the past. However, with only 11 people stating they have actually attended one we must acknowledge an uncertainty regarding the quantity and quality of their knowledge of the Public Inquiry process. Despite 65 people "with no knowledge" only 27 people found the information received useful with even less (10) finding it very useful.

People need more and better information because they have little or no knowledge of the public inquiry process. It is obvious from the findings that people require knowledge and information, but do not possess it, dissemination exists, but not in quality or quantity, and that control of knowledge and information rests with the bureaucracy. This supports the view that there is a tendency for people to be distinctly marginalised from the formal centres of power and control.

Following from the previous findings Table 15. serves to identify basic knowledge of action at Public Inquiries. The figures at first appear surprisingly high given the findings in Table 14. for those with some knowledge of the public inquiry process. From this it is clear that people have some knowledge of their basic rights, and this may have come about because some people were notified by the County Council. However there is some distance between knowledge of laws to object/ agree than having information and knowledge of substance so that a

person can pursue their rights and endeavours with confidence. This suggests a degree of marginalisation requiring education and training and is supported by observations at public inquiries and from the results in Table 13 that actual participation by the public is very limited.

Table 15

KNOWLEDGE OF ACTION TO OBJECT/AGREE AT PUBLIC INQUIRIES		
	BY REGISTERING OBJECTIONS/AGREEMENTS IN WRITING	BY SPEAKING AS AN OBJECTOR OR IN AGREEMENT
NUMBER OF PERSONS	50	60

Graphically, a further indicator of marginalisation, at County Hall only 22 individuals actually registered their objections in addition to one large petition. Another registration from the T.G.W.U. was the only one in favour of the application. This is set against the figures for Table 10 of 18 who approved of the application and 75 who disapproved, as well as the evidence of those who know how to object but require more and better information but lack the ability and information to set their actions in motion should they so wish.

Table 16 allowed people to state their preference for the method of advice and instruction that they may need to be given to allow them to participate more fully in the public inquiry.

Table 16

METHODS OF ADVICE AND INSTRUCTION FOR PEOPLE WISHING TO PARTICIPATE IN PUBLIC INQUIRIES					
	INDEPENDENT PERSONAL INSTRUCTION	PUBLIC MEETINGS	LEFT TO THE OFFICIALS/ PROFESSIONALS	BY POST	ALL OF THESE METHODS
NUMBER OF PERSONS	8	13	19	24	44

The scaling of these responses is interesting from a sociological point of view, going from a low for personal instruction to the more anonymous advice by post. The key response is the 24 who preferred advice privately by post. From an educational point of view, an element of reliance upon the professionals exists because having little knowledge of public inquiries few seem confident enough to cope in a public situation. However, the distinct preference is a combination of all of these methods with 44 people responding in the positive. The distinct impression is left that people require the need to know and certainly should not be denied the opportunity.

Table 17 confirms this to a great extent. The inordinate reliance upon the council and councillors betrays a distinct lack of knowledge and information and confidence to take action at a public inquiry. It can be associated with the high degree of paternalism that has prevailed in the North East for many years. Graphically, a combined number of 77 people stated that they would leave any action to the wisdom of the county council and its councillors. In comparison low scores of 10

prevailed for people taking individual action at the public inquiry. The reliance upon 'experts' is evident with the higher figure of 19. People would at first sight appear content with letting the council 'get on with' but requiring the right to be advised and informed if they wish to participate in public inquiries.

Arguably this is only part of the equation of power and control. For this does not indicate whether people are desirous of gaining more knowledge, and with it responsibility and control over the decision whether opencast mining should intrude upon their lives. Table 18 points to this issue of power, control and public decision making. The results are most telling.

Table 18

POWER CONTROL AND PUBLIC DECISION MAKING						
	YES IN BRITISH COAL	YES IN COUNTY COUNCIL	NO IN BRITISH COAL	NO IN COUNTY COUNCIL	YES CONTROL DECISIONS	YES CONTROL DECISIONS
DO PEOPLE HAVE ENOUGH SAY	13	32	86	70		
SHOULD PEOPLE IN COMMUNITY CONTROL DECISIONS ON THE ENVIRONMENT					83	20

In totality these figures tell us that people feel they do not have enough input into the decisions made by the County Council and even less into those made by British Coal. Moreover, they make clear who

should control decisions over their environment. While it is not surprising that 86 people felt that they have no control in British Coal's decision-making, what is remarkable is that 70 people believed that they do not have sufficient input into decisions made inside the council chamber at County Hall. Unmistakeably the categorical figure in Table 18. is that 83 people stated that they wish to control decisions over their environment and community. Table 18 clears up any doubts over the desires of people in the community and their relationship with opencast mining, the dissemination of information and the idea that all power and control over decision made by other bodies over their quality of life and environment should rest almost completely in the hands of the people in the community. If this took place opencast mining in this instance would be as much history as the deep mining that once took place in the 'Fell' communities.

The way people perceive the intentions of Durham County Council and British Coal to pursue the public interest is indicated in Table 19. The public are quite clear that their interest are not served by British Coal's application to extract coal by opencast methods at Daisy Hills; quite contrary they believe that British Coal are serving their own interests. It could be expected that Durham County Council be shown in a favourable light and British Coal in a less so favourable one, given the communities' past relationships with these organisations. Yet, in one sense the responses are not that straight forward. Even though the response for the County Council(45) is favourable, the concerns over power and control relayed in Tables 11, 13 and 18 may be reflected in this returns. What is clear is that

it is not as unequivocal in the positive as the negative response to British Coal.

Table 19

REPRESENTING THE PUBLIC INTEREST (HAVING THE PUBLIC INTEREST AT HEART)		
	BRITISH COAL NEED TO EXTRACT COAL	DURHAM COUNTY COUNCIL OPPOSITION TO EXTRACTION
VERY MUCH SO	5	45
MAINLY YES	6	25
ONLY PARTIALLY	24	26
NOT AT ALL	71	9

Despite 45 people stating that the council have the public interest at heart there are clear reservations from the responses of 26 "only partially" and 9 "not at all". Starkly, the honest intentions of the peoples' representatives may, at other levels, be diluted in the process of bureaucracy. Again, the people may see the seat of decision-making as remote from their sphere of influence and thus their reservations show in their response. Finally and importantly, it re-inforces the belief that people are dissatisfied with the lack of power and control over their lives, community and environment.

Table 20. poses the question for householders to suggest where young people will find employment in the future. The logic of the question is that if there is to be employment away from traditional industry

where do they believe it will be found? It is question about hope and the level of aspirations. The findings though of lesser use than the main question posed by the survey can be used as a measurement along with other social factors from the survey to contrast and determine patterns of perceived social and economic change across the community from past years. The highest scoring areas were in the following:

1. Reliance upon the County Council to bring jobs into the area
2. Jobs in Shops and Offices
3. Government Training Schemes
4. Jobs in the Public Sector
5. Moving to another area
6. Further Education

Despite being in the top six the latter three categories make quite low scores. The lowest scoring areas were in the following:

1. Working for British Coal
2. Moving to another country
3. A Return to Drift Coal Mining
4. Self-Help Community Ventures
5. Jobs in Manufacturing Industries
6. Other Employment

The perceived future depends upon a heavy dose of paternalism and low aspirations of working in shops and offices, gaining the qualification to do so through government training schemes

Taking the latter two categories in each section we can make another section up which have medium scores but represents a disappointing approach if it is accepted that the best careers lie through further education towards working in a manufacturing industry. Clearly people see manufacturing as a past industry and training as taking the place of further education. Working for British Coal or mining coal is not considered a viable option. Where then does opencast mining take the community in terms of employment, quality of life and social cohesiveness, so important in times of recession?

OPENCAST COAL MINING AND PLANNING IN SCOTLAND:

A Brief Survey of Policy and Approaches in District Councils

The purpose of this survey was to provide an understanding of why there was an apparently unopposed expansion of opencast mining in Scotland.

Scottish MPA's were presented with similar legislation as that in North East England. During this period such legislation was used against opencast expansion by objectors' 'networks' (Melucci 1988). The question was, why there was an inability or reluctance of Scottish MPA's to embark upon similar action to those MPA's in North East England, if they so desired. Furthermore what understanding did the councillors in Scottish planning committees have of current legislation to make proper reasoned decisions upon applications for opencast mining? Moreover did the planning officers understand the legislation themselves, and did they transmit this understanding adequately to the councillors? These were issues incorporated into the survey in the hope of providing some answers to underpin the lengthy research into the expansion of opencast mining and demise of deep mining in Scotland. However it would be helpful to take into consideration again that there were some similar and dissimilar variables impinging upon the process of opposition and co-operation to opencast mining applications in Scotland, in contrast with North East England.

- (1) Both coalfield areas were undergoing rationalisations to meet government financial directives.
- (2) Both had a history of a strong labour movement controlling councils.
- (3) Both, since 1981, had left wing controlled area miners unions.
- (4) The structure and process of control of opencast applications

is different between the two areas. In the England M.P.A. is at County level, in Scotland it is spread diversely to District levels.

- (5) In Scotland there are extremely few recognised positions in Council Planning Departments of a 'Mineral Planner' at either Regional or District level. In the North East each such County has a 'Mineral Planner'.
- (6) The history of cooperation prevalent during the 'Watson era' of the NUM. leadership diminished in the North East from 1981 but has remained relatively unaltered in Scotland.
- (7) Indications of union solidarity waning in Scotland and waxing in the North East became apparent towards the end of the 1984 - 1985 Miners Strike. 'New realism' of the Scottish NUM is directly related to the corporatism in the body politic.
- (8) There is evidence of a closer association of miners, councillors, planning officers and British Coal management through 'closed orders' such as freemasonry in Scotland than in the North East. One reason for this is that freemasonry appears to be more accessible to the working class in Scotland. As a result, less conflict of interest will occur through their shared values and beliefs. Equally so, the propensity for compromise will be the norm rather than the exception.

These are important contrasting variables affecting the control of the management of mineral planning, balancing the public good against the private gain. It has also been argued that geological differences affected costs and this has been partially blamed for the demise of Scottish deep mine pits. But then some of the best geologically sound pits in the North East were also closed. However the political change in the NUM Scottish area leadership that became apparent during the end of the strike had a particular and striking influence upon the process of opencast expansion in Scotland. As one of its leaders, Eric Clarke remarked in Edinburgh 1988, "opencast coal is a necessary evil", and we all now know why!

The survey was sent to Planning Officers and Conveners of Planning Committees in the Scottish District Councils which had a record of opencast coal mining. The surveys were not dissimilar in appearance

but subtle and distinct enough to produce comparative and contrasting views on policy and approaches to opencast mining. While they also give some indications about the state of the democratic process in local government, the sole purpose was to provide some indications or answers as to why opencast mining in Scotland has continued actively unopposed at the planning stage.

One distinct strength of Planning Officers and the 'objectors network' at public inquiries in the North East is their understanding of planning law relating to opencast mining . This demands a necessary understanding of 'the market requirement for the coal', 'the need for the coal', and the financial organisation of British Coal to conduct an assessment of an application on a level plane. I have searched in vain for anyone in Scotland willing to admit to real understanding of these issues which are an essential part of paragraph 15 and 16 Circular 4/1984. Having questioned planning officers at the Coalfield Communities Conference in Edinburgh 1988 if they understand the issue, they are not committed to utilizing it. From the survey we can see five variables which are repeated for each question, apart from questions one and five. Each one has been codified as follows:

(1)Environment (2)Local Employment (3)Economic Development (4)Market Requirement for the Coal (5)The Financial Need of British Coal. All of these factors bear a strong association to Circular 4/1984 and Para. 15 and 16 in particular and Para 5 before 1987 and Circular 23/1987.

Figure 5.1

TABLE OF QUESTIONNAIRE RESPONSES				
Q.1	Q.2	Q.3	Q.4	Q.5

Figure 5.1

TABLE OF QUESTIONNAIRE RESPONSES										
	Q.1		Q.2		Q.3		Q.4		Q.5	
	P. C.		P. C.		P. C.		P. C.		P. C.	
Clackmannan	+	-	1, 2	1, 2	4, 5	5, 4	1, 3	5, 4	3	1
Clydesdale	+		1, 2		1, 2		1, 2		3	
Cumbernauld & Kilsyth	#####									
Cumnock	+	+	2, 1	3, 1	5, 3	5, 4	2, 1	5, 4	0	0
Cunninghame	-	-	1, 2	1, 2	4, 5	5, 4	1, 2	5, 4	2	2
Dunfermline	+	+	2, 1	1, 2	4, 5	4, 5	1, 2	5, 4	1, 3	1
East Kilbride	+		1, 2		4, 5		1, 2		4	
Falkirk	+	+	1, 2	1, 2	5, 4		1, 2		3	*
Hamilton	-	-	3, 2	3, 1	5, 4	4, 5	3, 2	4, 5	0	5
Kilmarnock	-	-	1, 2	1, 2	4, 3	5, 4	1, 4	5, 4	3	2*
Kirkcaldy	-	-	1, 2		4, 5	4, 5	1, 2	4, 5	3	0*
Kyle and Carrick		-	1, 2	1, 2	5, 4	3, 1	1, 2	4, 3	1	1
Midlothian	+	-	1, 2	1, 2	4, 5		1, 2		3	1
Monklands	+		1, 3		4, 5		1, 3		3	@
Motherwell	+	-	1, 2	1, 3	4, 5	5, 4	1, 2	5, 4	3, 1	1
Perth & Kinross			1, 2	1, 2	5, 4	4, 5	1, 3	4, 5	3, 1	1
Stirling	-	-	3, 1	1, 2	5, 4	5, 4	1, 3	4, 3	3, 1	2
Strathkelvin			1, 2		4, 5		1, 2		0	
Renfrew no experience of opencast development in district.										
West Lothian	-	-	1, 2	1, 2	4, 5	4, 5	1, 2	4, 5	5	5
Codes for Questions: P = Planners, C = Chair of Planning Committee										

Question 5>> 0 = No opposition, 1 = Environment Concern/ Opposition
2 = Political Opposition, 3 = Opposition from residents in surrounding area, 4 = Opposition from Environmental Quangos, 5 = Pro - opencast on employment

Some of the missing figures are most telling of the the way opencast applications are handled; these are marked with an asterisk. Firstly, Falkirk has incurred the wrath of Central Region for its handling of opencast applications for "having too cosy relationships" with opencast operators. Councillors do not consider the 'market requirement' and the 'financial need of British Coal' as planning matters, "we do not ask for any reports on these items". Cumbernauld and Kilsyth returned forms blank though opencast is prevalent in the District. In contrast there are some more conscientious district councils.

Kilmarnock planning department does not consider the financial need of British Coal a planning matter but places a high priority in assessing the market requirement of British Coal. This is reflected in the response of councillors as one of the few councils who oppose opencast on a political basis. Conversely, Kirkaldy council planning committee chairman - Robert Taylor admits

"there is no policy. Each case is considered on its merits".

In affirming the dominance of planning officers in opencast decisions in Scotland and the dependence of councillors upon them, the Monklands planning committee convenor sent the Questionnaire to the planning officer requesting that the reply be made on his behalf!. Monklands and Perth and Kinross planning officers did not know whether revenue from Scottish opencast coal directly subsidizes deep mine production in Scotland, though in paragraph 15 of Circular 4/1984 this is inherently required. Stirling District Council carries out word and deed. Councillors state "We are opposed to these developments and support

deep mining". Graphically, evidence of the hand of the state at play is given by Councillor Peter Hoey of Motherwell district council.

If we refuse them they are granted by the Scottish Office
so we give as much protection of environment as possible
under planning conditions
Councillor Peter Hoey, Written Comment on his Questionnaire

The first question is based upon the common misconception propagated by British Coal that Opencast coal directly subsidizes the deep mines of that same area. As we now know each production unit 'stands alone' and there is no cross subsidization. To believe the subsidization argument by design or default, allows the expansion of opencast coal per se and reduces the higher cost tail of the deep mines. Table 1, shows the response of Planning Officers and Councillors to this issue.

Table 1.

DOES YOUR DEPARTMENT/COMMITTEE BELIEVE THAT REVENUE FROM SCOTTISH
OPENCAST COAL MINES DIRECTLY SUBSIDIZES DEEP MINE PRODUCTION IN
SCOTLAND?

	YES PER CENT	NO PER CENT	DON'T KNOW
MPA's(17) (Planners)	9 (53)	5 (29)	3
MPA's(14) Councillors	3 (21)	10 (71)	1

Three MPA's had conflicts of opinion between planners and councillors over this important issue. Clackmannan, Midlothian and Motherwell who have some of the largest opencast sites in Scotland, have witnessed the demise of deep mining in their district over the past decade.

Polmaise, Bilston Glen/Monktonhall, and Polkemmet respectively, not small pits by any stretch of the imagination, have all been closed. Planners in these Districts believed direct subsidization took place while the councillors on the planning committee did not.

From the following tables there is no obvious reason for the disparity. The 'market requirement' and the 'financial need of British Coal' is the least understood by Councillors and the least communication to them by Planners. The difference could be in the levels of consciousness of Planners and Councillors. The experience of pit closures would take on a greater political meaning to these Labour Councillors than most Planners operating within their bureaucratic frameworks. Quite possibly the closure of these pits against a background of expansion in opencast mining may have raised doubt in the minds of the Councillors. But clearly, this has not been translated into outright refusal of opencast applications on the scale of North East England.

Also, there is unanimity on the subsidization issue from Cumnock, Dumfermline and Falkirk. All agree that there is a direct subsidization of deep mine production by opencast coal revenue. There are extremely high levels of unemployment in Cumnock and the Doon Valley. Many therefore, are dependant upon opencast for employment opportunities. But the same cannot be said for the 'eastern' district councils whose proximity to chemicals and high tech industry lessens the burden of unemployment.

We find from Table 1. that there is agreement between councillors and

planning officers within six MPA's who disbelieve the subsidization argument. These are at Cunninghame and Kilmarnock, geographically close together, and Stirling who oppose it on political grounds. Hamilton, who allow opencast on employment grounds. Kirkaldy, who have no policy. West Lothian, who have a pro opencast policy, mainly attached to employment grounds. So, inconsistency in opencast applications can be seen at this early stage.

The majority of Planning Officers believe in the subsidization argument. Some 53% accepted British Coal's argument against some 29% who replied in the negative. Significantly 3 M.P.A's planning officers did not know or understand the issue. Clearly, planning officers in M.P.A.'s in Scottish District Councils, because they believe in the subsidization argument, and from the power resulting from their status and position, have a major influence on the outcome of opencast planning applications. This to some extent may account for very few applications being rejected by M.P.A.'s even though 71% of District Council Planning Convenors do not believe in the subsidization argument. The evidence from Monklands certainly points to this phenomenon.

One of the most important roles of a planning officer is to take cognisance of the concerns of district councillors and advise them accordingly on policy development. The neutrality of planning officers and objectivity of advice is an important element of their professional organisation, the Royal Town Planning Institute (R.T.P.I.).

Table 2.

ISSUES IN OPENCAST COAL APPLICATIONS FROM THE VIEWPOINT OF THE PLANNING OFFICERS THAT WOULD BE THE MOST IMPORTANT TO COUNCILLORS IN SCOTTISH DISTRICT COUNCILS MPA'S

	Environment	Local Employ't	Economic Develop't	Market Requiremt for Coal	Financial Need of British Coal
1st Choice	14(78%)	2(11%)	2(11%)	0	0
2nd Choice	3(17%)	14(78%)	1(5%)	0	0

NB. Percentage of the total response of 18 in brackets

Seventy eight per cent of Planning Officers consider the environment and local employment as the issues most important to councillors. No weighting is given to the matter of para 5/4, 1984, considered essential at public inquiries in the North East. Yet 71% of councillors who do not believe in the subsidization argument would need information and understanding on the market requirement, the need for the coal and the financial imperatives of British Coal. In Table 3., 85% of council members placed the environment as the highest priority above employment in the community when assessing applications.

Table 3.

ISSUES IN OPENCAST COAL APPLICATIONS GIVEN THE MOST PRIORITY BY COUNCILLORS IN SCOTTISH DISTRICT COUNCILS MPA'S

	Environment	Local Employmt	Economic Develop't	Market Requiremt for Coal	Financial Need of British Coal
1st Choice	11(85%)	0	2(15%)	0	0
2nd Choice	2(15%)	10(77%)	1(8%)	0	0

NB. Percentage of the total response of 13 in brackets

Comparing Table 2 with Table 3 we can also verify that councillors place greater emphases on the environment than the planning officers believe they do but are in unison over employment as the second largest priority when considering opencast applications. Table 4. gives an indication of how well Para. 15 and 16 of Circulars 4/1984 and 23/1987 are understood by councillors from the planners point of view.

Table 4.

ISSUES IN OPENCAST COAL APPLICATIONS FROM THE VIEWPOINT OF PLANNING OFFICERS THAT ARE LEAST UNDERSTOOD BY COUNCILLORS IN SCOTTISH DISTRICT COUNCILS MPA'S					
	Environment	Local Employmt	Economic Developmt	Market Requiremt for Coal	Financial Need of British Coal
1st Choice	0	0	0	12(67%)	6(33%)
2nd Choice	0	0	2(11%)	5(28%)	11(61%)

NB. Percentage of the total response of 18 in brackets

Councillors give no weight in Table 2. to the issues inherent in paragraph 15 and 16 of Circular 4/1984. However, when this is considered in the light of Table 4. where planners state clearly that these are the two major issues least understood by councillors there is an implicit suggestion that planning officers are failing in their "considered opinion" to convey the nature of the issue of Para. 15 to the councillors to make an informed decision. Conversely, as Councillors place great emphasis on the environment it is incumbent upon the Planners to give great weight to this by providing them with the knowledge and information to oppose the development if they so

desire. More significantly when we assess Table 5, we begin to understand why Councillors place no importance on these matters because Planning Officers do not communicate the issues to them. Indeed the configuration in the response of 38% and 46% and inversely 46% and 38% suggests an avoidance of the issues by planning officers. Importantly, planning officers should see that the market requirement for coal and the financial need of British Coal would be of major concern to councillors in the light of their extreme doubt over the cross subsidisation of revenue. Planning Officers fail to relate and communicate the interaction of two issues to Councillors.

The responses in Table 5. indicate the extent to which planning law on opencast mining is communicated to the council members for them to make informed decisions. Besides in addition not communicating the real issues, either the planners do not fully understand Circular 4/1984 or they choose not to elaborate it to the councillors.

Table 5

ISSUES IN OPENCAST COAL MINING FROM THE VIEWPOINT OF THE COUNCILLORS THAT ARE LEAST COMMUNICATED WELL TO THEM BY THE PLANNING OFFICERS

	Environment	Local Employmt	Economic Developmt	Market Requiremt for Coal	Financial Need of British Coal
1st Choice	0	0	1(8%)	5(38%)	6(46%)
2nd Choice	1(8%)	0	0	6(46%)	5(38%)

NB. Percentage of total response of 13 in brackets

Table 6.

ISSUES IN OPENCAST COAL APPLICATIONS GIVEN THE MOST PRIORITY BY
PLANNING OFFICERS IN SCOTTISH DISTRICT COUNCILS MPA'S

	Environment	Local Employmt	Economic Developmt	Market Requiremt for Coal	Financial Need of British Coal
1st Choice	16(89%)	1(5%)	1(5%)	0	0
2nd Choice	1(5%)	12(67%)	4(22%)	0	0

NB. Percentage of total response of 13 in brackets

But, it is clear that if Planners do not fully understand the document Circular 4/1984 given that the majority believe in the cross subsidization argument, they give no priority to the essentials of paragraph 15 and 16. in the survey, but emphasise the Environment and Employment as the major priorities (Table 6.). The Planners pre-occupation with the environment to the exclusion of the 'Market' factors of British Coal is very much paralleled by the response of the Councillors. With both the Planners' and Council members' emphasis on the Environment in Tables 3 and 6. it would appear natural for them to have a tendency to oppose opencast coal mining. It would appear that Planning Officers in the main fail to act on paragraph 15. themselves and fail to convey the necessary information to Councillors for "their considered decision". The responses from Table 6. combined with those in Table 7. mean that Circular 4/1984 and Circular 23/1987 are the least communicated to, and least understood by council members. Opencast operators have nothing to fear from planning legislation in this respect.

Table 7.

ISSUES IN OPENCAST COAL APPLICATIONS THAT ARE LEAST UNDERSTOOD BY COUNCILLORS IN SCOTTISH DISTRICT COUNCILS MPA'S

	Environment	Local Employmt	Economic Developmt	Market Requiremt for Coal	Financial Need of British Coal
1st Choice	0	0	0	6(46%)	6(46%)
2nd Choice	0	0	2(15%)	6(46%)	4(30%)

NB. Percentage of the total response of 18 in brackets

The transmission of information, or the lack of it in terms of para 15, Circular 4/1984 reflected across the wider public domain is depicted in Table 8. Environmental impact and concerns by residents dominate the main flow of opposition to opencast in Scotland. While there is some indication of political awareness to the issues in opencast mining, compared to that in North East England it is minor in dimension. Table 9. is most telling. Opposition as a policy on opencast is not reflected in the refusal rate of applications. One answer is depicted in the high priority given to employment by Planners and Councillors in Tables 2 and 3 respectively.

Table 8.

MAIN OPPOSITION TO OPENCAST COAL MINING IN SCOTTISH DISTRICTS FROM THE PLANNING OFFICERS VIEWPOINT

Regional Council	Residents to impact Timescale	Environmental Amenity/ Groups	Little/No Opposition to Opencast	Pro-Opencast Employment Grounds	Political Opposition to Opencast
1	12	5	3	1	2

** Planning Officers gave more than one answer to the question and all their responses are included in the table

Table 9.

COUNCILLORS - "WHAT IS THE POLICY OF YOUR COUNCIL ON OPENCAST MINING"

No Policy on Opencast Mining	Policy Opposed to Opencast Mining	not Stated a Priority	Environmental Conditions Grounds	Accepted on Employment
1	4	1	6	4

**More than one answer reflected in table.

Planning Officers appear to have little or no knowledge of the major issue in Circular 4/1984. Starkly, the survey suggests that the reason why councillors are not seeing their disbelief in cross subsidization and opposition to opencast translated into a meaningful form and process is that Planners are not transmitting the necessary information to them. Indeed, Planners may be avoiding the issue altogether. There has been a heavy reliance on environmental matters and a neglect of the issues of markets and financial need arguments which are the essentials of Paragraph 15 and 16, and, paragraph 5. before March 1987. But to be fair to planners, councillors have a responsibility to learn

appropriate legislation, and it is in the public interest that they do. Some may have an understanding, and I have met those who do have a grasp of the essentials of Paragraph 15. By default they may choose or instruct the planners not to become involved with such matters. Then there is the first party in this, the State and British Coal. We have evidence of the seemingly pointless exercise of refusing applications from Motherwell councillors. Such is the corporate process in Scotland this may just be the case. In any event however, the 'market requirement for coal' and the 'financial need of British Coal' is not an issue in Scotland, but by law and in the public interest should be. The withholding of knowledge and information to favour an industrial body against the wider public interest would be an abuse of power. In Scotland it is the corporate will for opencast development to expand, and not necessarily in the public interest.

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INDEPENDENT SURVEY OF THE PUBLIC'S
KNOWLEDGE OF, AND ATTITUDE TO
PUBLIC INQUIRIES INTO OPENCAST
COAL MINING

INSTRUCTIONS:

WOULD YOU BE KIND ENOUGH TO DO THE FOLLOWING
WHEN ANSWERING THE QUESTIONS

- (1) Please write "Yes" or "No" to questions
- (2) Please "Tick" in the appropriate box for all questions other than 29 and 35 and "Yes"/"No" questions
- (3) Please answer questions 29 and 35 placing a 1,2,3,4,5,6,7,8, against your choices in the order you prefer

THIS IS NOT A TEST. ALL INFORMATION PROVIDED WILL BE USED IN THE STRICTEST
CONFIDENCE.

UNIVERSITY OF DURHAM

INDEPENDENT SURVEY OF THE PUBLIC'S
KNOWLEDGE OF, AND ATTITUDE TO
PUBLIC INQUIRIES INTO OPENCAST
COAL MINING

1. What was/is your occupation?
2. How long have you lived in the area? Years
3. Do you, outside your own family, have relations living in Walldridge, Sacriston, Nettlesworth, Daisy Hill or Edmonsley Villages? Yes/No
4. Have you worked in the mining industry? Yes/No
5. Have you had a close relative working in the Mining Industry? Yes/No
6. Have you held a position in the Miners Unions? Yes/No
7. Have you had a close relative who has held a position in the Miners Unions? Yes/No
8. Have you held a position on the Local Parish or District Council? Parish/District/None
9. Have you had a close relative who has held a position on the Local Parish or District Council? Parish/District/None
10. At what age did you finish your full-time Education? Years
11. Have you taken any Education Courses since then? Yes/No
12. Have you undertaken Further or Higher Education, Part-Time or Full-Time? Yes/No
13. Do you take an interest in Politics? Yes/No
14. Do you take an interest in the Environment? Yes/No
5. Are you a member of a Political Party or Pressure Group? Yes/No
6. Have you had experience of Opencast Coal Mining near your home in:-
 - (1) Last 5 Years Yes/No
 - (2) Last 10 years Yes/No
 - (3) Last 20 years Yes/No
 - (4) Your lifetime Yes/No

27. Did you know that you can speak as an objector or in agreement with a subject at a Public Inquiry?

Yes/No

28. Do you think that advice and instruction should be given to people wishing to participate in the Public Inquiry by:-

PLEASE TICK

- (1) Post
- (2) Public Meetings
- (3) Independent Personal Instruction
- (4) All of these methods
- (5) Left to the Officials and Professionals.

29. Place in order of preference (1,2,3, etc) what you think is more important

- (a) National Energy Needs
- (b) Views of Local People
- (c) Profitability of British Coal
- (d) The Environment and Community

30. Do you think you have enough say in decision-making made by British Coal with regard to Opencast Coal Mining?

Yes/No

31. Do you think you have enough say in decision-making made by Durham County Council with regard to Opencast Coal Mining?

Yes/No

32. Do you believe that people in the community should control decisions about the way the environment is used rather than leaving it to officials and councillors?

Yes/No

33. British Coal say there is a need for the coal at the Daisy Hill site - Do you think that British Coal have the Public interest at heart by extraction of this coal at Daisy Hill?

- (a) very much so
- (b) mainly yes
- (c) only partially
- (d) not at all

PLEASE TICK

34. The County Council argue there is no market need for this coal - Do you think that Durham County Council have the public interest at heart by opposing the extraction of coal at Daisy Hill?

- (a) very much so
- (b) mainly yes
- (c) only partially
- (d) not at all

PLEASE TICK

35. Where do you believe your children and/or other young people will find employment in the future.

Please select the most likely possibility in order of preference (1,2,3,4,5, etc)

- (a) Self help Community Ventures
- (b) Government Training Schemes
- (c) Jobs in Shops, Offices or other services
- (d) Further Education Qualification
- (e) Reliance upon the County Council to bring industry into the area
- (f) A return to Drift Coal Mining for the remaining coal under community and council control
- (g) Jobs in the Public Sector (DHSS, Civil Service, County Hall, Inland Revenue

W. LOTHIAN.

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OPENCAST COAL MINING AND PLANNING IN SCOTLAND

A brief survey of policy and approaches in District Councils

Q.1

DOES YOUR DEPARTMENT BELIEVE THAT REVENUE FROM SCOTTISH OPENCAST COAL MINES DIRECTLY SUBSIDIZES DEEP MINE PRODUCTION IN SCOTLAND ?

~~YES~~
NO

Q.2

WHICH ISSUES WOULD BE THE MOST IMPORTANT TO YOUR COUNCIL MEMEBERS WHEN CONSIDERING OPENCAST COAL DEVELOPMENT APPLICATIONS

Please list in order of importance

- a) THE ENVIRONMENT
- b) LOCAL EMPLOYMENT
- c) ECONOMIC DEVELOPMENT
- d) MARKET REQUIREMENT FOR THE COAL
- e) THE FINANCIAL NEED OF BRITISH COAL

Q.3

WHICH OF THE ISSUES DO YOU FEEL IS LEAST UNDERSTOOD BY YOUR MEMBERS WHEN CONSIDERING OPENCAST COAL DEVELOPMENT APPLICATIONS ?

Please list 1,2,3

- a) THE ENVIRONMENT
- b) LOCAL EMPLOYMENT
- c) ECONOMIC DEVELOPMENT
- d) MARKET REQUIREMENT FOR THE COAL
- e) THE FINANCIAL NEED OF BRITISH COAL

Q.4

GIVEN COUNCIL POLICY ON OPENCAST DEVELOPMENT WHICH 3 ISSUES DO YOU GIVE THE MOST PRIORITY IN ANY APPLICATION -- REGARDLESS OF THE INDIVIDUAL MERITS OF THE SITE OR THE APPLICATION ?

Please list 1,2,3

- a) THE ENVIRONMENT
- b) LOCAL EMPLOYMENT
- c) ECONOMIC DEVELOPMENT
- d) MARKET REQUIREMENT FOR THE COAL
- e) THE FINANCIAL NEED OF BRITISH COAL

Q.5

GENERALLY SPEAKING WHERE WOULD YOU SAY THE MAIN OPPOSITION, IF ANY, HAS COME FROM ?

Your comments are welcome

THANK YOU FOR YOUR TIME AND CONSIDERATION

X
HERE
123

1
2
3

1
2

1
2
3

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OPENCAST COAL MINING AND PLANNING IN SCOTLAND
A brief survey of policy and approaches in District Councils

Q.1	DOES YOUR ~~DEPARTMENT~~ ^{COMMITTEE} BELIEVE THAT REVENUE FROM SCOTTISH OPENCAST COAL MINES DIRECTLY SUBSIDIZES DEEP MINE PRODUCTION IN SCOTLAND ?	~~YES~~ NO	X HERE 123
Q.2	GIVEN COUNCIL POLICY ON OPENCAST DEVELOPMENT WHICH 3 ISSUES DO YOU GIVE THE MOST PRIORITY IN ANY APPLICATION -- REGARDLESS OF THE INDIVIDUAL MERITS OF THE SITE OR THE APPLICATION ? Please list 1,2,3	a) THE ENVIRONMENT b) LOCAL EMPLOYMENT c) ECONOMIC DEVELOPMENT d) MARKET REQUIREMENT FOR THE COAL e) THE FINANCIAL NEED OF BRITISH COAL	1 2 3
Q.3	WHICH OF THE ISSUES DO YOU FEEL IS LEAST COMMUNICATED WELL BY YOUR OFFICERS WHEN CONSIDERING OPENCAST COAL DEVELOPMENTS Please list 1,2,3	a) THE ENVIRONMENT b) LOCAL EMPLOYMENT c) ECONOMIC DEVELOPMENT d) MARKET REQUIREMENT FOR THE COAL e) THE FINANCIAL NEED OF BRITISH COAL	1 2
Q.4	WHICH OF THE ISSUES DO YOU FEEL IS LEAST UNDERSTOOD BY YOUR MEMBERS WHEN CONSIDERING OPENCAST COAL DEVELOPMENTS Please list 1,2,3	a) THE ENVIRONMENT b) LOCAL EMPLOYMENT c) ECONOMIC DEVELOPMENT d) MARKET REQUIREMENT FOR THE COAL e) THE FINANCIAL NEED OF BRITISH COAL	1 2
Q.5	WHAT IS THE POLICY OF YOUR COUNCIL ON OPENCAST COAL MINING ? Please comment: COUNCIL OF POLICY (ENCLOSED)		

Thank you for your time and consideration Councillor

