

# Thousands of mining jobs in Scotland in danger

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Hundreds of open cast mineworkers were laid off and left with unpaid wages last month, following the collapse of Scottish Coal, the largest surviving mine operator in Scotland.

Of the company's 758 workers, all but 142 have been made redundant. The company operates six open pit mines in East Ayrshire, South Lanarkshire and Fife. Scottish Coal was one of the private operators the emerged from the sale of state-owned British Coal in 1994. It is now in the hands of bankruptcy administrators KPMG.

In total, some 4,500 workers are directly or indirectly employed in the Scottish mining industry, which in 2012 produced 4.8 million tonnes of coal—30 percent of the UK total—all from open cast operations. The last underground mine closed in 2002.

Of those being sacked, the largest numbers are at Douglas Water, Lanarkshire and Muirkirk and Patna in Ayrshire. Mining centres for hundreds of years, these are all isolated villages with alternative local employment almost nonexistent. Scottish Coal workers have previously been forced to accept a 10 percent wage cut, on the pretext of this being the only means to save their livelihoods. Scottish Coal is owned by Colin Cornes, who features on the *Sunday Times* Rich List as controlling a personal fortune of some £90 million. Another of the company's directors is a former Labour energy minister, Brian Wilson.

The company's operation, until recently massively profitable, has been undercut by the rapid expansion of shale gas production in the United States through "fracking". This has somewhat reduced world demand and prices for coal, thereby breaking the firm's business model. Large volumes of cheap Russian and Colombian coal have also contributed to the company's demise. The current price for a ton of coal

is £40, compared to £75 in 2008.

After months of deliberations, Scottish Coal, its administrators and the Scottish government have opted for liquidation as a means to revive mining operations while seeking to dispense with local obligations and the environmental costs of restoring and landscaping the vast scavenged wastelands now littering the Scottish countryside. At least one exhausted open cast operation has been abandoned for 14 years, leaving hundreds of acres of unsafe ponds, piles of dirt and useless pieces of machinery.

In late April, the company's liquidators petitioned the Edinburgh Court of Session to allow the restoration costs, the subject of intense efforts by environmental campaigners, to be ditched.

The principal beneficiary of the bankruptcy seems likely to be the mining division of Hargreaves Services PLC, a Durham-based mining, transportation and infrastructure combine and a major coal supplier to UK-based power stations. Last month, Hargreaves finally closed Maltby colliery in South Yorkshire, England, at the expense of 540 workers' jobs. Hargreaves used the twin pressures of a geological fault and its own capacity to import Russian and Colombian coal to close one of the last few deep mine pits in Britain.

It has emerged that the Scottish National Party (SNP) government in Edinburgh has also been working closely with Hargreaves. The company bought out Doncaster-based ATH Resources, which operated five open cast pits in Scotland, in March 2013. Subsequently, the Scottish government and Hargreaves have been working on a plan to transfer Scottish Coal's working and exhausted sites to Hargreaves, shorn of much of pension and restoration liabilities. This would allow Hargreaves to operate the mines profitably, while, it is suggested, using the exhausted mines as vast

and lucrative landfill sites.

The SNP has been acting under advice from its own Regulatory Review Group, chaired by one Professor Russel Griggs from the Confederation of British Industry (CBI). First of the group's remits is to "resolve specific problems and regulations that were causing Scottish businesses concern"—in other words, to tear up legal and financial regulation restricting the expansion of private profit. At the same time as Scottish Coal went into administration (bankruptcy), Griggs emerged as chair of a newly formed Scottish Mines Restoration Trust, which initially had two Hargreaves board members as directors.

Similar pressures emerged around UK Coal, which operates both deep and open cast mines in the North East of England and the Midlands. UK Coal is part of Coalfield Resources PLC, which employs around 3,000 workers. On May 1, the company refused to deny it was seeking voluntary liquidation and was involved in talks over the future of its last two deep mines, in Kellingsley, in North Yorkshire and Thoresby in Nottinghamshire, along with six open cast pits in Shropshire and County Durham.

The announcement followed a disastrous fire at the company's Daw Mill mine in Warwickshire, which to date has cost 650 miners their jobs. UK Coal and the British government have seized on the Daw Mill fire to find a means to transfer pension obligations into the state-owned Coal Authority. Presented as "nationalisation," the transparent aim of the move is save UK Coal, which went through a huge restructuring operation last year, as a profitable concern, while dumping as much as possible of its considerable pension obligations onto the taxpayer.

Taken together, Scottish Coal, UK Coal and Hargreaves PLC are what have emerged from the destruction of deep mining under the Margaret Thatcher and John Major Conservative governments, at the core of which lay the defeat of the year-long British 1984-1985 miners' strike. Fought by the National Union of Mineworkers' (NUM's) leadership on the basis of defending mining in Britain by upholding the national "Plan for Coal", the strike was, for all the immense determination and heroism displayed by miners, isolated and defeated thanks to the Labour Party and the trade unions.

Subsequently, tens of thousands of miners lost their

jobs while the industry's productivity and the rate of exploitation of the remaining workforce increased exponentially. Today's rump coal industry in Britain employs a few thousand workers to produce around 17.5 million tonnes of coal annually, against around double this amount—33 million tonnes—that is imported, mostly from Russia. British-based production is merely one component of a vast globally integrated production and distribution system that, according to the World Coal Association, provided 30 percent of world energy supplies globally and 42 percent of the world's electricity in 2012.

The enormous sacrifices by mine workers, their families and entire mining communities have proved insufficient for the British-based industry to remain competitive on the world market. The significance of the industry's current travails is that even more is being demanded by a tiny rapacious clique of super-rich energy bosses, backed by all the political parties, and with the full support of the trade unions, including the rump that remains of the NUM.



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