PREM 19/1334

THIS IS

SECRET

CONFIDENTIAL FILING

Financial Position of the Coal Industry

Miners Pay

NATIONALISED INDUSTRIES

PT 1: JUNE 1979

PT 13: SEPTEMBER 1984

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
~~21.9.84~~							
~~25.9.84.~~							
~~26.9.84~~							
~~27.9.84~~							
~~1.10.84~~							
~~2.10.84~~							
~~5/10/84~~							
~~8/10/84~~							
~~9/10/84~~							
~~12.10.84~~							
~~15.10.84~~							
~~16.10.84.~~							
~~17.10.84~~							
19.10.84							
PART ENDS							

PART 13 ends:-

J Redwood to PM 19/10

PART 14 begins:-

CDP to PERB 20/10/84

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
CC(84) 33rd Meeting, item 5 Limited Circulation Anx	18/10/1984
CC(84) 33rd Meeting, item 5	18/10/1984
MISC 101(84) 44th Meeting, only item	08/10/1984
CC(84) 32nd Meeting, item 3 Limited Circulation Anx	04/10/1984
CC(84) 32nd Meeting, item 3	04/10/1984
MISC 101(84) 43rd Meeting, only item	03/10/1984
MISC 101(84) 42nd Meeting, only item	27/09/1984
MISC 101(84) 3	25/09/1984
MISC 101(84) 41st Meeting, only item	25/09/1984

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB** (CABINET OFFICE) CLASSES

Signed J. Gray Date 4/7/2013

PREM Records Team

SECRET

N Turnbull

1, Mr Butler to see
JR gave this

19 October 1984

49

PRIME MINISTER

THE COAL DISPUTE

You may like a check list of subjects for your general meeting on Sunday at Chequers.

Endurance

1. What progress is there with increased open-cast?

   a. Maximising output under existing contracts.

   b. Letting more contracts on sites which have planning permission.

   c. Obtaining more planning permissions.

   d. Moving more.

2. Oil-burn and nuclear has gone well. Are we satisfied that we are using to full extent the opportunities to mix oil or gas in coal-fired stations?

3. Would it be worth pursuing the idea of converting one more power station to take gas? Some technical advice which John Wybrew has received from Robin Nicholson and

others, suggests that this could be done in a matter of a few months.

4. Can we import any more coal, and can we start using more imported coal in power stations?

5. In the event of NACODS striking, can we still gain access to the stockpiles of coal in the areas where the NUM are working? How much coal is there in such stockpiles?

6. The private sector has quite a lot of unused stand-by generating capacity. Do we know how much there is, and is there any point in encouraging them to use more of it or even to supply the grid?

Publicity

1. Are Ian MacGregor's new advertising agents going to launch a good campaign quickly?

2. Will they offer Ian MacGregor advice on how to create more media events, and to use the ready access he and his colleagues can have to the media? They remain very newsworthy but do not exploit this.

3. Have we at last resolved the question of putting into place one or two of Ian MacGregor's colleagues who are

better at media presentation, so that they appear more frequently on television and radio?

4. How well and fiercely is the NACODS campaign being fought? What sort of letter is being sent to all NACODS personnel? How many more television and radio appearances can leading Coal Board figures and Ministers fit in before the putative strike?

5. David Young suggests that it is vital to relaunch yet again NCB industries. A suitable opportunity would be press releases at the time of the executive management being appointed, or at the time of the first project being discussed. We need to extend this into a wider argument, demonstrating Government concern for the future of certain communities. Could we not also investigate a project or two under land reclamation and clearance schemes, which would benefit a pit valley or village?

The Criminal Law

1. How many more stipendiaries are going to be drafted in, and what kind of delays are now being experienced in hearing cases?

2. Are the Coal Board ensuring that men convicted of serious offences against Coal Board property or

personnel are sacked? Is it well known enough that they will be sacked?

3. Does the Home Office have any more ideas on how to encourage some greater security for those giving evidence?

If a substantial number of militants can be sacked as a result of convictions for violence, it will of course make the transition back to a working industry much easier, and may reduce the possibility of violence on the return to work. It is important that every working miner should know and be reassured that anyone perpetrating violence - particularly below ground - which is seen by an independent witness and/or a manager or NACODS official, will be sacked.

The Civil Law

If NACODS do go out on strike on Thursday, it is difficult to see there are any more reasons for the NCB to leave its injunction standing idle.

1. Shouldn't the NCB be encouraged to use the civil law if the NACODS strike is a strong one?

2. Isn't there an argument anyway for using the civil law - and it must be made clear that it is using the civil

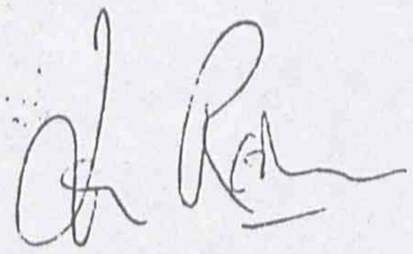
law against the Yorkshire NUM, as it is this branch of the NUM which has substantial resources and is most disliked by the working areas - whatever happens on Thursday?

Talks

Holding talks over the next few days to try and prevent a NACODS strike is a sensible part of the strategy. These talks will naturally entail comings and goings with the NUM as well, as that is part of the NACODS leadership's strategy.

If, however, the strike is fairly solid on Thursday, and there are no signs of hope, there is an argument for breaking off all talks. All the time there are talks in play, it will act as a deterrent to NUM and to NACODS members to return to work.

Peter Walker is moving towards fuller government involvement in the talks. Are we happy with this? Only do it if he can see a way through, and then make a virtue of it. We fear it is more likely to backfire.



JOHN REDWOOD

DAVID BARCLAY

cc Tim Flesher

Mr Concannon, Labour MP for Mansfield telephoned this morning and asked to see the Prime Minister next week. He wants to speak to her about the position of the Notts miners, particularly about payment to them if they are laid off because of other people's strikes. Cameron took the message. I spoke to Robin who told me to discuss this with you. He is not keen that Don Concannon should see the Prime Minister. He says it is a matter for Energy and could you please talk to them about it.

But we have to ring Mr Concannon back. His number is 0623 27235.

CR.

OK, but it is a detailed question of the management of the industry.

RCB

19 October 1984

1) Mr Butler: We are getting Mr Walker's views, and I have promised Mr C an answer early next week. My initial reaction (and Tim's) was that the PM might well be inclined to agree.

2) Mrs Ryder

DMB 19/10

cc David Willetts.

Seen by PM 17/10

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PRIME MINISTER

PAYMENTS TO STRIKING MINERS FOR MORTGAGE INTEREST

I have conducted an urgent review of the payment of mortgage interest to strikers receiving supplementary benefit. I will put to colleagues proposals for early action.

The immediate issue is the misuse of money provided for one specific purpose (maintenance of mortgage interest payments to prevent foreclosure and homelessness) because of the failure of the building societies to insist on its payment to them. I intend to stop this by changing the regulations so that no mortgage interest is paid to strikers without clear evidence that it is actually being demanded by the building society; and then to ensure that it would be paid direct to the building society itself, preventing the striker from using it for other purposes. With your agreement, I will put this proposal to H Committee early next week. If colleagues agree, the new regulations can then be laid and implemented within days.

I share colleagues' concern, however, that this step alone may not be enough. I am considering the further possibilities, ranging from the ending of all assistance with strikers' housing costs to the replacement of the current provisions with a system of loans. The implications of such options would be more far-reaching and they would take longer to implement. I will report back shortly on my conclusions: but I do not think we should let such further possibilities prevent us from taking immediate steps to stop the particular abuse which has emerged.

I would be glad of your agreement to this approach. I am copying this to Nigel Lawson.

19 October 1984

N F

COVERING SECRET

Copy No 2 of 4

MISC 10

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SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 7214

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1

19 October 1984

Dear Andrew

ENDURANCE

I attach the latest reports on power station endurance and stock statistics.

Copies also go to Margaret O'Mara and Richard Hatfield.

Yours
John

J S NEILSON
Private Secretary

COVERING SECRET

POWER STATION ENDURANCE

1. Coal deliveries to CEGB power stations last week were 0.68 mt (including non-NCB sources). Coal burn was 0.71 mt and thus stocks decreased by 0.03 mt. The Board's stocks last Sunday night (14 October) were 14.7 mt with a further 0.9 mt at Scottish power stations.

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2. Total NCB deliveries last week were 0.87 mt of which about 0.23 mt went to customers other than power stations.

3. The average rate of coal deliveries to CEGB power stations over the whole period of the strike has been 0.48 mt per week. The average over the past eight weeks has been 0.62 mt.

4. The range of endurance outcomes is estimated by the CEGB as follows:

Average coal deliveries	Oil burn (% of maximum)	
	90%	100%
0.30 mt/week	early Feb	mid Feb
0.35	early Feb	late Feb
0.40	mid Feb	early March
0.45	late Feb	mid March
between 0.45 and 0.52	-	(see Note)
above 0.52	-	Autumn 1985

Note: Between 0.45 and 0.52 mt/week it is particularly difficult to forecast endurance with confidence. The margin needed to extend endurance from spring (March/April) throughout the summer is small, as Sir Walter Marshall has explained.

Department of Energy
18 October 1984

SECRET

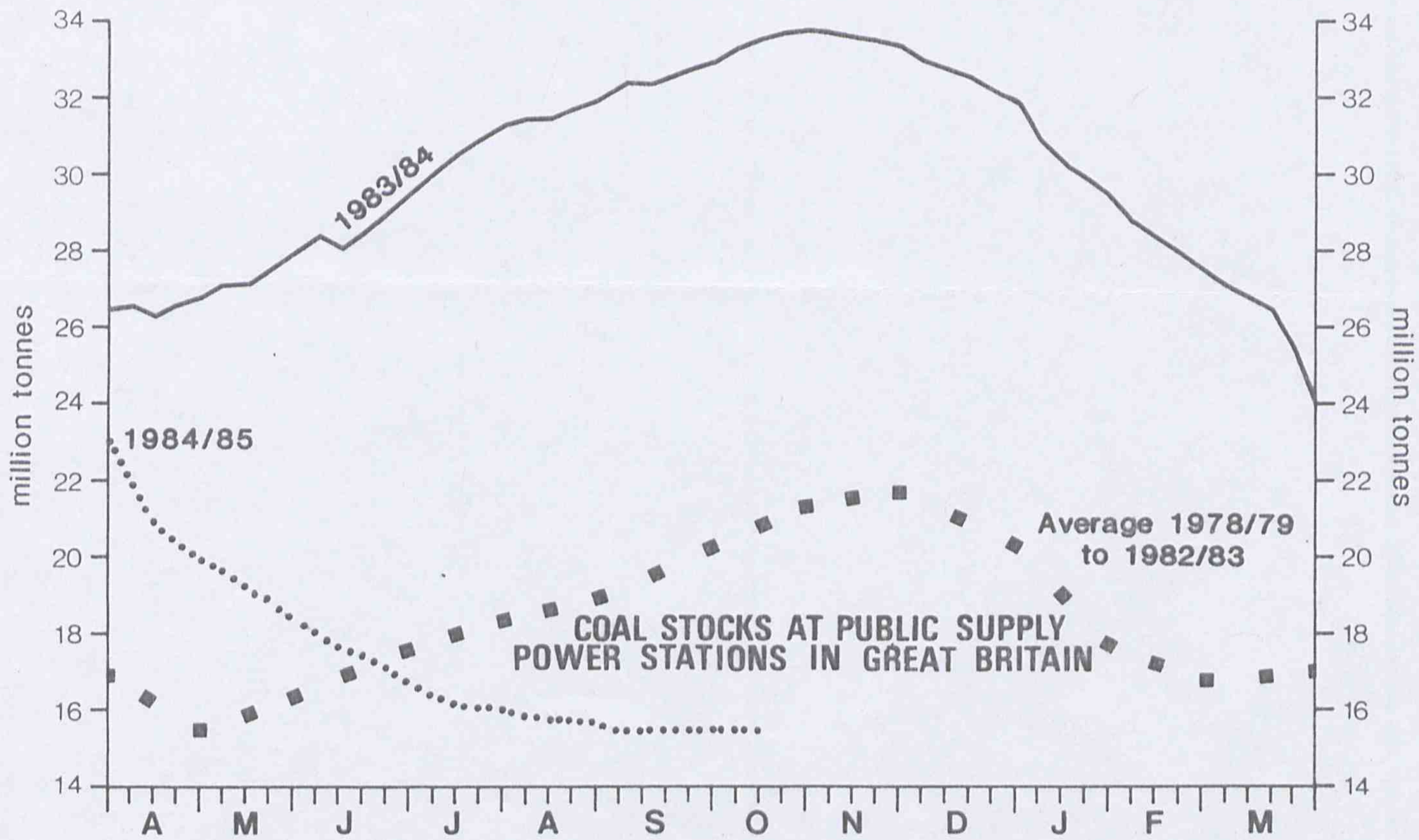
Copy No 2 of 14.
14 October 1984

WEEKLY COAL AND POWER STATION STATISTICS (1)

EcS Division, Dept. of Energy, Thames House South, Millbank SW1P 4QJ. Phone: 01-211-6928

		Week ending 15.10.83	22.9.84	29.9.84	6.10.84	13.10.84
COAL	PRODUCTION (m. tonnes) deep mines+	2.21	0.44	0.43	0.54	0.53
	opencast+	0.30	0.27	0.30	0.28	0.31
	TOTAL	2.52	0.71	0.73	0.81	0.84
	PRODUCTIVITY(2) (tonnes/manshift) 'overall' o.m.s	2.61	2.08	1.97	..	..
	'production' o.m.s	10.88	10.91	11.90	..	..
	UNDISTRIBUTED STOCK (m. tonnes) TOTAL	24.05	22.39	22.10	22.02	21.97
POWER STATIONS	COAL STOCKS (m. tonnes)	33.64	15.48	15.56	15.57	15.52
	COAL CONSUMPTION "	1.54	0.60	0.63	0.69	0.73
	COAL RECEIPTS "	1.68	0.68	0.70	0.70	0.68
	OIL STOCKS(3) "	1.40	1.37	1.26	1.12	1.23
	OIL CONSUMPTION(3) "	0.07	0.53	0.54	0.55	0.49
	OIL RECEIPTS(3) "	0.14	0.53	0.39	0.36	0.56
	ELECTRICITY SUPPLIED (4) (GWh)					
	Nuclear "	690	805	815	802	838
	Other Steam "	3,727	3,407	3,510	3,679	3,612
	TOTAL "	4,418	4,212	4,326	4,480	4,450
	TOTAL - temperature corrected "	4,391	4,149	4,261	4,292	..

(1) Great Britain unless otherwise stated. All latest figures are subject to revision.
(2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.
data not yet available. + includes licensed production.



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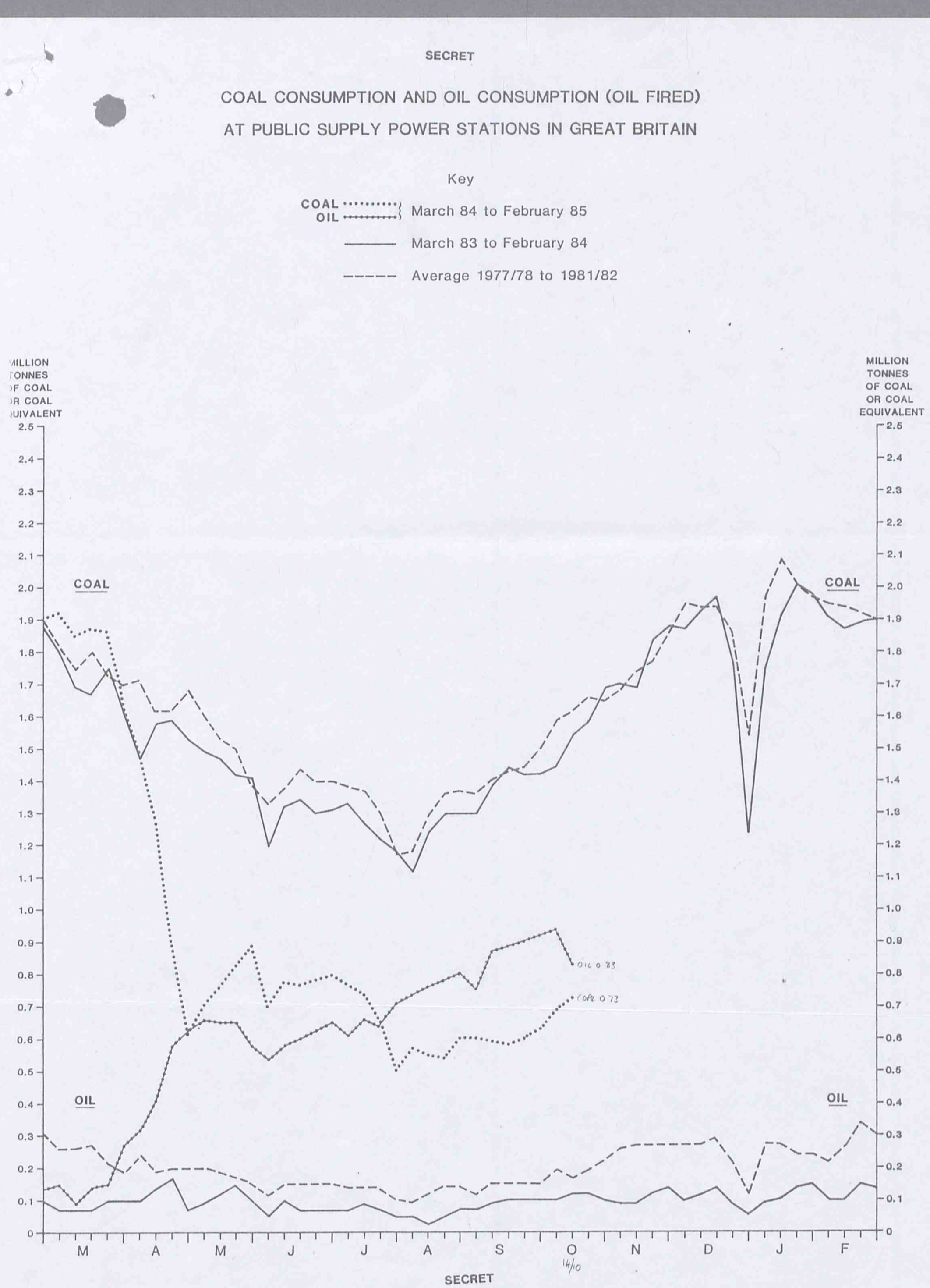
COAL CONSUMPTION AND OIL CONSUMPTION (OIL FIRED) AT PUBLIC SUPPLY POWER STATIONS IN GREAT BRITAIN



Nat Ind: Coal Pt 13.

Prime Minister

Daily Coal Report - Friday 19 October 1984

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		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	10	-
(iii)	Some men present	23	-
(iv)	On strike/picketed out	96	-

19/10

Attendances again show slight, though encouraging, increases:

- In Scotland a record 343 men reported, including 191 at Bilston Glen.

- In the Coal Board's western area (Lancashire, Staffordshire, Cumbria and North Wales) there was a new 24 hour attendance record of 8,903 - the third consecutive day that the numbers have risen.

- In North Derbyshire there was a new 24 hour attendance record for a Friday of 1,003.

- In Yorkshire 76 miners reported plus the usual number of contractors' men.

Coal Movements

A further good day yesterday. 181,000 tonnes were moved.

39 trains ran.

Law and Order

This morning there were large numbers of pickets at Brodsworth and Denby Grange in Yorkshire.

In Ollerton village (North Notts) youths created disturbances last night and threw bricks at police vehicles.

The number of police injured in the coal dispute has now risen to 914.

Industrial Relations

The Coal Board repeated again today their willingness to talk at any time. This is a reflection of the attitude they have maintained consistently throughout the dispute. There are however no specific initiatives in prospect, and indeed little to be gained whilst the NUM maintains its intransigent attitude. Mr Scargill confirmed to the media this afternoon that the union's position was unchanged.

Power Workers Reject Scargill

The 43,000 members of the electricians' union (EETPU) have decisively rejected industrial action in support of the NUM. Nearly two-thirds of the membership voted in their secret ballot. 84 per cent decided against taking industrial action. This must be seen as a major blow to Scargill. It should make NACODS think. It also undermines the credibility of the TUC's sabre-rattling on supportive action.

Line to Take

Stress key elements of Coal Board offer (as detailed in yesterday's report).

NACODS members in particular should recognise that since their recent ballot the Coal Board has met their wishes. There can be no justification for a strike now.

Welcome the decisive result of the power workers ballot.

Distribution: Members of MISC 101, Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 6070

AT file

COAL STRIKE

BACKGROUND NOTE - 19 OCTOBER

At the request of NACODS the National Coal Board agreed to enter into negotiations with the NUM under the auspices of ACAS. At the beginning of the meeting the NUM had their proposals tabled. These were unacceptable and would in fact have given the NUM power to veto any closure, thereby making it impossible to deal with the problems of uneconomic pits. Mr Scargill has repeatedly endeavoured to describe these proposals as an ACAS paper. In fact the paper made it clear that it was a distillation of the views of the NUM.

Following this, the NCB tabled a paper which accepted that the Board would agree to an independent review body on pit closures, would give proper consideration to any views which the body expressed, but obviously would retain the Board's right to take management decisions.

Following this ACAS put forward a formula which used the following wording on the question of pit closures:-

> "Any colliery not covered by geological exhaustion or safety dangers may be brought forward by either party for discussion and investigation in line with the principles of the 'Plan for Coal' under the colliery review procedure.
>
> "The colliery review procedure will be amended to include as a final stage an independent review body whose function would be to consider a reference from any one of the parties on any closure matter about

which there is disagreement.

"Full weight will be given by the parties to the advice of this independent review body."

The NCB immediately accepted this wording - the NUM totally rejected it. We therefore have a position where NACODS requested the NCB to go to ACAS, having heard both sides ACAS produced a formula which the NCB accepted but which was totally rejected by Mr Scargill.

The comprehensive package on offer to the miners is as follows:

1. A wage increase backdated until last November which is greater than that already accepted by many groups of workers, including those in the power, gas, railway and water industries.

2. An undertaking that any miner who wishes to continue working in the coal industry will be able to do so. There will be no compulsory redundancies.

3. For miners in any pit which is going to close, an opportunity to go for voluntary early retirement on terms more generous than in any coal industry in the world, and any other industry in this country.

4. A continuation of a capital investment programme in new machinery, new collieries and new coal faces, which will enable the industry to produce cheap coal and therefore to expand its markets. A sharp contrast to socialist France where the mining industry is to be cut by half.

5. The creation of a new enterprise company which will provide finance, advice and accommodation for new businesses and new enterprises in any mining community adversely affected by closures. During the eleven year period in which Labour governments closed 330 pits (many more pits than exist at present) there was no such generous programme for the communities, and there were no such provisions for early retirement.

6. To amend the colliery review procedure previously agreed between the National Coal Board and the mining unions so that an independent review body can, if asked to do so, give its views on a closure. This would be coupled with an undertaking that full weight will be given by the NCB to any advice received from the independent review body.

In total this package must be better than anything that has been offered to the miners since nationalisation. There has certainly never been any justification for the current industrial action. We have reached a position where Mr Scargill wishes to continue with conflict, for it is only by means of conflict that he hopes to achieve his political purpose.

Our stocks of coal at the power stations remain very good. Indeed for some weeks now we have succeeded in moving more coal to the power stations than has been burnt. At the moment our coal stocks at power stations are higher than they were nearly two months ago.

There can be no way that the Government or the National Coal Board can meet the totally unreasonable demand of Mr Scargill that no uneconomic pit shall be closed. This

demand has never previously been made by any leader of the miners, never been contemplated by a Labour government and is not operated in any coal industry in the world. Neither must we be seen to be moved by leaders who use the methods of the mob and victimisation.

The police have now made more than 7,000 arrests during the dispute. They have to date succeeded in repelling every attempt to close a working colliery, a steelworks, a power station or a coke works by means of mob violence.

file

BM

10 DOWNING STREET

THE PRIME MINISTER

19 October 1984

Dear Mr. Kinnock,

Thank you for your letter of 19 October about the coal mining dispute. This dispute has been bedevilled by misunderstandings and I am grateful for the opportunity of putting the record straight on the points raised in your letter.

I confirm, as Peter Walker did yesterday, that any future pit closure will be examined through the Colliery Review procedure. I also confirm that this procedure remains in exactly the same form as it did under the Labour Government.

I am surprised that there should be any doubt about this. You will remember that the question of the procedure arose in our debate in the House of Commons on 31 July. On the following day the Chairman of the National Coal Board issued a statement in which he set out the arrangements agreed with the Unions at the beginning of 1973 for a Colliery Review procedure. He said "This procedure has, in the opinion of the NCB, worked well" and he added "The NCB have proposed no change in these jointly agreed procedures". I sent you a copy of this statement on 4 September in reply to your letter of 3 September.

You will, of course, be aware that the ACAS proposal in the most recent talks, which was accepted by the NCB, maintained the Colliery Review procedure but added an independent review body to whose advice full weight would be given.

On the question of the 6 March proposals, if you will look at the draft agreement offered by the NCB to the NUM as long ago as ~~June~~ July, and published in full in the Financial Times of 10 ~~June~~ July, you will see that the NCB proposal contained the words:

> "In the light of the changed circumstances the Board will revise the March 6 proposals and re-examine those proposals for individual areas, taking account of the changes that have occurred in the needs of the market and the loss of output resulting from the dispute."

You say in your present letter that, if these points were confirmed, there is indeed a possibility of resuming negotiations. In your interview on 16 October you went further. You said:-

> "If the ACAS formula is acceptably near to the procedure which existed before March, and if the Coal Board understands the need for withdrawal of the twenty pit 'hit list', then the probability of a settlement is strong".

In the light of the perfectly clear position which I have explained, please will you now confirm that in your view there is nothing to stand in the way of a settlement of this dispute in line with the ACAS formula?

Yours sincerely

Margaret Thatcher

The Rt. Hon. Neil Kinnock, M.P.

Colliery Closure Procedures

There were misunderstandings in the House of Commons debate on Tuesday about the colliery closure procedure. To make the position clear the National Coal Board today (Wednesday) issued the following statement:

Arrangements were agreed with all the industry's unions at the beginning of 1973 for the introduction of a colliery review procedure. Certain changes were made in 1976, again with the agreement of all the unions, to meet the requirements of the Employment Protection Act of 1975, under which employers had to give longer notice to employees.

Under the procedure, every three months each NCB Area Director holds a general colliery review meeting with representatives of Area unions at which the results of all the Area's collieries are considered and ways of improving those results are discussed. At these meetings the Director also identifies collieries where special action is required.

About three weeks later the Director reconvenes the meeting which is also attended by union representatives from collieries to be specially considered. If the Director's view is that a pit should close he announces his decision at that stage.

If at this reconvened meeting the local unions agree to closure, the date can be settled. When the unions do not agree to closure, they are given the opportunity to make a technical inspection of the colliery.

cc B1

HOUSE OF COMMONS
LONDON SW1A 0AA

The Office of the Leader of
the Opposition

19 October 1984

Dear Prime Minister

I am writing to seek urgent clarification of the position of your Government on the coal dispute, following the intervention of the Secretary of State for Energy yesterday.

Mr Walker referred in his statements to my remarks on Tuesday of this week. I regret that Mr Walker appears to have been misled by a partial and selective account of what I in fact said. As you will see from the enclosed note, I gave equal prominence not only to the need for a withdrawal of the proposals made by the Board in March, but also to the need for a return to the Colliery Review Procedure which operated successfully for many years before then.

Is Mr Walker now saying that there will be a withdrawal of the 'hit list' of 4 million tonnes of coal production and 20,000 jobs? Is he now saying that there will be a return to the Colliery Review Procedure in line with the Plan for Coal?

If that is what Mr Walker is saying, then there is indeed a possibility of resuming negotiations.

Depending on the response to these questions, I and many others are prepared to put a positive construction on Mr Walker's intervention. I hope that it will be followed by Government action to bring the parties together for the purpose of further negotiations.

Yours sincerely

pp Sue Nye

Neil Kinnock MP

(Dictated by Mr Kinnock and signed in his absence)

enc

Speaking on World at One on Tuesday 16 October. the Leader of the Labour Party, Neil Kinnock MP, said :

The important point is that there has got to be a return to the situation that existed before 6 March. Then there is a possibility of agreement over something like the formula knocked about between the NUM and the NCB. The precondition is a withdrawal of the hit-list and the restoration of the procedures which existed before 6 March.

There will not be a settlement until there is a reversion to the original procedures and a withdrawal of the hit-list of 20 pits and 20,000 redundancies.

The dispute could be ended immediately if there is a return to the situation before 6 March.

If those 20 pits were to go back to the old procedure, then an ACAS formula would be workable. As long as there is insistence on the 20 pit hit-list, it is difficult to see how the formula can be adopted. If the application is to new closures, but also to those proposed for the reduction of 4 million tonnes and the alleged savings of £350 million, a new formula could be introduced, but only if it applies to the 20 pits and every other pit.

The question is restoring that procedure which existed for many years, which closed 79 pits by negotiation, which left the National Coal Board with the final say. It

.../

is not surrender of managerial authority to go back to that, especially after 54 million tonnes of coal have been lost, £2,000 million has been spent and God knows what problems have been inflicted on the economy and on the communities.

If it applied to all collieries contemplated for closure, including those which the Board was seeking to close in March, then the result could be something very like the ACAS formula - I'm not saying that those words are perfect or will guarantee peace - but it must apply now and in the future, with a guarantee that there will be no hit-list practice or hit-list philosophy, and with the system of negotiation which existed previously, then a settlement remains a possibility.

If the ACAS formula is acceptably near to the procedure which existed before March, and if the Coal Board understands the need for withdrawal of the 20-pit hit-list, then the probability of a settlement is strong.

(Taken from a transcript of Mr Kinnock's interview with Sir Robin Day, World at One, Tuesday 16 October)

Coal file

Mr Ingham / Mr Turnbull

Times

19 Oct 1984

Mrs McGibbon was one of the 3 wives who visited the PM.

Fine print

To shouts of "scab" and "bitch" on Tuesday night, brown and purple paint bombs were hurled at the home of Irene McGibbon, the Kent working miner's wife who won a standing ovation from the Tory conference for condemning the strike. The attack, which Mrs McGibbon says left her eighteenth-century cottage looking like "a condemned slum", was not entirely unexpected. Last Saturday the communist *Morning Star* published an article which disparagingly described the launch of her Miners' Wives Back-to-Work Campaign, and continued: "Interested miners can contact her at . . .", giving her full address. Mrs McGibbon says she cannot recall any other national paper publishing an address right down to the number of the house, and she knows of no moderate miners who read the *Morning Star*. A complaint is on its way to the Press Council.

SECRET

File

19 October 1984

459

PRIME MINISTER

THE COAL DISPUTE

You may like a check list of subjects for your general meeting on Sunday at Chequers.

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   a. Maximising output under existing contracts.

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   c. Obtaining more planning permissions.

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SECRET

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2. Will they offer Ian MacGregor advice on how to create more media events, and to use the ready access he and his colleagues can have to the media? They remain very newsworthy but do not exploit this.

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better at media presentation, so that they appear more frequently on television and radio?

4. How well and fiercely is the NACODS campaign being fought? What sort of letter is being sent to all NACODS personnel? How many more television and radio appearances can leading Coal Board figures and Ministers fit in before the putative strike?

5. David Young suggests that it is vital to relaunch yet again NCB industries. A suitable opportunity would be press releases at the time of the executive management being appointed, or at the time of the first project being discussed. We need to extend this into a wider argument, demonstrating Government concern for the future of certain communities. Could we not also investigate a project or two under land reclamation and clearance schemes, which would benefit a pit valley or village?

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2. Are the Coal Board ensuring that men convicted of serious offences against Coal Board property or

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3. Does the Home Office have any more ideas on how to encourage some greater security for those giving evidence?

If a substantial number of militants can be sacked as a result of convictions for violence, it will of course make the transition back to a working industry much easier, and may reduce the possibility of violence on the return to work. It is important that every working miner should know and be reassured that anyone perpetrating violence - particularly below ground - which is seen by an independent witness and/or a manager or NACODS official, will be sacked.

The Civil Law

If NACODS do go out on strike on Thursday, it is difficult to see there are any more reasons for the NCB to leave its injunction standing idle.

1. Shouldn't the NCB be encouraged to use the civil law if the NACODS strike is a strong one?

2. Isn't there an argument anyway for using the civil law - and it must be made clear that it is using the civil

law against the Yorkshire NUM, as it is this branch of the NUM which has substantial resources and is most disliked by the working areas - whatever happens on Thursday?

Talks

Holding talks over the next few days to try and prevent a NACODS strike is a sensible part of the strategy. These talks will naturally entail comings and goings with the NUM as well, as that is part of the NACODS leadership's strategy.

If, however, the strike is fairly solid on Thursday, and there are no signs of hope, there is an argument for breaking off all talks. All the time there are talks in play, it will act as a deterrent to NUM and to NACODS members to return to work.

Peter Walker is moving towards fuller government involvement in the talks. Are we happy with this? Only do it if he can see a way through, and then make a virtue of it. We fear it is more likely to backfire.

JOHN REDWOOD

SECRET

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 6402

cc/o 45

NBPM

The Rt Hon Patrick Jenkin MP
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1P 3EB

19 October 1984

Dear Patrick

Thank you for your letter of 1 October.

You are of course aware that the National Coal Board have now reached agreement with the local authority that coal may be removed from the Springhill site by road. Approximately 25,000 tonnes of coal are currently leaving the site each week.

The other case with the Board is pursuing is that of the mid-Cannock disposal point which serves the Kingswood opencast site. Here officials of the Opencast Executive together with County Council elected members and officials and a Mines Inspector from the Health and Safety Executive have inspected the site and found evidence of overheating. The local authority is now awaiting a view from the Mines Inspector on the possible effects of that overheating and the consequent need to move coal from the site by road.

In both these cases I feel it would be wise to maintain a low profile for the time being.

Turning to the other sites affected by the lack of rail transport, these have proved less of a problem than originally feared. In all cases either a means of removing coal in a manner acceptable to the planning authority has been devised or the problem is one of picketing rather than planning conditions.

In these circumstances and in the context of Michael Havers' advice in his letter to you of 3 October I see little point at present in preparing for possible action under Section 49(4) of the Opencast Coal Act.

SECRET

I understand that our officials have discussed with the Board all the sites in question, and have agreed to maintain close liaison with the Board to ensure that any needful actions can be initiated in good time and with the minimum of delay.

I am copying this letter to the Prime Minister and Michael Havers.

PETER WALKER

NAT IND: Coal Pt 13

Prime Minister ② AT 18/10 file

SECRET AND PERSONAL Copy No 1 of 20

44A

Daily Coal Report - Thursday 18 October 1984

		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	10	-
(iii)	Some men present	23	-
(iv)	On strike/picketed out	96	-

Generally a quiet day. Negligible change in attendances.

Coal Movements

Another good day. 185,000 tonnes were moved.

42 coal trains ran.

Law and Order

Picketing was on a smaller scale today than of late and there were fewer reports of violence.

15 people have been fined for stealing coal from Grimethorpe pit. Their arrest on Sunday triggered the violence in which the local police station was stoned.

Industrial Relations

A relatively quiet day on this front also.

Sid Vincent, the leader of the Lancashire NUM, suggested today that there could be more talks between the Board and NUM soon. The media have picked this up but there is no clear statement to indicate the reason for his optimism.

SECRET AND PERSONAL

There are reports that two further Yorkshire miners are taking legal action against the NUM - this time for loss of earnings.

There are also reports of Staffordshire miners opting out of paying the political levy to the Labour party. 800 men at Lea Hall have already opted out and 600 at Hem Heath reportedly want to join them.

Line to Take

Stress totality of package which is on offer to the industry as a whole:-

1. A wage increase backdated until last November which is greater than that already accepted by many groups of workers, including those in the power, gas, railway and water industries.

2. An undertaking that any miner who wishes to continue working in the coal industry will be able to do so. There will be no compulsory redundancies.

3. For miners in any pit which is going to close, an opportunity to go for voluntary early retirement on terms more generous than in any coal industry in the world, and any other industry in this country.

4. A continuation of a capital investment programme in new machinery, new collieries and new coal faces, which will enable the industry to produce cheap coal and therefore to expand its markets. A sharp contrast to socialist France where the mining industry is to be cut by half.

5. The creation of a new enterprise company which will provide finance, advice and accommodation for new businesses and new enterprises in any mining community adversely affected by closures. During the eleven year period in which Labour

governments closed 330 pits (many more pits than exist at present) there was no such generous programme for the communities, and there were no such provisions for early retirement.

6. An offer to amend the colliery review procedure previously agreed between the National Coal Board and the mining unions so that an independent review body can, if asked to do so, give its views on a closure. This would be coupled with an undertaking that full weight will be given by the NCB to any advice received from the independent review body.

NACODS members in particular should recognise that since their recent ballot all their main objectives have been achieved. There can be no justification for a strike now.

Distribution: Members of MISC 101, Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel 211 6070

PETER WALKER'S MESSAGE TO NEIL KINNOCK

Speaking on World at One on Tuesday 16 October the Leader of the Opposition, Mr Neil Kinnock, expressed the view that the ACAS compromise would have provided a strong probability of a settlement if the National Coal Board had withdrawn what he described as a 20 pit hit list.

I have informed Mr Kinnock that he is clearly under a misunderstanding for there is no hit list of 20 pits and the National Coal Board, by accepting the ACAS compromise, will see that any pit closure in future will be subject to the procedure agreed to in the ACAS compromise.

Therefore what the Coal Board have agreed to is in the words of the ACAS formula:

> "The colliery review procedure will be amended to include as a final stage an independent review body whose function would be to consider a reference from any one of the parties on any closure matter about which there is disagreement.
>
> "Full weight will be given by the parties to the advice of this independent review body."

It is understandable that, if the Leader of the Opposition considered that there were pits that were going to be closed irrespective of the ACAS compromise, he remained critical of the Board. But now he knows that this is not the case, and since he has stated publicly that the ACAS formula provided a strong probability of settlement, I hope he will now use his influence to see that the National Union of Mineworkers accept this formula.

It was NACODS that following their ballot to support strike action settled all their problems with the NCB on procedures and the pay of NACODS members.

It was NACODS who then requested that the Coal Board should go to talks with ACAS. It was the Coal Board who responded to this request and not only went to the talks at ACAS but accepted the compromise formula put forward by ACAS, a formula which Mr Kinnock describes as having a strong probability of obtaining a settlement.

I do therefore hope that all concerned - the Labour Party, the NUM and NACODS - will carefully consider that it is in the interests of the coal industry and the nation that they accept this reasonable compromise proposed by ACAS.

18/10/84

File

Prime Minister

This is the draft which Mr. Walker gave to Mr. McGregor. Mr. McGregor had previously decided not to send a letter after all but is now reconsidering the decision, with this draft

MS

DRAFT LETTER FOR COAL BOARD REGIONAL MANAGERS TO SEND TO MEMBERS OF NACODS

FCRB 18.10.

I thought it was my duty to write to you in order that you are aware of all the facts connected with the current dispute.

I know that you share my desire that this damaging strike should come to an end so that our industry can take advantage of the considerable opportunities that are available.

We are now the only coal industry in Europe with a massive investment programme and one which the Board is willing to continue.

There is a good opportunity if we can produce coal efficiently and well to expand our markets both at home and abroad.

A few weeks ago the majority of members of your union voted in favour of strike action. You will know that it was on three issues - the Board's cutback in capacity, the Board's attitude in the implementation of conciliation procedure and of the rejection of the Board's guidelines of 15 August.

I am pleased to say that in negotiations the problems on the guidelines of 15 August have been totally solved, and what is more any NACODS member who was adversely affected by 15 August guidelines has been compensated.

On the more general issue your leaders decided that with a negotiating strength on the decision to strike their duty was to persuade the National Coal Board to agree to talks under the auspices of ACAS so that ACAS, in their traditional role of trying to find solutions to industrial disputes, could have an influence on such talks and bring an end to this strike.

The Coal Board agreed to accept this NACODS proposal.

At the ACAS talks the NUM tabled their views and the Board tabled theirs. ACAS studied both and came forward with a compromise suggestion. That compromise read as follows:

> "Any colliery not covered by geological exhaustion or safety dangers may be brought forward by either party for discussion and investigation in line with the principles of the 'Plan for Coal' under the colliery review procedure.
>
> "The colliery review procedure will be amended to include as a final stage an independent review body whose function would be to consider a reference from any one of the parties on any closure matter about which there is disagreement.
>
> "Full weight will be given by the parties to the advice of this independent review body."

Although this was a very different wording from what the Coal Board themselves had proposed the Coal Board decided in the interests of the industry and to bring an end to this dispute they would accept the ACAS compromise. The National Union of Mineworkers decided to reject it.

It would appear that on the part of some there was a misapprehension as to the meaning of the ACAS compromise and that it would not apply to those pits that had already been considered for closure.

I am pleased to inform you that this is not so, and both the Coal Board and the Government have made it clear that any future closure of any colliery will be subject to the procedures proposed in the ACAS compromise.

I do hope therefore you will recognise that since the ballot of NACODS all the main objectives have been achieved in that the specific problems of guidelines and the adverse effect on NACODS pay have been sorted out, and that the Coal Board have agreed not just to talk to ACAS but to the compromise proposal which came from ACAS out of these talks.

We are anxious that no further damage is done to our industry. If the strike continues it will continue for many months ahead. Coal stocks are high at power stations but in those months serious damage will be done to coal faces, markets will be lost and the standing of our industry will decline. I would remind you of the totality of the package which is on offer to the industry as a whole. On wages NACODS of course accepted the wage increase of last November. The NUM have not but that wage offer can now be seen as an offer which is greater than that already accepted by the workers in the power, gas, railway and water industries. There are five other ingredients of the package on offer which I feel you should know:

1. An undertaking that any miner who wishes to continue working in the coal industry will be able to do so. There will be no compulsory redundancies.

2. For miners in any pit which is going to close, an opportunity to go for voluntary early retirement on terms more generous than in any coal industry in the world, and any other industry in this country.

3. A continuation of a capital investment programme in new machinery, new collieries and new coal faces, which will enable the industry to produce cheap coal and therefore to expand its markets. A sharp contrast to France where the mining industry is to be cut by half.

4. The creation of a new enterprise company which will provide finance, advice and accommodation for new businesses and new enterprises in any mining community adversely affected by closures. During the eleven year period in which Labour governments closed 330 pits (many more pits than exist at present) there was no such generous programme for the communities, and there was no such provisions for early retirement.

5. To amend the colliery review procedure previously agreed between the National Coal Board and the mining unions so that an independent review body can, if asked to do so, give its views on a closure. This would be coupled with an undertaking that full weight will be given by the NCB to any advice received from the independent review body.

I therefore express the hope that this package will now be seen to be fair and reasonable, and that no further damage will be done to our industry by industrial action.

010

R/F with Treasury response cc NO
AT 22/10

QUEEN ANNE'S GATE LONDON SW1H 9AT

18 October 1984

Dear Peter,

MINERS' DISPUTE: POLICING COSTS

There is one major outstanding matter concerning the policing costs of the miners' dispute. It relates to the "knock-on" costs incurred by those forces which have supplied aid so generously to forces like Nottinghamshire which have borne the brunt of the violence. The aiding forces have incurred extra expenditure as a result of giving this assistance, primarily by having to work a considerable amount of extra overtime to compensate for the absence of so many officers on mutual aid.

In my statement of 11 May I expressed the view that "some additional payment might reasonably be made in recognition of the additional expenditure on overtime incurred in the police areas of the forces supplying mutual aid. While these are matters for the police authorities concerned in the first instance, the additional payments from central Government which I have announced will take account of any payments that a police authority receiving mutual aid might agree to make in recognition of the additional overtime being worked in the police areas of those forces supplying mutual aid, but not of any payments in respect of the basic costs of the men and vehicles involved." As was to be expected, aided authorities have declined to make any payments in respect of consequential overtime: they have, in effect, been waiting for advice from the Home Office on what they should pay. I must now give them such advice. One aiding authority, having had its application for reimbursement of knock-on costs turned down by Nottinghamshire, has applied to me to determine the question (under section 14(4) of the Police Act 1964). Also, as the financial year proceeds it has become imperative that aiding authorities should know where they stand without further delay.

We have considered this matter very carefully, in consultation with the local authority associations and chief officers of police. Such estimates as we have indicate that knock-on costs vary widely between forces. Some aiding forces used overtime extensively from the start of the dispute so as not to reduce police cover in their own areas. Other aiding forces did not work so much overtime, but cancelled or postponed training and put up with much reduced cover; so some of their consequential costs will be concealed, and will have to be paid later when the backlog of deferred rest days and training is wiped out. We therefore wondered whether we should think in terms of a flat rate payment related to the number of police support units supplied by each aiding force. But this would have meant that the payments were not directly related to the expenditure actually incurred by the aiding forces; and the local authority associations have represented to us forcibly that such an arrangement would mean that the aiding forces which have incurred the most additional expenditure - for reasons which are likely to have been very good ones - would be heavily penalised. It would also mean that some forces might be compensated for expenditure they had not actually incurred (having chosen in effect to suffer a loss of service).

The Rt Hon Peter Rees, QC., MP.

/cont ...

So I think the payments must be related to the knock-on costs actually incurred. When I made my statement in May I did not envisage that the payments would necessarily compensate for the knock-on costs in full. But the length of the dispute has meant that the aiding forces' additional expenditure is now very substantial. The police authorities for those forces are certainly expecting to be reimbursed in full, and I think we should meet their expectations. Apart from the important point that we shall be accused of bad faith, HM Inspectors of Constabulary are worried about the consequences for the efficiency of those forces if we do not do so. Moreover, it is essential that we retain the goodwill of the aiding forces. The approach of winter may be expected to make the task of maintaining the mutual aid effort more difficult; and now that more collieries in the strike-bound areas are having some men at work the call on police resources could increase significantly.

Neither aided forces nor the Home Office could vet claims in any detail. We would have to rely heavily on the integrity of Chief Constables and County Treasurers to ensure that claims for consequential overtime did not include claims for overtime which would have been worked anyway, apart from the miners' dispute. But I think we ought to work out, in consultation with the local authority associations, some mechanism whereby claims above a certain level could be investigated and checked. It is helpful, from this point of view, that hitherto Chief Constables have not been able to rely on reimbursement of consequential costs; so there will be a basis for comparison for future expenditure.

I propose, therefore, that we should agree that aiding forces should submit to aided forces claims for additional expenditure in their own areas resulting from the provision of mutual aid, and that aided forces should meet these claims in full. Payments in settlement would rank for special grant. I cannot give any precise figure as to what the cost of such an arrangement up to now would be. I would not expect it to be more than £20M so far, of which the Exchequer would in any event have to pay half in police grant even if no arrangement at all for reimbursement between forces were made. So the extra cost to the Exchequer of paying for full reimbursement (the costs of aided forces such as Nottinghamshire, who would be making the payments initially, are of course being met by the Exchequer in full above a certain level), as opposed to reimbursement of a lesser sum, would be relatively small in relation to the total additional costs resulting from the policing of the dispute.

The additional costs resulting from the provision of mutual aid would, I envisage, cover such items as consequential overtime worked by police and civilians, and payments for deferred rest day working. Local authorities have mentioned other consequential expenditure, such as interest paid and foregone, and payments to prosecuting lawyers for cases where the police would normallly have prosecuted. I should be reluctant to recognise the cost of interest, but I am tempted to side-step the problem (and that of identifying and calculating all the consequential costs) by recognising, for special grant, additional payments by aided to aiding authorities calculated on a formula related to aid supplied. I would propose that officials should discuss this aspect further with the local authority associations.

The associations are pressing for an early decision, and it would be very helpful if you could let me know soon whether you are content with my proposals.

I am sending copies of this letter to the Prime Minister, the other members of MISC 101, George Younger and Patrick Jenkin, and to Sir Robert Armstrong.

Yours, Leon

File

10 DOWNING STREET

Prime Minister

copies to: Michael Alison
Robin Butler
Bernard Ingham
Andrew Turnbull
John Redwood

18.10.84

PAUL FOOT reporting

REVEALED: The Thatcher 'aide' who advised the working miners

HART IN THE RIGHT PLACE?

● A RIGHT-WING columnist on The Times and former bankrupt—described last year as a political adviser to Margaret Thatcher—was active in forming and promoting the National Working Miners' Committee.

The Committee has been hailed at the Social Democratic Party Conference and at last week's Tory conference as a genuine organisation of miners who want to work during the strike.

Mr David Hart attended at least three of the early meetings which spawned the Committee.

This was revealed to me this week by the first secretary of the Committee, Mr Bob Copping. Mr Copping resigned from the Committee after only three weeks because he thought it was "an anti-trade union organisation."

Appointed

Mr Copping, 51, a winder at Houghton Main pit, near Barnsley, says he met David Hart at a meeting at Castle Donington Guest House, near East Midlands Airport.

"I was told before the meeting that he was the money-man," says Bob.

"He was introduced to us as D. H. Lawrence, but he told us after the meeting his name was Hart, though he didn't want it broadcast for obvious reasons."

At another meeting at Castle Donington on August 19, Bob Copping's own minutes record that Colin Clarke, a Nottinghamshire miner, was appointed President, John Blessington, from Bevercotes Pit, Notts, Treasurer, and Bob Copping, secretary.

This "executive" of three met the following week—on August 25—at the luxury Hambleton Hall Restaurant, near Oakham, Leics.

The only other person at the meeting was David Hart. The restaurant is owned by Tim Hart, David's brother.

Bob Copping's minutes record that David Hart suggested the miners should meet steel union leaders and visit the docks to meet non-striking dockers.

Clarke and Blessington supported the move, but Bob Copping didn't.

The full committee met again at Castle Donington on August 28. The minutes report "D. Hart present."

David Hart suggested that the miners on the committee who weren't working should be paid £150-a-week out of the fund. He also suggested a £300 "float" for every committee member, to cover expenses.

Vague

Again, Bob Copping objected.

"Mr Hart said he had access to the Prime Minister and had held up the script for Mr MacGregor in his television debate with Scargill," says Bob Copping.

"I got more and more worried. There didn't seem to be any democracy in it. I tried to meet them about it, but they wouldn't see me.

"They had a meeting in Claridges in London, but I wasn't invited.

"My sole aim was to work through the constitution of the union to get a ballot. I realised the others weren't going that way."

Mr Copping resigned on September 5.

Mr John Blessington is now secretary.

Mr Blessington's memory of Mr Hart is vague. "I have heard of the guy, I've met him, I think," he told me.

"There was a reporter there who was helping us with publicity, apparently."

Mr Blessington insisted that he'd never been Treasurer, that he has been the only official secretary of the Committee, and that Mr Copping had resigned because he couldn't be secretary.

He said that Mr Copping's minutes were not the official record of the committee.

Asked about the dockers' meetings, Mr Blessington said: "I'm not prepared to comment."

Mr Hart was even less helpful. Four attempts to get him to the telephone in the suite at Claridges, where he spent Monday night, proved futile.

At his office on Tuesday morning, a spokesman said: "He is not available to talk to you, and will not be."

Denied

Mr Hart, 40, was described in The Sunday Times in November last year as "one of the amorphous group which drifts around Downing Street advising Mrs Thatcher on matters of state."

A Downing Street spokesman was quoted the next day as saying: "He may very infrequently have consulted him."

In December, Mrs Thatcher denied in the House of Commons that Mr Hart was one of her official advisers.

The Coal Board could not confirm or deny that Mr Hart helped Mr Ian MacGregor, their chairman, in his debate with Arthur Scargill on August 22.

In June, 1975, Mr Hart was declared bankrupt. He had debts of £959,259, most of them because of his fantastic life style.

He had bought a country estate, Rolls-Royce and BMW cars and he commuted by helicopter.

Mr Hart told the court: "I'm afraid I've been very silly."

He was discharged from bankruptcy in 1978 with only half his debts paid.

Modest

On September 13, he wrote an enthusiastic article in The Times on the National Working Miners' Committee. He was full of praise and enthusiasm for the new body.

Modest as ever, Mr Hart did not mention his own part in it.

DAVID HART: "Access to the Prime Minister . ."

The grim price of private care

● FROM all over the country I'm getting complaints about one of the most booming enterprises of Mrs Thatcher's government—private nursing homes.

Ten days ago, for instance, John and Nancy Durrant went to see their elderly friends, Percy and Elsie Moon.

Mr and Mrs Moon, who are both 85 and are ill and frail, had moved into The Grange, at Bottisham, near Cambridge, where a week's stay cost them £430.

The Durrants were shocked to find the two old people in a tiny 11ft by 9ft room, furnished with a commode, one upright chair and two beds.

The bedclothes were soiled and Mr Moon had lost his glasses.

The Durrants went back two days later. Things had got worse. They complained to their local councillor.

At once, Cambridge county councillor Janet Jones went to see for herself. She was appalled. Mrs Moons bedclothes stank.

"There was only one qualified nurse on duty that day, to care for sixteen patients," she says.

Mrs Jones is writing an angry report to the East Anglian Health Authority. "These private homes have sprung up because of a desperate shortage of council-run homes," she says.

"My great concern is that they do not give adequate medical care and are not properly monitored."

The administrator of The Grange, Mr Pat Mungrew, vigorously defends his nursing home.

"I have eight or nine qualified nurses and about seven auxiliary nurses," he said.

He described the Moons as "difficult patients" and complained that their friends had visited them "at the busiest time of day."

Mr Mungrew says he has a law degree, and is a member of the Institute of Directors. He is also a State Enrolled Nurse, though not a State Registered Nurse.

Department of Health rules insist that anyone in charge of a nursing home should be at least a State Registered Nurse.

■ A fantastic boom in private homes has been oiled by enormous dollops of public money to help pay the fees. In 1979, old age pensioners in nursing homes got £10m of DHSS money, £18.04 per resident.

In 1983, they got £30m; £75.25 per resident.

● IF YOU have something you think I ought to investigate, write to me at the Daily Mirror or ring me on 01-822 3365.

THE THINGS THEY SAY

"I WAS hoping to speak in the law and order debate at the conference today, but I have probably missed that now, because I had to be here."

HUW SHOOTER, delegate to the Tory Party conference, speaking on October 8 outside Brighton Magistrates Court, where he had been fined £200 and ordered to pay £100 compensation for criminal damage. He and a gang of forty law and order fanatics from the Young Conservatives had smashed up a mock submarine put up by CND on Brighton beach.

10 DOWNING STREET

Andrew

I spoke to the PM. She does not want to get everyone together unless there is something useful to do. I think she has two main concerns:-

i. Hitting the right note at Questions on Tuesday: MISC 101 on Tuesday morning should help with that.

ii. Getting some information about what is really going on. On that aspect, if there were to be any dinner on Sunday evening, it could be smaller - e.g. PW, MacGregor, Walter Marshall, Gregson. But we

have authority to lay it off completely, and I leave it to you to take the final decision with Greggen this afternoon.

Looking at Peter's paper below I have 2 thoughts:-

i. It does not cover the separate angles of sterner action towards strikers if the strike does not end before a certain date: presumably that is being pursued separately

ii. We will need Ridley to cover the transport angles on Wednesday.

PERB

18/10 cc P. Gregson

44 A

PRIME MINISTER

MT

Coal Dispute

I have researched further the possibility of a meeting at Chequers on Sunday to discuss the dispute. All the essential people could attend for a working supper (the Secretaries of State for Energy and Employment, Home Secretary, Attorney General, Mr. MacGregor, Sir Walter Marshall). The key question is whether a meeting on Sunday would be a productive use of time.

The following action is taking place. Mr. Walker has spoken to Mr. MacGregor. The latter was not keen to inject the Independent Review Body earlier into the procedure as he fears this would slow down management operations. I have sent you separately a copy of the Colliery Review Procedure which indicates this change may not really be necessary as the process of review is more or less continuous. Mr. MacGregor is, however, considering a side letter which would offer NACODS some reassurance. Though he has not finally decided Mr. Walker thinks the follow up action by Mr. McNestrey is probably better done by David Hunt. (All this assumes that we are dealing with reasonable men in NACODS who can be brought round by further discussion and argument). Though it is worth a further try on this premise I suspect the truth is that the Executive went some months ago into the Scargill camp and will not be coaxed out.

The second area of activity is on endurance. Peter Walker and Peter Gregson have discussed the options and Peter Gregson has set work in hand to complete the attached examination paper. It is comprehensive but would take a few days to complete - the middle of next week at the earliest. Both Peter Walker and Peter Gregson doubt whether it would be worthwhile having a weekend meeting without the results of this exercise. In any case, Peter Walker would

prefer to go over the results with you first.

We have MISC 101 scheduled for Tuesday and Wednesday. We could go ahead with the Tuesday slot and exert pressure to have the endurance exercise completed for discussion in a smaller group on Wednesday.

In the light of the above do you still wish to hold a meeting on Sunday?

A.T.

Perhaps the following Sunday would be better

MT

18 October 1984

SECRET

file LPOAAT

cc Dave Willetts (PU)

44

10 DOWNING STREET

From the Private Secretary

18 October 1984

PAYMENTS TO STRIKING MINERS FOR MORTGAGE INTEREST

The substance of your letter to me of 16 October was discussed at Cabinet today. As the minutes will record, your Secretary of State undertook to bring forward proposals to change the legislation as a matter of urgency.

The Prime Minister has asked whether there are any similar issues on which changes in the regulations should be made. Possibilities are first, the £15 deduction which is in any case due for up-rating in line with the RPI; and the question of whether miners on strike should remain eligible for SB (though they would continue to receive contributory sickness benefit).

I am copying this letter to Richard Hatfield (Cabinet Office).

Andrew Turnbull

cst.

Colin Phillips, Esq.,
Department of Health and Social Security

SECRET

subject cc master

17/10

43 A.

SECRET AND PERSONAL

MR. TURNBULL

COAL DISPUTE

The Prime Minister had a meeting with the Secretaries of State for Energy and Employment and Mr. Gregson yesterday evening to take stock of the position following the NACODS decision.

The Secretary of State for Energy had heard a rumour that NACODS had decided to strike in 10 days' time: corroboration arrived in the form of a statement on the Reuter tape in the course of the meeting. The following aspects were then discussed:-

(i) Likely NACODS response

Mr. Walker said that he expected that all working areas would continue to operate except, initially, Lancashire.

(ii) Legal aspects

It was noted that the ballot question had not technically complied with the 1984 Act: also the Secretary of State pointed out that, if the strike started on 26 October, it looked as if it would be one day beyond the time limit in the recent Act. NACODS might then lose immunity. Mr. Walker's and Mr. King's inclinations were against using the law, at least until it was seen whether the strike was solid. Another suggestion was that the illegality of the ballot could be used as a way of re-assuring NACODS members in the working areas

that they need not worry about ignoring the strike call; but this idea did not catch fire either.

(iii) Prolonging endurance if the NACODS strike was solid

Mr. Walker said that he and Mr. Gregson would provide a paper on all the options with the merits and dangers of each. Matters mentioned by the Prime Minister were expanding open cast (Mr. Walker said it would not help this winter); moving open cast (Mr. Walker said that a fire at Cannock was making it necessary to move the 870 thousand tons there); moving coal from other strike-bound sites; moving the two million tons of coal from Rotterdam.

(iv) Power restrictions

Mr. Walker mentioned asking the private sector to take steps to restrict energy consumption. The Prime Minister was clearly nervous about this.

(v) The National Coal Board

Mr. Walker said that he had written to Mr. MacGregor that day emphasising the importance of communicating with the miners and the public and insisting that a new advertising agency be appointed. There was talk about improving the support for Mr. MacGregor: Mr. Walker said that he would try again on Wheeler but was not optimistic. Mr. King suggested a good Private

Secretary, but Mr. Walker did not encourage this either. He said that Tim Bell was Mr. MacGregor's closest adviser and Gordon Reece was now getting in on the act.

(vi) Power Unions

Mr. King said that John Lyons was seeking a guarantee that the Government would not press ahead with a no strike agreement in the essential services. It was agreed that Mr. King would discuss this with him privately and play it long.

(vii) Relations with the Trade Unions

The Prime Minister said that she would be willing to invite more trade unionists to No. 10 and Mr. King welcomed this. I have written to his office asking for names.

F.E.R.B.

17 October 1984

10 DOWNING STREET

From the Principal Private Secretary

IN CONFIDENCE

17 October 1984

During a conversation with the Prime Minister last night, your Secretary of State said that he would provide her with suggestions of trade union leaders whom it would be useful for her to invite to No. 10. I should be grateful if you could arrange for me to have Mr. King's suggestions. If you wish to indicate an order of priorities, that would be helpful.

David Normington, Esq.,
Department of Employment.

IN CONFIDENCE

CONFIDENTIAL

17 October 1984

MR TURNBULL

MORTGAGE INTEREST PAYMENTS FOR STRIKERS

The current position, described in the DHSS letter to you yesterday, is not acceptable. What can we do about it?

There is no scope for tightening up the procedures under the existing regulations, because:

i. The law states that payments have to be made to individuals, and can only be made to a specified third party with the agreement of that individual or when it can be shown that this is in the claimant's best interest (ie he is incapable of running his own budget).

ii. Payments meet an accruing liability rather than actual payments by the recipient. And as the strikers' liabilities to building societies are genuinely increasing, there is unfortunately no scope for obliging them to pass the money on or prosecuting them for fraud.

So we have to change the social security regulations. There are two possibilities:

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a. Specify that mortgage interest payments for strikers should be paid direct to the building society.

b. Ceasing to pay the mortgage interest payments of strikers.

The drawback with the tougher option of getting rid of mortgage interest payments for strikers is that it means owner-occupying strikers are then treated more severely than strikers paying rent. Only if we could extend the new tough policy to rent as well would there be a case for ending mortgage interest payments.

The important thing is that the DHSS act fast. The social security regulations can be amended under the negative resolution procedure; so if the amendment is tabled on Monday, when the House reassembles, the new regulations could be in force by the end of November. The DHSS anyway have to amend the regulations to allow them to meet funeral expenses of the relations of strikers following the hard cases publicised in the press. It would be politically neat to bring out one amendment which both gave the concession for funeral expenses and tightened up the regime for mortgage interest rates.

I have been investigating where there are any similar benefits issues which the Prime Minister should be aware of. There are two.

First, the £15 deduction from social benefit for strikers' families is due to be increased in line with the RPI. The current regulations would increase it by 5.1 per cent, which, given rounding, takes the deduction up to £16. DHSS Ministers, worried that this looks too tough, have been tempted by the option of changing the regulations so they can uprate by 4.7 per cent - the normal Supplementary Benefit index excluding housing costs. This puts the deduction up only to £15.50. The Prime Minister might wish to establish at Cabinet tomorrow that Mr Fowler will be going for the full £16 deduction.

Secondly, striking miners who fall sick go back onto full benefits if they have a doctor's note. There is obviously scope for abuse here if a sympathetic or intimidated doctor in a mining community issues sickness certificates. New legal advice suggests that whilst they should get contributory sickness benefit, striking miners should remain ineligible for Supplementary Benefit, even if they fall sick. The Prime Minister might want to ask Mr Fowler what he proposes to do in the light of this new legal advice.

David Willetts

DAVID WILLETTS

File CC/PO

01 211 6402

John Stradling Thomas Esq MP
Minister of State
Welsh Office
Gwydyr House
Whitehall
London
SW1A 2ER

17 October 1984

Dear John

Thank you very much for your letter of 11 October concerning one aspect of the miners dispute in Wales. – on BLOP

I am very anxious that we let the people of Wales know that there is no need for any suffering in schools or hospitals, because there is plenty of coal in Wales which the miners could produce if they were anxious to avoid this particular form of suffering. I am sure we must convey very carefully to the public that it is the NUM's refusal to supply that coal which will create any problems.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Education and Science, Scotland, Trade and Industry, Employment and to Sir Robert Armstrong.

Yours ever
Peter

PETER WALKER

NAT IND PT 13

COAL

file

NACODS Ballot Paper

Section 11(4)(a) of the Trade Union Act 1984 states that:

> "The voting paper must contain at least one of the following questions:
>
> (a) a question (however framed) which requires the voter to say, by answering "Yes" or "No", whether he is prepared to take part, or as the case may be to continue to take part, in a strike involving him in a breach of his contract of employment; . . . ."

The ballot paper fails to make any indication to the voting member of the union that the strike involves him in a breach of his contract of employment. Although the Act allows considerable latitude in the drafting of the voting paper (viz "however framed"), this paper does appear to infringe the requirements of this Act.

Conclusion

This ballot paper is in breach of the above Act.

National Association of Colliery Overmen, Deputies and Shotfirers

—:-:—

BALLOT — UNDER RULE 21

"The National Executive Committee, unanimously and strongly recommend 'Strike Action', under Rule 21, on the following grounds and opposes:-

1. The Board's cutback in capacity;
2. The Board's attitude in the implementation of Conciliation Procedure;

and calls for

3. The complete rejection of the Board's guidelines of the 15th August."

YES	
NO	

★ Please mark with an 'X'

W. T. Maddock and Co., Ferndale

RULE 21

National Action.

In the event of national action being proposed by the Association in pursuance of any of the objectives of the Association the following provisions shall apply:

(a) a national strike shall only be entered upon as a result of a ballot vote of the members taken in pursuance of a decision of the National Executive Committee and the strike shall not be declared unless 2/3 of those voting in the ballot vote in favour of such a strike.

(b) if a ballot vote be taken during the time a strike is in process a vote of 2/3 of those taking part in the ballot shall be necessary to continue the strike

(c) if a ballot vote be taken during the time a stoppage is in process such stoppage may not be continued unless 2/3 of those voting in the ballot vote in favour of continuance.

Phillips & Drew
ECONOMICS UNIT

Embargo: 19.00 hours Wednesday 17 October 1984

17 OCTOBER 1984

COAL STRIKE SUPPLEMENT NO 8

Coal Stocks Update

By Paul Neild and Alan Scowcroft

Now that the latest round of talks have broken down, it is an appropriate moment to update the coal stock figures shown in our Coal Strike Supplement No 7 issued on 18 July. Column 1 of Table 1 shows the estimates we published on 18 July for stocks held at the power stations. The horizontal line shows the latest officially released figure at that time (April).

Table 1: Coal stocks at power stations (end-month)

m tonnes	*(1) 18 July estimates*	*(2) Deliveries 0.7mt/w*	*(3) Deliveries 0.9mt/w*
1984 Jan	28.8	28.8	28.8
Feb	27.2	27.2	27.2
Mar§	23.0	23.0	23.0
Apr	**19.9**	19.9	19.9
May	18.6	18.4	18.4
Jun§	17.2	16.7	16.7
Jul	16.5	**15.9**	**15.9**
Aug	15.6	15.4	15.4
Sep§	13.6	14.9	14.9
Oct	11.2	13.7	14.5
Nov	8.0	11.7	13.3
Dec§	4.1	9.3	11.9
1985 Jan	—	7.0	10.4
Feb	—	4.3	8.5
Mar§	—	1.7	6.9

§ 5-week month.

Column 2 of Table 1 gives the latest published figures for power station coal stocks (July). A comparison of columns 1 and 2 for May-July therefore shows the discrepancy between our 18 July estimates and the published figures for these months. We think the discrepancies are sufficiently small to justify some confidence in the later estimates. However, two points of caution need to be mentioned here. First, the later estimates assume the present "status quo" continues, with no further union action by any union on top of that already being taken. Should either NACODS or the power workers embark on disruptive action, the figures could be radically altered. Secondly, it is necessary to illustrate just how sensitive the stock figures are to different assumptions on deliveries to power stations.

For the months from October 1984 column 2 of Table 1 assumes that the latest information on coal deliveries to power stations is accurate and that deliveries continue at this increased pace over coming months. This information suggests that 700,000 tonnes per week are now being delivered to power stations. If this continues, Table 1 column 2 shows that there will be no problem with power station coal stocks until after Christmas, but that then problems would arise. Our guess, and it is only a guess, for the level below which power station stocks could not be allowed to fall for safety reasons is 4 – 6m tonnes. Table 1 column 3 clearly demonstrates the sensitivity of these numbers to the deliveries assumption. In this column we have assumed that deliveries are stepped up **again** to 900,000 tonnes per week as from October. If the Government can organise this, the end-March 1985 power station stock position would, on our estimates, still be comfortably above our guesstimate of the minimum safety range.

It would not surprise us if, logistically, deliveries could be stepped up to the column 3 pace. However, the important

PAUL NEILD DAVID ROBINS BRENDAN BROWN TIM O'DELL
STEPHEN LEWIS CHRIS ANTHONY BILL MARTIN ALAN SCOWCROFT

assumption here is clearly that further union action is not taken. Finally, it should be remembered that pithead stocks remain very high while credible reports also indicate that a further 2.8 million tonnes of coal is stockpiled in Europe, mostly near Rotterdam.

Tables 2 and 3 give the detailed breakdown of power station fuel usage and UK coal stocks used in deriving columns 2 and 3 of Table 1.

Table 2: Power station fuel usage

m tonnes coal/coal equivalent	*(1) Total fuel used*	*(2) Oil burn*	*(3) Nuclear burn*	*(4) Hydro*	*(5) Coal usage*	*(6) Coal dels 0.7mt/w from 1 Oct*	*(7) Coal stocks (end-month)*	*(8) Coal dels 0.9mt/w from 1 Oct*	*(9) Coal stocks (end-month)*
1984 Jan*	10.2	0.8	1.5	0.3	7.7	4.6	28.8	4.6	28.8
Feb*	10.2	0.8	1.5	0.2	7.6	6.0	27.2	6.0	27.2
Mar*§	12.2	1.1	1.6	0.2	9.2	5.0	23.0	5.0	23.0
Apr*	8.0	2.2	1.3	0.1	4.4	1.3	19.9	1.3	19.9
May*	7.5	2.8	1.5	0.1	3.2	1.7	18.4	1.7	18.4
Jun*§	8.8	3.3	1.6	0.1	3.8	2.1	16.7	2.1	16.7
Jul*	6.7	2.8	1.2	0.0	2.7	1.9	15.9	1.9	15.9
Aug	6.7	3.0	1.2	0.0	2.5	2.0	15.4	2.0	15.4
Sep§	9.3	3.8	1.4	0.1	4.0	3.5	14.9	3.5	14.9
Oct	8.4	3.0	1.2	0.2	4.0	2.8	13.7	3.6	14.5
Nov	9.3	3.0	1.3	0.2	4.8	2.8	11.7	3.6	13.3
Dec§	11.7	3.8	1.8	0.2	5.9	3.5	9.3	4.5	11.9
1985 Jan	9.9	3.0	1.5	0.3	5.1	2.8	7.0	3.6	10.4
Feb	10.2	3.0	1.5	0.2	5.5	2.8	4.3	3.6	8.5
Mar§	11.8	3.8	1.7	0.2	6.1	3.5	1.7	4.5	6.9

* Actuals, remainder estimates. §5-week month.

Table 3: UK coal stocks

m tonnes	*Coal output*	*Net imports*	*Consumption Power station*	*Consumption Other*	*In transit*	*Total stocks*	*Stocks at Pit heads*	*Stocks at Other*	*Stocks at Power stations*	*Stocks at Pit heads*	*Stocks at Other*	*Stocks at Power stations*
							assuming 0.7mt/w deliveries from 1 Oct			*assuming 0.9mt/w deliveries from 1 Oct*		
1984 Jan*	7.4	−0.2	7.7	2.1	−1.4	54.0	23.5	1.7	28.8	23.5	1.7	28.8
Feb*	7.8	−0.4	7.6	2.3	0.1	51.5	22.7	1.6	27.2	22.7	1.6	27.2
Mar*§	6.2	−0.1	9.2	2.4	0.2	46.2	21.7	1.5	23.0	21.7	1.5	23.0
Apr*	2.8	0.5	4.4	1.5	0.4	43.2	21.9	1.4	19.9	21.9	1.4	19.9
May*	2.9	0.8	3.2	1.6	−0.2	41.9	22.1	1.4	18.4	22.1	1.4	18.4
Jun*§	3.3	0.7	3.8	1.6	0.1	40.6	22.4	2.1	16.7	22.4	2.1	16.7
Jul*	2.5	0.5	2.7	1.4	0.0	39.5	22.5	1.1	15.9	22.5	1.1	15.9
Aug	2.6	0.8	2.5	1.8	—	38.6	21.7	1.5	15.4	21.7	1.5	15.4
Sep§	3.3	1.1	4.0	3.2	—	35.8	19.4	1.5	14.9	19.4	1.5	14.9
Oct	3.0	0.8	4.0	2.8	—	32.8	17.6	1.5	13.7	16.8	1.5	14.5
Nov	3.1	0.8	4.8	2.6	—	29.3	16.1	1.5	11.7	14.5	1.5	13.3
Dec§	3.9	1.1	5.9	2.8	—	25.6	14.8	1.5	9.3	12.2	1.5	11.9
1985 Jan	3.1	0.8	5.1	1.8	—	22.6	14.1	1.5	7.0	10.7	1.5	10.4
Feb	3.3	0.8	5.5	1.9	—	19.3	13.5	1.5	4.3	9.3	1.5	8.5
Mar§	3.9	1.1	6.1	2.4	—	15.8	12.6	1.5	1.7	7.4	1.5	6.9

* Actuals, remainder estimates. §5-week month.

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Mr. Lamont will attend in place of Mr. Tebbit; and the Attorney General will attend also.

Ref. A084/2765

PRIME MINISTER

43

Cabinet: Industrial Affairs: Coal

You will wish to invite reports from:

i. the Secretary of State for Energy on:

(a) the number of pits and miners working

(b) coal movements — Record. 400,000 tons.

(c) the NACODS strike
(in particular the latest assessment of the likely response by deputies in working areas)

ii. the Secretary of State for Employment on:

efforts by the TUC to restart negotiations

iii. the Home Secretary on:

law and order
(in particular the recent attacks on the police station at Grimethorpe)

iv. the Secretary of State for Social Services on:

social security benefits for striking miners
(arising out of the Panorama programme about payments to cover mortgage interest being used for other purposes)

Next Meeting

2. The next meeting of MISC 101 is at 10.30 am on Tuesday 23 October.

RTA

ROBERT ARMSTRONG

17 October 1984

PRIME MINISTER (1)

PAYMENTS TO MINERS FOR MORTGAGE PAYMENTS

Mr. Newton's office has sent the attached letter in response to the issues raised in the Panorama programme. Though it is of some comfort that the scale of the problem is limited, the letter is nevertheless unsatisfactory as it seeks to blame the building societies for allowing this abuse to continue. The Department should not be allowed to shuffle off its responsibilities for good management of its resources.

David Willett's note considers the options more fully. It indicates that the solution will probably have to involve legislation.

Agree a letter which: (unless this is overtaken at Cabinet)

(i) points out that it is not acceptable to blame the building societies - the Department must also accept responsibility;

(ii) stresses that a solution must be found quickly;

(iii) asks what is being done about the £15 deduction and sick pay;

(iv) seeks a fuller report within a week?

AT

17 October 1984

VSCADH

Prime Minister

(1)

42

MT

Daily Coal Report - Wednesday 17 October 1984

		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	10	-
(iii)	Some men present	23	-
(iv)	On strike/picketed out	96	-

Despite the dark clouds on the NACODS front, some welcome news: there has been slight, but perceptible, increase in attendance in 3 areas. In Scotland a total of 341 men reported this morning (up 6 on the previous record); North Derbyshire and the Western area had new 24 hour attendance records of 1,030 and 8,789 respectively.

Coal Movements

A very good day yesterday.

186,000 tonnes were moved.

47 coal trains ran.

Law and Order

The scale of violence has increased over the last 24 hours.

There was trouble throughout the night at Grimethorpe in South Yorkshire. The police station was again stoned, a car was overturned and set on fire, as were barricades including one outside the fire station. The pickets then moved on to Rossington where police were again stoned.

At Woolley pit in West Yorkshire darts were thrown at the police. At the Inkerman opencast mine in County Durham there were serious distrubances. 12 policemen were hurt and there were 7 arrests.

High Court Action

Scargill's £1,000 fine for contempt of court was paid this morning - though by whom is not clear. The £200,000 fined imposed on the NUM itself has not been paid.

The NACODS Strike Decision

It is too early to judge whether the NACODS strike call will prove effective. A delegate conference of the Midland area of NACODS today voted unanimously to join the strike. However there will be strong pressure from working NUM members upon NACODS members to keep the pits open.

The TUC General Secretary, Norman Willis, said on the radio today that the TUC would try to bring about a re-opening of talks before the NACODS strike was due to start. He did not, however, offer any new suggestions for overcoming NUM intransigence on the basic issue of pit closures.

Though NACODS leaders have today attacked the Coal Board for its attitude the fact remains that the Board has already made major concessions. It has conceded on the question of payments for deputies who refuse to cross picket lines and has withdrawn its earlier guidelines to area managers. On the other issues on the NACODS ballot paper - capacity cutbacks and the Board's attitude to conciliation procedures - the Board has accepted the ACAS formulation for an independent advisory body which itself derived from a NACODS proposal.

In other words the Board has made substantial conessions which the NACODS executive is now trying to ignore. This itself could be a factor which might weigh in the minds of NACODS members in the working areas.

Line to Take

All striking miners should focus carefully on what is actually on offer from the Coal Board. It is a generous offer, with the needs of miners, their families and the future of the industry much in mind.

NACODS members must understand that the Board has already made major concessions to deal with the issues of concern expressed on their recent ballot paper. There cannot be any justification for strike action now. NACODS members should be asked to vote again on what is now on offer.

Distribution: Members of MISC 101, Mr Gregson, Cabinet Office

Enquiries: Michael Reidy, PS/SOS for Energy, Tel 211 7214

MR BUTLER 17 October 1984

COAL DISPUTE

1. NACODS

NACODS are giving 9 days' notice of their strike. There is no technical need for this. It suggests either gross mismanagement by the union or a rift between militants wanting a strike and moderates wanting space for further negotiation.

The delay of 9 days extends the period between the vote and strike action to more than the maximum of 4 weeks allowed by the 1984 Trade Union Act.

Information from the Department of Energy and from outside suggests that: (1) the unions have succeeded in persuading NACODS members that MacGregor is not to be trusted; (2) the NCB have not got across the message that NACODS have been given all they asked for; (3) the feeling on the ground is that the NACODS members will support the strike call throughout the country.

Conclusion

The NCB should hold open the opportunity for NACODS to have further talks, even if we think there is little chance of them climbing up this lifeline. In conjunction with this, the Government and the NCB must get the message across that NACODS have been given what they wanted.

The Prime Minister might contact Ian MacGregor about this and persuade him to repeat the message ad nauseam.

Tactically, it would be best to try to win the propaganda battle over the first part of next week, and to offer NACODS further talks on Friday.

Although the NACODS delay will give the NCB a cast-iron case for use of the 1984 Trade Union Act, the Board should not take the opportunity since it will be seen as a technical ploy to overthrow a democratic union vote. It would be better to use the legislation against the Yorkshire NUM once all the pits have stopped.

2. USE OF BACMS

BACMS have previously indicated their unwillingness to undertake NACODS work. Once they perceive that pits could be closed and pay lost, we could get a different response.

There is also the problem that, under current legislation, only properly qualified people can operate as pit deputies. They need to have a certificate of competence not more than 5 years old.

We fear that even if the legal problem is overcome, it may be less than half the BACMS people who could do the job. (This compares with around 15,000 NACODS members altogether, of whom about 6,000 have been at work.)

Conclusion

If there is a chance of BACMS members being prepared to do NACODS work, then we could quickly pass a one-line amendment to the Mines and Quarries Act to facilitate this. Couldn't this be done by extending the provision that already allows competent personnel to be appointed as temporary deputies in mines employing less than 30 people (1956 Commencement Order, Part 4, Section 27)?

If BACMS and NACODS employees remain intransigent, then we should up the stakes. We should start closing pits that are genuinely uneconomic, preferably in places like Yorkshire. And we should make sure that miners convicted of violence against colleagues or NCB property are seen to be sacked.

3. POWER STATION SUPPLY

Oil is supplied mainly by pipeline or sea. Neither the TGWU members nor refinery workers are showing any enthusiasm to frustrate oil movements to power stations. Calls by shop stewards at mass meetings have gone unheeded.

Some oil is moving by road to supplement coal at coal-fired stations - the so called "oil overburn". One potential danger point is the the new round of road tanker drivers' pay negotiations in November. However, there are no indications so far that this will give rise to militant action.

We are urgently following up:

- the scope for rapidly switching coal stations to gas.
- the scope for increasing oil burn in coal stations.

John Wybrew, drawing on Shell technical opinion, believes that both can be done quickly enough. It is reported that an experimental switch to gas at the Hams Hall coal station was surprisingly successful. BGC's comfortable gas supply position could make this a valuable option, always provided gas supplies can be rapidly tied into coal-fired stations. And some oil can be mixed with coal without major modification of power-station plant.

Policy Unit

SM

CONFIDENTIAL

rec'd 2220 16/10.

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY
Telephone 01-407 5522

From the Minister of State for Social Security and the Disabled

Andrew Turnbull
Private Secretary
10 Downing Street

16. OCT. 1984

Dear Andrew,

You asked for information about the payment of mortgage interest to strikers under the supplementary benefits scheme, which came up in the Panorama programme last night.

The facts are as follows:

(i) Out of 138,000 miners on strike some 35,000 are receiving benefit for their families. (No miner gets benefit for himself - except in very exceptional circumstances. The benefit for his family is abated by £15).

(ii) Where supplementary benefit is in payment, any housing costs not met through housing benefit are included - in practice this mainly means mortgage interest (not capital). We estimate that about 9,000 strikers are receiving such payments - ie less than 7 per cent of those on strike.

(iii) By regulation, the mortgage interest can only be paid direct to the building society if arrears are occurring (amounting to two payments in a three-month period) and in the opinion of the Adjudication Officer it is in the claimant's interest to institute direct payment. (The Adjudication Officer acts in an independent judicial capacity, not subject to departmental direction.) There will have to be a change in the regulations if there is to be a general practice of making these payments direct to building societies, etc.

(iv) Normally these payments do not "go astray". Building Societies pursue their debts, and when the Department learns of arrears, direct payment can be instituted under the regulation mentioned above. The novel feature revealed by the Panorama programme is that some building societies (or local authorities, banks, etc) are deliberately not pressing for payment.

CONFIDENTIAL

E.R.

We are seeking information from the building societies to establish why they have adopted their present undesirable stance, and how widespread it is. We are urgently considering whether there is any administrative solution available (eg by giving the claimant a cheque made out to the building society) or whether we need to amend the regulations to permit or require direct payment to building societies etc in these cases. We shall also need to settle whether any change should apply to strikers only, or be of general application in the supplementary benefit scheme.

It appears from the Panorama programme that banks - including the TSB - and other businesses were also helping miners, not only by not pressing debts, but also by offering loans. We have, of course, no standing in that wider issue.

I hope this is helpful. I am copying it for information to David Normington (Employment), Nigel Pantling (Home Office), Margaret O'Mara (Treasury), Janet Lewis-Jones (Lord President's Office) and Michael Ready (Energy).

Yours ever,

Colin Phillips

C A H PHILLIPS
Private Secretary

cc BI
WSS

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ

LETTER TO BACKBENCHERS

16 October 1984

I write to you following the breakdown of negotiations between the National Coal Board and the NUM.

At the request of NACODS the National Coal Board agreed to enter into negotiations with the NUM under the auspices of ACAS. At the beginning of the meeting the NUM had their proposals tabled. These were unacceptable and would in fact have given the NUM power to veto any closure, thereby making it impossible to deal with the problems of uneconomic pits. Mr Scargill has repeatedly endeavoured to describe these proposals as an ACAS paper. In fact the paper made it clear that it was a distillation of the views of the NUM.

Following this, the NCB tabled a paper which accepted that the Board would agree to an independent review body on pit closures, would give proper consideration to any views which the body expressed, but obviously would retain the Board's right to take management decisions.

Following this ACAS put forward a formula which used the following wording on the question of pit closures:-

> "Any colliery not covered by geological exhaustion or safety dangers may be brought forward by either party

for discussion and investigation in line with the principles of the 'Plan for Coal' under the colliery review procedure.

"The colliery review procedure will be amended to include as a final stage an independent review body whose function would be to consider a reference from any one of the parties on any closure matter about which there is disagreement.

"Full weight will be given by the parties to the advice of this independent review body."

The NCB immediately accepted this wording - the NUM totally rejected it. We therefore have a position where NACODS requested the NCB to go to ACAS, having heard both sides ACAS produced a formula which the NCB accepted but which was totally rejected by Mr Scargill.

I believe it is important we now explain repeatedly to the country the comprehensive package on offer to the miners:

1. A wage increase backdated until last November which is greater than that already accepted by many groups of workers, including those in the power, gas, railway and water industries.

2. An undertaking that any miner who wishes to continue working in the coal industry will be able to do so. There will be no compulsory redundancies.

3. For miners in any pit which is going to close, an opportunity to go for voluntary early retirement on terms more generous than in any coal industry in the world, and any other industry in this country.

4. A continuation of a capital investment programme in new machinery, new collieries and new coal faces, which will enable the industry to produce cheap coal and therefore to expand its markets. A sharp contrast to socialist France where the mining industry is to be cut by half.

5. The creation of a new enterprise company which will provide finance, advice and accommodation for new businesses and new enterprises in any mining community adversely affected by closures. During the eleven year period in which Labour governments closed 330 pits (many more pits than exist at present) there was no such generous programme for the communities, and there were no such provisions for early retirement.

6. To amend the colliery review procedure previously agreed between the National Coal Board and the mining unions so that an independent review body can, if asked to do so, give its views on a closure. This would be coupled with an undertaking that full weight will be given by the NCB to any advice received from the independent review body.

In total this package must be better than anything that has been offered to the miners since nationalisation. There has certainly never been any justification for the current industrial action. We have reached a position where Mr Scargill wishes to continue with conflict, for it is only by means of conflict that he hopes to achieve his political purpose.

I am pleased to be able to tell you that our stocks of coal at the power stations remain very good. Indeed for some weeks now we have succeeded in moving more coal to the power stations than has been burnt. At the moment our coal stocks at power stations are higher than they were nearly two months ago.

There can be no way that the Government or the National Coal Board can meet the totally unreasonable demand of Mr Scargill that no uneconomic pit shall be closed. This demand has never previously been made by any leader of the miners, never been contemplated by a Labour government and is not operated in any coal industry in the world. Neither must we be seen to be moved by leaders who use the methods of the mob and victimisation.

The police have now made more than 7,000 arrests during the dispute. They have to date succeeded in repelling every attempt to close a working colliery, a steelworks, a power station or a coke works by means of mob violence.

It is vital that we do everything we can to galvanise the public to support us, and to persuade trade unionists in other unions how unreasonable it would be for them to lose their wages and their jobs in order to support a union leader who refuses to have a ballot of his members, who refuses to accept the ACAS formula, and who ignores the fact that the third of his members who were able to ballot voted overwhelmingly not to strike and have continued to work throughout this dispute.

With best wishes

Yours sincerely

PETER WALKER

File

Sept '84

National Association of Colliery Overmen, Deputies and Shotfirers

—:-:—

BALLOT – UNDER RULE 21

"The National Executive Committee, unanimously and strongly recommend 'Strike Action', under Rule 21, on the following grounds and opposes:-

1. The Board's cutback in capacity;
2. The Board's attitude in the implementation of Conciliation Procedure;

and calls for

3. The complete rejection of the Board's guidelines of the 15th August."

YES	
NO	

★ Please mark with an 'X'

W. T. Maddock and Co., Ferndale

MISC 101 folder

01 211 6402

PERSONAL AND CONFIDENTIAL

Ian MacGregor Esq
Chairman
National Coal Board
Hobart House
Grosvenor Place
LONDON
SW1X 7AE

16 October 1984

Dear Ian

Following the breakdown of your talks I am most anxious that the facts of your incredibly generous offer are made known to both the miners and the public. I believe there is a urgency in this but it really must be exceedingly well done. I don't believe that the advertising agency you have used to date have made anything like the impact that is required, and I thought their last set of advertisements were positively bad. I do hope therefore that the Board will urgently consider finding a new agency that has new ideas and great vision, for it is a very important message which needs to be put across and one which really does need the best advertising talent available in the country.

Likewise I would like you to consider a direct mail letter to every miner, for I think this is a time when they must have in their own home, in the form of a personal letter which does not look like a printed broad sheet, the realities of what is on offer and what is at stake.

With best wishes

Yours ever

PETER WALKER

NI7770 , XXX 189

KINNOCK BLAMES PTIS 'HIT LIST'
LEADER OF THE OPPOSITION NEIL KINNOCK TODAY BLAMED THE BREAKDOWN OF THE PTIS PEACE TALKS ON THE COAL BOARD'S REFUSAL TO WITHDRAW ITS ''HIT LIST'' OF 20 MINES FACING CLOSURE.
THE COMPROMISE FORMULA BY THE CONCILIATION SERVSICE ACAS COULD PROVIDE THE BASIS FOR SETTLEMENT IF IT INCLUDED WITHDRAWAL OF THE LIST AND A RETURN TO THE FORM OF NEGOTIATIONS ON PITS FOLLOWED BEFORE THE START OF THE DISPUTE, HE SAID ON BBC RADIO.
''ACAS COULD NOT EXTEND ITS CONSIDERATION TO THE MANAGERIAL DECISION OF THE NCB ABOUT THE 20 PITS'', SAID MR KINNOCK.
''IF THOSE 20 PITS COULD GO BACK INTO A PROCEDURE WHICH WAS ITHEN ESTABLISHED, AS THE NEW BASIS ON WHICH CALCULATIONS WAS MADE ON EXHAUSTION, AND NEGOTIATIONS COULD TAKE PLACE ON NEW INVESTMENT, AN ACAS FORMULA COULD BE WORKABLE.''
HE DENIED A CONCESSION ON THE ISSUE BY THE COAL BOARD WOULD BE A ''SURRENDER OF MANGERIAL PREROGATIVE.''
''IT IS NOT A QUESTION OF GIVING WAY, IT IS A QUESTION OF RESTORING THE PROCEDURE WHICH HAS EXISTED FOR MANY YEARS, AND WHICH RESULTED IN THE CLOSURE BY NEGOTIATION OF 79 PITS.''
--

161652 OCT 84

FERB

This demonstrates that Kinnock does not understand the issue behind the strike. At no time has the NCB proposed a change in closure procedure. All pits to be closed would be put through it, including Cortonwood.

At the meeting tonight, you might discuss how to expose his ignorance.

AT
16/10

NI7781 4 XXX 233

NACODS DECISION KEPT QUIET

LEADERS OF THE KEY NACODS UNION TODAY TOOK THEIR DECISION ON WHETHER TO CLOSE DOWN BRITAIN'S COALFIELDS - AND THEN REFUSED TO DISCLOSE IT.

MR PETER MCNESTRY, GENERAL SECRETARY OF THE PIT DEPUTIES, WOULD NOT SAY HOW THE EXECUTIVE HAD VOTED - BUT SAID THE DECISION WOULD BE FIRST PASSED TO THE UNION'S AREA OFFICIALS.

''WHEN AREA OFFICIALS CONFIRM THEY HAVE RECEIVED THE MESSAGE THE DECISION WILL BE MADE KNOWN, PROBABLY TOMORROW,'' HE SAID AS HE LEFT THE TUC HEADQUARTERS IN LONDON AFTER THE MEETING.

MINERS' LEADERS WHO WERE ALSO AT THE TUC CLAIMED THAT NEITHER THEY NOR THE TUC HAD BEEN INFORMED - AND A COAL BOARD SPOKESMAN CONFIRMED THAT THERE HAD BEEN NO COMMUNICATION FROM NACODS.

BUT MODERATE NUM EXECUTIVE MEMBER TREVOR BELL, LEADER OF THE UNION'S WHITE COLLAR SECTION, SAID THE SECRECY SURROUNDING THE MEETING ''DOES NOT LOOK VERY OPTIMISTIC FOR OUR GENERAL CAMPAIGN.''

THE NACODS DECISION IS CRUCIAL TO THE NUM'S BATTLE TO WIN SUPPORT FROM OTHER UNIONS. THE 17,000 PIT DEPUTIES ARE RESPONSIBLE FOR CARRYING OUT THE N.C.B.'S LEGAL OBLIGATIONS TO MAINTAIN CERTAIN SAFETY LEVELS. IF THEY WALK OUT, THE COAL BOARD WOULD BE FORCED TO SHUT DOWN.

THE UNION'S MEMBERS HAVE ALREADY VOTED 82.5 PER CENT TO STRIKE, BUT THE DECISION HAD NOT BEEN IMPLEMENTED WHILE THE PEACE TALKS BETWEEN THE NUM AND THE COAL BOARD CONTINUED.

161718 OCT 84

NI7782 4 XXX 97

STRIKING MINERS EXPELLED FROM UNION

MORE THAN 90 STRIKING MINERS AT A NOTTINGHAMSHIRE COLLIERY HAVE BEEN EXPELLED FROM THE N.U.M. BY THEIR BRANCH SECRETARY, WHO IS STILL WORKING.

LETTERS SENT OUT TO THE MEN FROM SHERWOOD COLLIERY SAY THEY HAVE BEEN THROWN OUT FOR FALLING BEHIND WITH THEIR UNION SUBSCRIPTIONS.

BRANCH SECRETARY JOHN LIPTROT CLAIMED THAT A DECISION BY THE N.U.M. NATIONAL EXECUTIVE TO WAIVE PAYMENTS FOR THE DURATION OF THE STRIKE WAS INVALID.

ACCORDING TO RECENT HIGH COURT JUDGMENTS THE STRIKE WAS ONLY AN UNOFFICIAL STOPPAGE, HE SAID.

--

T 84

Pl copy and place on coal file

NI7 4 XXX 189

KINNOCK BLAMES PTIS 'HIT LIST'

LEADER OF THE OPPOSITION NEIL KINNOCK TODAY BLAMED THE BREAKDOWN OF THE PTIS PEACE TALKS ON THE COAL BOARD'S REFUSAL TO WITHDRAW ITS ''HIT LIST'' OF 20 MINES FACING CLOSURE.

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--

161652 OCT 84

41

Daily Coal Report - Tuesday 16 October 1984

		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	10	-
(iii)	Some men present	23	-
(iv)	On strike/picketed out	96	-

So far the breakdown of talks between the Coal Board and the NUM has not resulted in any major change in attendances. However in North Derbyshire a new 24 hour attendance record of 1027 has been set: 16 up on the previous best and 55 up on yesterday. 195 men reported at Shirebrook pit this morning - also a new record.

336 reported in Scotland including 188 at Bilston Glen.

In the North East 20 reported at Wearmouth, and both Wilkinsons at Easington.

In Yorkshire there are now 68 men at 19 pits plus a further 117 contractors men in the Selby complex.

Coal Movements

158,000 tonnes were moved yesterday.

26 coal trains ran.

The movement of coke from Orgreave continues without difficulty.

Law and Order

There was trouble yesterday evening at Grimethorpe near Barnsley in Yorkshire. In what appears to have been a reprisal against the police, who had previously arrested a number of people on suspicion of stealing coal, the village police station was stoned. Several people were injured including 5 police officers. 7 pickets were arrested.

At Allerton Bywater pit in Yorkshire, where six men reported this morning, a crowd of 3,000 pickets gathered. They dispersed after minor skirmishing.

In Scotland 15 were arrested outside Bilston Glen last night following disturbances by some 650 pickets.

NCB/NUM Talks

Last nights breakdown was hardly surprising and the blame clearly rests at the NUM's door. For its part, the Coal Board had previously accepted the ACAS formulation for ending the dispute, as put to all the parties on Friday. Although it fell short of the Boards objectives, the Board said they were prepared to accept it as a basis for settlement in order to get the industry back to work.

It included the proposal for an independent advisory body to be involved in the colliery review procedure, which had been an integral part of the NACODS proposal.

NACODS have deferred until tomorrow an announcement of their decision on whether or not to take strike action. At the time of writing there is no firm intelligence about this decision.

Other News

Some 90 striking Nottinghamshire miners have been expelled from the NUM by the local branch secretary who is still working: the strikers had fallen behind on their payment of union dues.

Line to Take

The NUM Executive had demonstrated yet again their ruthless determination to sustain a strike for political ends. For its part, the Coal Board accepted, in good faith, the formula proposed by ACAS. It is time for ordinary miners to show loyalty to their families rather than Arthur Scargill and return to work.

Distribution: Members of MISC 101, Mr Gregson, Cabinet Office

Enquiries: Michael Reidy, PS/SOS for Energy, Tel 211 7214

The National Archives

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Prime Minister (2)

AT 15/10

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 7214

File

MS

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1

15 October 1984

Dear Andrew

ENDURANCE

I attach the latest report on power station endurance and the weekly statistics factsheet.

Copies also go to Margaret O'Mara and Richard Hatfield.

Yours
John

J S NEILSON
Private Secretary

39 A

POWER STATION ENDURANCE

1. Coal deliveries to CEGB power stations last week were 0.70 mt (including non-NCB sources). Coal burn was 0.68 mt so that for the fifth successive week stocks have increased, by 0.02 mt. The Board's stocks last Sunday night (7 October) were 14.7 mt with a further 0.9 mt at Scottish power stations.

2. Total NCB deliveries last week were 0.87 mt, of which about 0.20 went to customers other than power stations.

3. The average rate of coal deliveries to CEGB power stations over the whole period of the strike has been 0.47 mt per week. The average over the past eight weeks has been 0.59 mt.

4. The range of endurance outcomes is estimated by the CEGB as follows:

	Oil burn (% of maximum)	
Average coal deliveries	90%	100%
0.30 mt/week	late Jan	early Feb
0.35	end Jan	mid Feb
0.40	early Feb	end Feb
0.45	mid Feb	mid March
between 0.45 and 0.52	-	(see Note)
above 0.52	-	Autumn 1985

Note: Between 0.45 and 0.52 mt/week it is particularly difficult to forecast endurance with confidence. The margin needed to extend endurance from spring (March/April) throughout the summer is small, as Sir Walter Marshall has explained.

Department of Energy
12 October 1984

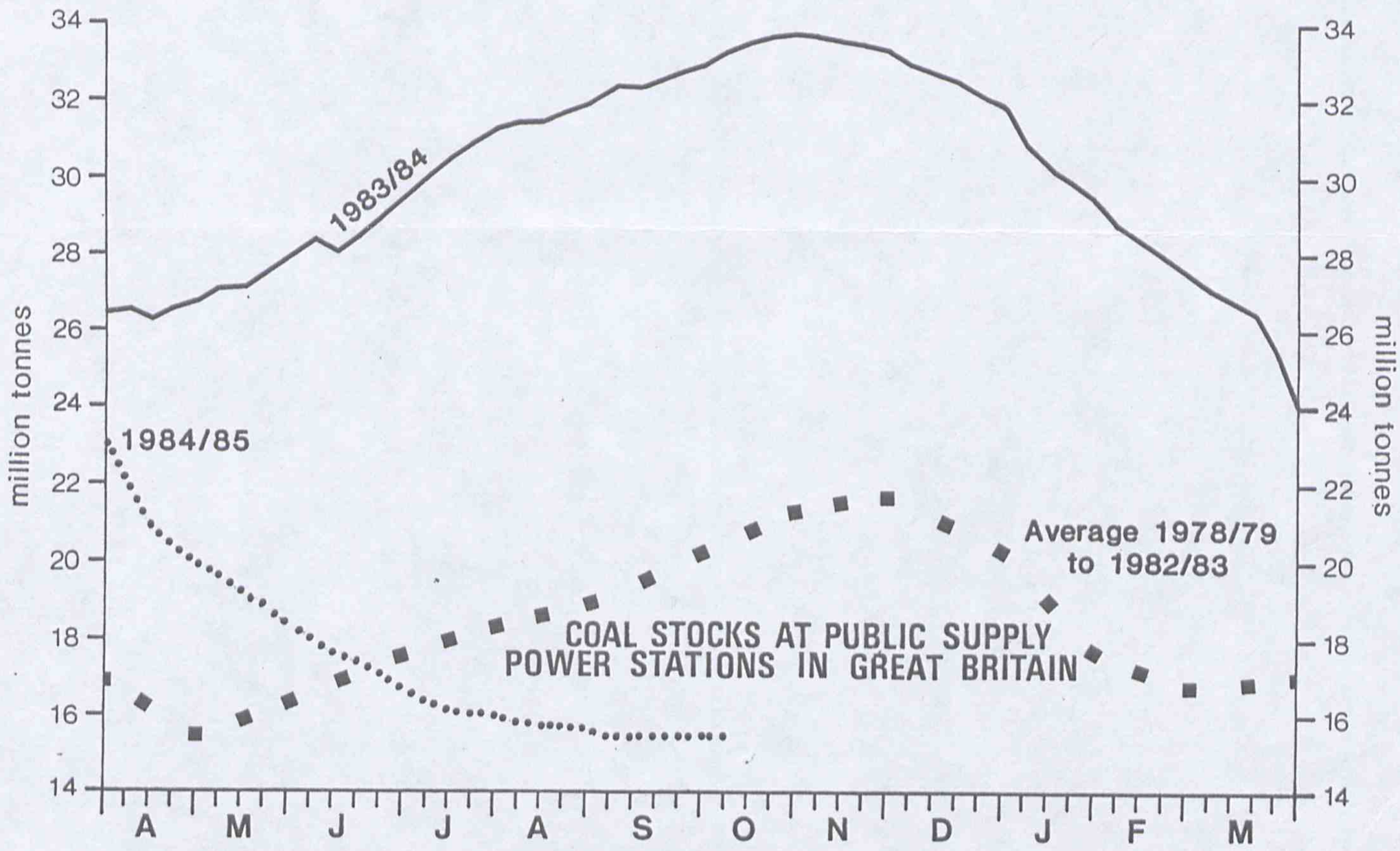
Copy No 1 of 14
12 October 1984

WEEKLY COAL AND POWER STATION STATISTICS (1)

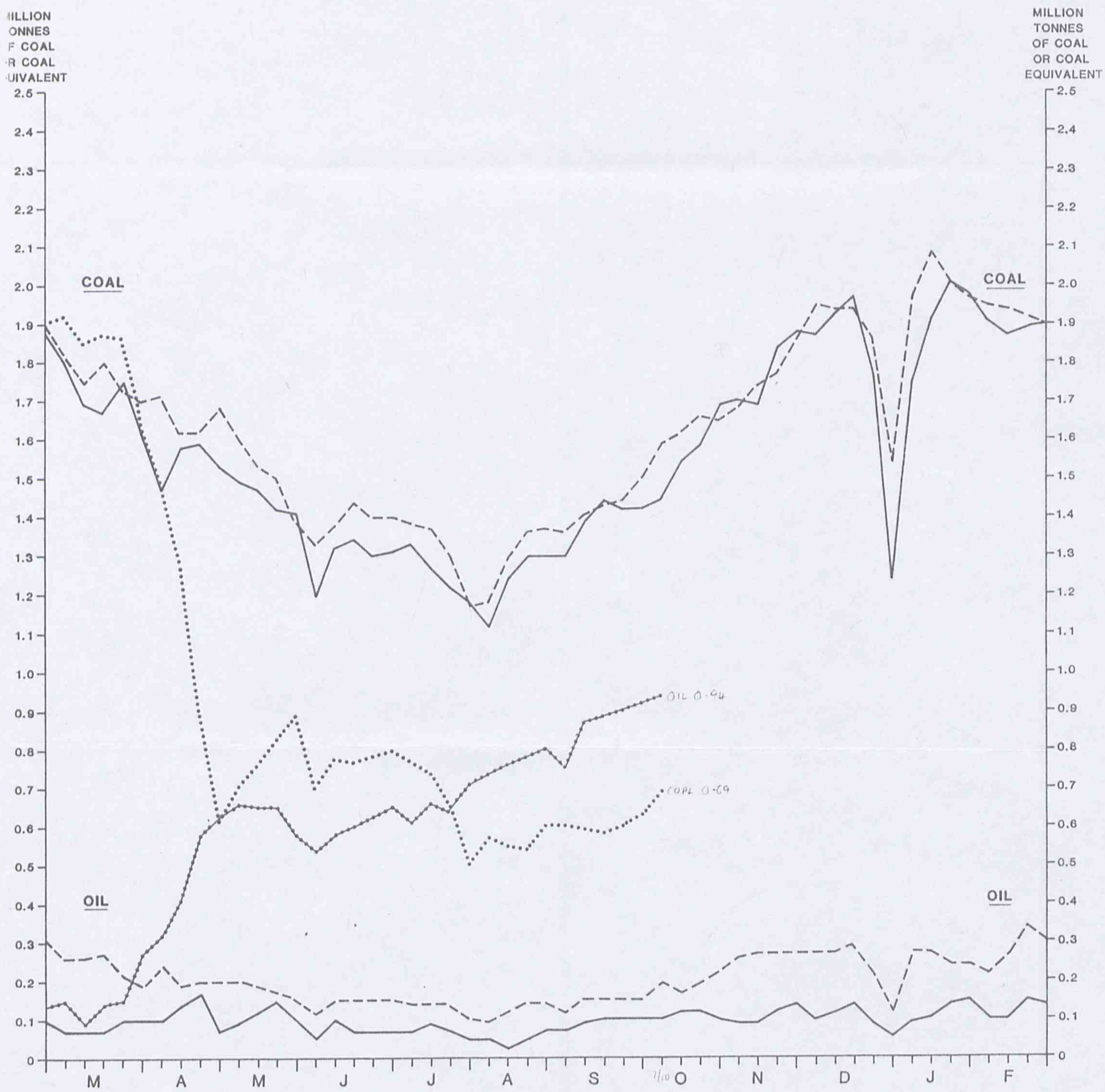
EcS Division, Dept. of Energy, Thames House South, Millbank SW1P 4QJ. Phone: 01-211-6928

	Week ending	8.10.83	15.9.84	22.9.84	29.9.84	6.10.84
COAL	PRODUCTION (m. tonnes) deep mines†	2.15	0.54	0.49	0.53	0.54
	opencast†	0.30	0.31	0.27	0.27	0.28
	TOTAL	2.45	0.85	0.76	0.80	0.81
	PRODUCTIVITY(2) (tonnes/manshift) 'overall' o.m.s	2.57	..	..	..	..
	'production' o.m.s	10.71	..	..	..	..
	UNDISTRIBUTED STOCK (m. tonnes) TOTAL	23.85	22.52	22.39	22.10	22.07
POWER STATIONS	COAL STOCKS (m. tonnes)	33.51	15.40	15.48	15.56	15.57
	COAL CONSUMPTION "	1.44	0.58	0.60	0.63	0.69
	COAL RECEIPTS "	1.67	0.65	0.68	0.70	0.70
	OIL STOCKS(3) "	1.34	1.34	1.37	1.26	1.12
	OIL CONSUMPTION(3) "	0.06	0.52	0.53	0.54	0.55
	OIL RECEIPTS(3) "	0.07	0.52	0.53	0.39	0.36
	ELECTRICITY SUPPLIED (4) (GWh)					
	Nuclear "	778	781	805	815	802
	Other Steam "	3,448	3,317	3,407	3,510	3,679
	TOTAL "	4,226	4,098	4,212	4,326	4,480
	TOTAL - temperature corrected "	4,315	4,141	4,149	4,261	..

(1) Great Britain unless otherwise stated. All latest figures are subject to revision.
(2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.
.. data not yet available. † includes licensed production.



COAL CONSUMPTION AND OIL CONSUMPTION (OIL FIRED) AT PUBLIC SUPPLY POWER STATIONS IN GREAT BRITAIN



Prime Minister ②
AT 15/10

Copy No 1 of 18

SECRET AND PERSONAL

39AA

Daily Coal Report - Monday 15 October 1984

MT

		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	10	-
(iii)	Some men present	23	-
(iv)	On strike/picketed out	96	-

Again, little change. Good attendances in the working areas. NACODS again working normally, except in Scotland.

- In Scotland 335 men reported (up 3 from Friday), including 188 again at Bilston Glen. NACODS working normally at only 6 pits.

- In the North East both Wilkinsons reported at Easington and 19 reported at Wearmouth.

- 67 reported in Yorkshire plus 130 contractors' men.

- In North Derby a single miner returned to work at Ireland colliery. There are now men in at all pits in this area, including 228 at Bolsover, 176 at Shirebrook and 155 at Hucknall.

Coal Movements

An estimated 874,000 tonnes were moved last week.

Law and Order

Generally quiet, though in Yorkshire 1200 pickets failed to prevent 4 miners from reporting at Brodsworth pit (1 up on Friday). There were minor disturbances at Brookhouse pit where

800 pickets gathered and at Woolley where 400 pickets blocked the road.

In the contempt proceedings, the deadline for Scargill and the NUM to make representations to the High Court has expired. Orders requiring payment of the fines imposed last week ~~will~~ have ~~be~~ been served.

NCB/NUM Negotiations

These resume at 5.30 this evening at ACAS.

Line to Take

The Coal Board has made every effort to bring this senseless dispute to an end. However, the NUM has so far rejected every reasonable suggestion - including the formula proposed by ACAS on Friday, and which the Board had accepted. Ordinary miners who are being exploited for political ends can help their cause and save their industry's future by returning to work.

Distribution: Members of MISC 101, Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 6070

The National Archives

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NUM POSITION ON THURSDAY

3c. Any other colliery not covered by a or b may be brought forward by either party for discussion and investigation in line with the Plan for Coal and the Colliery Review Procedure.

3d. The Colliery Review Procedure will be amended to include an independent Appeals Body whose function will be to consider an appeal from any one of the mining unions or the NCB on any matter arising from 3a to 3c and -

Alternative codicil:

(i) any decision of this body will be binding.

(ii) full weight will be given to the advice of this body.

ACAS PROPOSALS MADE AT 1030 hrs on 12 OCTOBER

3c. Any other colliery not covered by 3a and 3b above may be brought forward by either party for discussion and investigation in line with the principles of the Plan for Coal under the Colliery Review Procedure. The Colliery Review Procedure will be amended to include as a final stage an independent Review Body whose function will be to consider a reference from any one of the parties to the procedure on any closure matter arising under Clauses a, b and c above about which there is disagreement. Full weight will be given to the advice of this independent review body.

TAIL PIECE

It is accepted as a principle that the NCB has the statutory duty and responsibility to manage the industry. It is also fully recognised that the unions have the right and responsibility to represent all the interests of their members in the industry.

NUM COUNTER PROPOSAL ON 12 OCTOBER

3c. Any other colliery not covered by 3a and b above may be brought forward by either party for discussion and investigation in line with the Plan for Coal under the Colliery Review Procedure. The Colliery Review Procedure which in accordance with the principles of the Plan for Coal has dealt with any matter arising under a, b or c will be amended to include an independent body whose function will be to consider a reference from any one of the parties on any matter arising under the above clauses about which there is disagreement.

File

10 DOWNING STREET

Prime Minister (2)

You will be interested to read Justice Nicholls Judgement and a note from Attorney General's Chambers which answers the question someone (Gordon Reece?) put to you yesterday about payment of Mr Scargill's fine.

AT
15/10

MT

File

01- 7641 EXT. 3417

Communications on this subject should be addressed to
The Legal Secretary
Attorney General's Chambers

ATTORNEY GENERAL'S CHAMBERS
LAW OFFICERS' DEPARTMENT
ROYAL COURTS OF JUSTICE
LONDON, W.C.2

15 October 1984

Dear Turnbull,

TAYLOR -v- NUM.

We spoke last week about the enforcement of the fine imposed on Mr. Scargill. I enclose a copy of a note setting out the statutory background.

Yours sincerely,

Stephen Hyett.

I enclose a transcript of ~~a~~ the judgment in Taylor & Foulstone -v- the NUM (Yorkshire Area) and the NUM.

Nicholls J fined the NUM £200,000 and Mr. Scargill the sum of £1,000. So far as Mr. Scargill was concerned he directed that the fine be paid within 28 days from the 10th October and said that he would order that payment of that fine be enforced, if necessary, as provided in section 16(1)(a) of the Contempt of Court Act 1981. I attach a copy of that section. It provides that the payment of a fine for contempt of court imposed by, inter alia, the High Court may be enforced either -

(a) in like manner as a judgment of the High Court for the payment of money; or

(b) in like manner as a fine imposed by the Crown Court

Sub-section (2) provides that where the Court orders that the fine should be enforced as mentioned in para. (a) the Court shall, if the fine is not paid within such time as the Court may allow, certify to Her Majesty's Remembrancer the sum payable. Her Majesty's Remembrancer must thereupon proceed to enforce payment of that sum as if it were due to him as a judgment debt. Her Majesty's Remembrancer is the Senior Master of the Queen's Bench Division. It is clear from the use of the word "shall" in the sub-section that if the Court orders that the fine is to be enforced in this way, the Court must certify the sum payable and Her Majesty's Remembrancer must proceed to enforce payment of the sum.

The sum is enforced as if it were due to Her Majesty's

Remembrancer as a judgment debt. Judgment debts may be enforced by one or more of the means set out in Order 45 Rule 1(1) of the Rules of the Supreme Court, i.e. by:-

(a) Writ of fieri facias (the goods are ~~ceased~~ seized by the Sheriff and, if the money is not paid, sold);

(b) Garnishee proceedings (debts, e.g. money in a bank account, are attached);

(c) A charging order (property is charged and can be sold);

(d) An order of committal;

(e) Writ of sequestration (very rare in the case of an individual).

Once the Court has ordered that this means of enforcement should be used (and it appears that the order to be drawn up after Monday will include an order that the fine should be enforced, if necessary, as provided in section 16(1)(a) of the 1981 Act) the procedure is controlled by Her Majesty's Remembrancer, not by the plaintiffs. Any payment received by Her Majesty's Remembrancer is to be dealt with by him as the Lord Chancellor directs (section 140(4) of the Supreme Court Act 1981). If Her Majesty's Remembrancer sought to enforce payment of the fine by, for example, a charging order or an order of committal, an application to the Court for such an order would have to be made just as in any other case.

A third party could pay the fine on behalf of Mr. Scargill and, probably, Mr. Scargill cannot say that he objects. In Treasury ~~the~~ v. Harris [1957] 2QB 516 the Court held that a fine was a monetary penalty due to the Crown. At page 525 Lord Goddard CJ said :-

"Where a fine has been imposed by the Court it is not uncommon for some sympathiser or person interested in the particular matter in respect of which the defendant has gone to prison to pay the fine for the defendant. If the Crown gets the money the Crown cannot keep the man in prison, though I doubt very much whether, once the money has been paid, the defendant can say:- 'I am not coming out of prison; I am going to stay in prison...' If a sympathiser comes forward and pays the fine, he has discharged the Crown's debt; the Crown has received the money, but I do not think that the person fined can say that he objects to it and will remain in prison."

Although that statement is concerned with the enforcement of a fine by committal, the principle would seem to be applicable generally. There are, in my view, a number of conceptual difficulties in the proposition that a person cannot object to a fine being paid by a third party. For example, the payer would seem to make the payment as agent for the person fined; why cannot he disclaim the agency in accordance with the normal rules of agency? Treasury v. Harris is the first instance, unreserved judgment and, therefore, not strong authority.

When the fine had been paid, the contempt is purged, but further applications that there has been a contempt can be made if further acts of contempt are committed.

I also enclose a minute summarising the judgment of the Divisional Court in the bail conditions case.

S.H.

A. S. HYETT
12th October 1984

5930 **Superior Court**—For the meaning of superior court see s.19 below. The County Courts (Penalties for Contempt) Act 1983, which came into force on May 13, 1983, provides for county courts to be treated as superior courts for the purposes of this section (see subs. (4A) (sic) inserted by that Act), thus reversing the effect of the House of Lords' decision in *Pearce v. Stewart* [1983] A.C. 109; [1983] 1 All E.R. 859.

. . . .

Enforcement of fines imposed by certain superior courts

5931 16.—(1) Payment of a fine for contempt of court imposed by a superior court, other than the Crown Court or one of the courts specified in subsection (4) below, may be enforced upon the order of the court—

(*a*) in like manner as a judgment of the High Court for the payment of money; or

(*b*) in like manner as a fine imposed by the Crown Court.

(2) Where payment of a fine imposed by any court falls to be enforced as mentioned in paragraph (*a*) of subsection (1)—

(*a*) the court shall, if the fine is not paid in full forthwith or within such time as the court may allow, certify to Her Majesty's Remembrancer the sum payable;

(*b*) Her Majesty's Remembrancer shall thereupon proceed to enforce payment of that sum as if it were due to him as a judgment debt.

(3) Where payment of a fine imposed by any court falls to be enforced as mentioned in paragraph (*b*) of subsection (1), the provisions of sections 31 and 32 of the Powers of Criminal Courts Act 1973 shall apply as they apply to a fine imposed by the Crown Court.

(4) Subsection (1) of this section does not apply to fines imposed by the criminal division of the Court of Appeal or by the House of Lords on appeal from that division.

(5) The Fines Act 1833 shall not apply to a fine to which subsection (1) of this section applies.

(6) Paragraph 23(1) of Schedule 11 to the Employment Protection (Consolidation) Act 1978 and paragraph 30 of Schedule 1 to the Employment Act 1980 (which relate to the enforcement of fines imposed by the Employment Appeal Tribunal) are repealed.

Amended by S.C.A. 1981, s.152(4) and Sched. 7.

5932 **Superior Court**—See s.19, para.5934.

Disobedience to certain orders of magistrates' courts

5933 17.—(1) The powers of a magistrates' court under subsection (3) of section 63 of the Magistrates' Court Act 1980 (punishment by fine or committal for disobeying an order to do anything other than the payment of money or to abstain from doing anything) may be exercised either of the court's own motion or by order on complaint.

(2) In relation to the exercise of those powers the provisions of the Magistrates' Court Act 1980 shall apply subject to the modifications set out in Schedule 3 to this Act.

Supplemental

Interpretation

5934 19. In this Act—

"court" includes any tribunal or body exercising the judicial power of the State, and "legal proceedings" shall be construed accordingly;

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Superior Court—See note

Tribunals of Inquiry

20.—(1) In relation
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IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

Royal Courts of Justice

10th October 1984

Before:

MR. JUSTICE NICHOLLS

B E T W E E N:

TAYLOR & FOULSTONE — Plaintiffs

- and -

(1) NATIONAL UNION OF MINEWORKERS (YORKSHIRE AREA)

(2) NATIONAL UNION OF MINEWORKERS — Defendants

(Transcribed from the Official Tape Recording by Mrs. Beverley F. Nunnery, Official Shorthand Writer and Tape Transcriber, 25, Dulverton Mansions, Gray's Inn Road, London, WC1X 8EJ)

MR. MICHAEL BURTON, Q.C., MR. R. SLOWE and MR. N. BARD (instructed by Messrs. Hodgkinson & Tallents) appeared on behalf of the Plaintiffs.

JUDGMENT

(As approved by Judge)

MR. JUSTICE NICHOLLS: On the morning of Friday, 28th September 1984, I gave judgment in two matters concerning the strike presently affecting the coal mining industry. In both matters one of the claims was that the National Union of Mineworkers (which was a defendant in both actions and which I shall call the "NUM") had acted contrary to its own rules in calling and proceeding with the strike. First, I delivered judgment following the trial of an action (which I shall call "the Derbyshire action") brought by three miners who work in the Derbyshire Area of the NUM. For the reasons set out in that judgment I made a declaration to the effect that so far as the Derbyshire Area of the NUM was concerned, the strike was in contravention of the rules and constitution of the NUM and as such unlawful; and I granted an injunction which, in short (and amongst other matters), restrained the NUM's President, Mr. Arthur Scargill (who was himself a defendant in that action), and the NUM from making any representations to any person that for the plaintiffs in that action to work or to cross picket lines in the Derbyshire Area was a breach of any union rule or duty or exposed them to the risk of any disciplinary process.

Next, I gave judgment on an interlocutory application in an action (which I shall call "the Yorkshire action") brought by two miners who work in the Yorkshire Area of the NUM; and in the circumstances, and for the reasons set out in that judgment, I made an order restraining the NUM until judgment or further order from (amongst other matters) instructing or urging any member of the National Union of Mineworkers (Yorkshire Area)

(which I shall call "the Yorkshire Union") to strike or not to work or not to cross any picket line in the Yorkshire Area, or from otherwise dissuading any member of the Yorkshire Union from working or not striking or crossing any picket line in such Area, by describing or treating the strike or any picket or picket line in such Area as "official" or words to the like effect or by threat of disciplinary action or other threats howsoever. I gave the National Union of Mineworkers leave to apply to discharge that order on two days' notice. No such application has been made.

Although due notice of the interlocutory application (which for convenience I shall call "the injunction application") was given to the NUM, before me the NUM was not represented on the injunction application on any of the three days (the 25th, 26th and 27th September) on which that application was heard, and it adduced no evidence in answer to the plaintiffs' case. However, counsel for the NUM was present in court on 27th September, and again on 28th September, when the two orders, that is the final order in the Derbyshire action and the interlocutory order in the Yorkshire action, were made and the two judgments were delivered, not representing the NUM either in the Derbyshire action or on the injunction application: he was present on behalf of the NUM and the Yorkshire Union only on two applications in the Yorkshire action which came on for hearing on both 27th and 28th September, those applications being concerned with giving leave to the NUM to defend the Yorkshire action out of time

and further directions for the conduct of the Yorkshire action. Thus the NUM has been picking and choosing when to appear and when not to appear, and I have never been given any explanation of why the NUM chose to seek leave to defend the Yorkshire action but abstained from being represented at the hearing of the injunction application.

At this point I digress to observe, and it is a matter of record, that these were not the first orders made regarding the NUM's entitlement under its rules in the absence of an appropriate ballot to describe the strike as official or threaten disciplinary measures against strike-breakers. On 25th May 1984 the Vice-Chancellor made an interlocutory order concerning the Nottingham Area of the NUM to the effect that pending the trial or further order the NUM was enjoined from giving instructions to the plaintiffs in that action not to work or cross picket lines, and from representing to any person that to work or cross picket lines would be a breach of their duty or expose them to disciplinary process or liability for any penalty.

On 13th June 1984 McCowan J. made an interlocutory order in respect of the North Wales Area, restraining the NUM from using the word "official" to describe the stoppage of work within that Area, from giving instructions not to cross picket lines, and from representing that crossing picket lines or working exposed anybody to the risk of disciplinary process. On the following day, the same Judge made a similar order in respect of the North Western Area.

On 22nd August 1984 Mervyn Davies J., in respect of the Midlands Area, made an interlocutory order restraining the NUM from using the word "official" to describe industrial action within that Area.

As soon as I had made the two orders of 28th September, which was shortly after mid-day in the case of the later of the two, widespread publicity was given to them, over the radio and television in particular, and the gist of them, or parts of them, was summarised, with varying degrees of accuracy.

Mr. Scargill, who was not present in court when the orders were made, was approached by a television company and in the course of a television interview broadcast live, shortly after 7 p.m. on the same day, as part of the Channel 4 news, he was asked for his views on the orders. In the course of the interview Mr. Scargill said this:

> "And let me say this. The High Court decision so far as we're concerned will not be accepted. Our rules and constitution have been upheld and the Derbyshire strike is official, the Yorkshire strike is official and 86% of the members in an individual ballot vote voted for that decision. And I'm gonna say this quite clearly, that any miner in this union and any official in this union who urges or crosses a picket line in defiance of our union's instructions, runs the risk of being disciplined under our rules and there is no High Court Judge gonna take away the

democratic right of our union to deal with internal affairs. We are an independent democratic Trade Union."

Plainly, making such a statement was contrary to the prohibition contained in the injunctions granted by me in the Yorkshire action and in the Derbyshire action.

The plaintiffs in the Yorkshire action responded by issuing forthwith the first of the two notices of motion in that action which are now before me. By it the plaintiffs claim that in making the statement on the Channel 4 news programme Mr. Scargill personally, and the NUM, are in contempt of court, and seek an order that Mr. Scargill be committed to prison, or fined, and that the assets of the NUM be sequestrated or that Union be fined.

That notice of motion, with accompanying affidavit evidence, and a sealed copy of the order of 28th September in the Yorkshire action, duly endorsed with a penal notice, was served on Mr. Scargill both personally and as President of the NUM in circumstances which are now common knowledge, namely, at about 5.20 p.m. on the afternoon of Monday 1st October in Blackpool in the hall where the annual Labour Party Conference was in progress. Further copies of all those documents were also served on the NUM at its headquarters offices in Sheffield at about 3.50 p.m..

Later on the same day the National Executive Committee of the NUM held a meeting in Blackpool, and after the meeting (as reported in the national press) the National Executive Committee (which I shall call "the NEC") published a statement

in these terms:

> "The National Executive Committee heard a report from national officials that a person purporting to be an officer of the High Court has served a writ inside the Labour Party conference hall on the national president seeking to commit him to Pentonville prison and to impose fines and a writ of sequestration upon him and the national union".

Then omitting an immaterial paragraph the statement continued:

> "Following discussion the NEC unanimously agreed to: Fully endorse and support the view expressed by the national president during an interview on Channel 4 on September 28th. That no High Court judge will take away the democratic right of our union to deal with internal affairs in defiance of our union's instructions and to reaffirm as official strike action in the coalfield sanctioned in accordance with national rule 41 as determined by the special national delegate conference of April 19, the extraordinary annual conference and the national executive".

Later still, during the evening of the same day, Mr. Scargill appeared on the BBC 2 Newsnight television programme at about 11.10 p.m. He was questioned about the committal application which had been served on him, and he said this:

> ".... it basically tells me that the National Executive Committee cannot recognise the strike action

currently sweeping the British coalfield is official and secondly, it says that we cannot instruct or advise our members not to cross picket lines. In other words, it's declaring that not only is the strike to be illegal and unlawful, but moreover the Union officials are restrained from doing anything other than basically get members back to work. There is no way that we're going to accept that and at a Special National Executive Committee Meeting tonight we have reaffirmed total support and declared that the strike action under Rule 41 is official and will continue to be official".

Then Mr. Scargill was asked:

"Are you prepared to go to prison?"

- and Mr. Scargill said:

"If necessary I'm prepared to go to prison for my beliefs because I believe that most people will concede that there is no value on my side in fighting to preserve jobs and to preserve an industry and I think that it's an imposition on the part of anyone to try and say that this strike after seven months is not legal. There is no question that the National Union of Mineworkers within its rules, has declared this strike official, it will continue to be official and we shall continue to say to our members do not cross picket lines."

The notice of motion came before me last Thursday, 4th October. Mr. Scargill did not attend, and neither he nor the National Union of Mineworkers was represented. The matter was fully opened to me. I adjourned the hearing until today, pointing out the very grave state of affairs shown by the evidence, and stating that the adjournment would give Mr. Scargill and the NUM time to reflect on their position and to reconsider their being represented before me.

On the following day the plaintiffs in this action caused a further committal notice of motion to be served on the NUM and Mr. Scargill, in similar terms to the first, with the necessary supporting affidavits; but in this instance the contempts relied on were the publication to the press on the 1st/2nd October of the NEC resolution passed on 1st October and Mr. Scargill's statements on the BBC 2 Newsnight broadcast on 1st October. This second committal motion is also now before me.

Following the adjournment, and having heard of it, Mr. Scargill commented further on his and the NUM's position at a meeting held in Blackpool on 4th October. Regarding the Union and its leaders being given time to reconsider their position he said, as reported in The Times newspaper, that if there were any ambiguity he would "specifically and categorically spell out the Union's position". He then read out the text of the minutes of the National Executive Committee meeting held on 1st October. Those comments, or the gist of them, received widespread publicity on television and in the national press.

Both motions, as I have said, are now before me. Neither Mr. Scargill nor the National Union of Mineworkers attends or is represented.

I consider the alleged contempts in chronological sequence.

As I have said, Mr. Scargill's statement on Channel 4 news on Friday 28th September was in breach of the orders I had made earlier that day in the Yorkshire action and in the Derbyshire action. Mr. Scargill asserted that the Derbyshire strike was official, that the Yorkshire strike was official; and he threatened with disciplinary action any miner in the NUM who crossed a picket line in defiance of the Union's "instruction". But have the plaintiffs proved strictly that when he made that statement Mr. Scargill was aware of at least the substance of the prohibitory order which I had made earlier that day in this, the Yorkshire, action? The order had not been served, nor had the plaintiffs or their lawyers or others had an opportunity of communicating the relevant terms of the order to Mr. Scargill by 7 p.m. on that day. For the plaintiffs, Mr. Burton pointed out that the notice of motion setting out the injunctions sought in this action had been served, more than once, on the NUM; that counsel and solicitors for the NUM were in court when the order of 28th September was made, and that widespread publicity was then given to this matter. He also relied on a Radio 4 interview given by Mr. Scargill, although I have no detailed evidence of what was said, and he submitted that taking all these matters together and having regard to the words used and the demeanour

of Mr. Scargill during his Channel 4 broadcast, it is overwhelmingly likely that when making that broadcast Mr. Scargill knew of the substance of the prohibitory order.

I think that it is likely that Mr. Scargill did have such knowledge. But the order made was a very lengthy one, covering many matters beside the relevant prohibition, and on the evidence I am not satisfied that the plaintiffs have shown, with that high degree of proof required on committal motions, that Mr. Scargill did have such knowledge by the time of his broadcast.

The publication of the NEC statement and resolution on 1st October, and Mr. Scargill's BBC 2 broadcast on that day, stand on an altogether different footing. Before those events occurred, copies of the order of 28th September had been served on both defendants, endorsed with penal notices; and the importance the plaintiffs attached to the order, and their intention to enforce it, had been brought home to both Mr. Scargill and the NUM's officers by service of the first committal motion. Thus there was no room for doubt: the NUM knew exactly what it was prohibited from doing, and of the plaintiffs' intention to require the NUM to comply with that order.

The terms of the NEC resolution are, to my mind, unambiguous. As I have said, the respondents are not represented before me, but I have considered whether the reaffirmation of "strike action in the coalfield sanctioned in accordance with rule 41" as official could be read as no more than a statement that such strike action was official

if and when (but only if and when) rule 41 had been duly complied with. I have no hesitation in rejecting any such construction. I am in no doubt that when passing this resolution the members of the National Executive Committee intended that by this resolution NUM members should understand that all the current strike action throughout the country was being reaffirmed as official, with everything that flowed from that in terms of picket lines being official and the risk of disciplinary proceedings against any member who worked in any Area; and moreover I am satisfied that this is how the resolution would be understood by members of the NUM.

In this regard I mention in passing just one background fact. Following the national call to strike action passed at the Special Delegate Conference on 19th April 1984, the NUM's official publication "The Miner" stated that "The miners' strike is now a fully official national stoppage", that the resolution passed at the Conference "instructed all members throughout Britain to join the nearly 90% already on strike", and that Conference had"spelled out an instruction not to cross any NUM picket lines". Moreover, returning to the NEC resolution of 1st October, this began with a specific endorsement of the views expressed by Mr. Scargill during his Channel 4 interview on 28th September. In that interview he explicitly stated that "any miner in this Union" who crossed a picket line "in defiance of our Union's instruction" ran the risk of Union disciplinary adtion.

Accordingly, I can see no escape from the conclusion that in publishing its statement of 1st October the NUM

deliberately and knowingly committed a breach of the order of 28th September, and likewise that in making his statement on BBC 2 on 1st October Mr. Scargill, and acting through him as its President the NUM, deliberately and knowingly committed a further breach of the same order. I refer to the last sentence of the interview. Mr. Scargill said:

> "There is no question that the National Union of Mineworkers within its rules, has declared this strike official, it will continue to be official and we shall continue to say to our members, do not cross picket lines".

Again, the statement made by Mr. Scargill on 4th October was, in my judgment, a further wilful breach of the order made in the Yorkshire action on 28th September. Neither of the two committal motions before me are founded on this latter breach, but nevertheless this is a matter which I must take into account when considering the conduct of the NUM and Mr. Scargill and deciding what action I should take in respect of the two contempts which I have found.

I have very much in mind that the setting in which these events have occurred is a major industrial dispute between the NUM and the National Coal Board in which the officers of the NUM have deeply held beliefs (which are to be respected) on what is the right course of action to be taken by the NUM in the best interests of its members and their families and the communities in which they live. But this does not entitle those officers to conduct the NUM's affairs in contravention of the Union's own constitution.

Still less, when their conduct has been successfully challenged in this court in proceedings such as the Derbyshire action, which the NUM chose not to defend, does it justify those officers wilfully breaching orders of the court. I find myself driven to the conclusion that through its President and National Executive Committee the NUM has sought, deliberately and repeatedly, to negate the purpose for which the order of 28th September was made by publicly threatening, at times expressly and at times implicitly, that any member of the NUM who does not strike is risking the sanctions which can be visited upon those who work during an official strike. Indeed, further than this, and yet more seriously, a great and powerful trade union, with a large membership affected by the court orders in questions, has decided to regard itself as above the law, and to make this plain repeatedly, emphatically, and publicly on a nationwide basis. It seems to me that I would be failing in my duty to uphold the law if I did not recognise such conduct of the NUM for what it is, and impose a penalty of appropriate severity.

It seems to me that on these two committal applications six points need to be stated and understood clearly:

(1) The claim in this action, brought by two miners, is founded on the NUM's own rules and constitution. The relevant principles of law are the ordinary, well-established principles of the law of contract applicable to associations of members from the smallest club to the largest corporation.

(2) The acts comprising the contempts are breaches not just of my orders of 28th September regarding the Yorkshire

and Derbyshire Areas, they are also breaches of orders made by three other Judges from 25th May onwards, relating to the Nottingham, North Wales, North Western and Midlands Areas.

(3) If the NUM considered that any of these orders were wrongly made it had a right of appeal to the Court of Appeal.

(4) This is not the first occasion on which recently the NUM has deliberately breached an order of the court. In July 1984 the NUM was knowingly in breach of an order made by the Vice-Chancellor on 10th July 1984 regarding a resolution introducing a new disciplinary rule.

(5) Even today the phrase "contempt of court" is frequently misunderstood. All too often it is still thought that in this context contempt of court means insulting the court: the conduct of a litigant who makes, as it were, rude gestures at the court and who is to be punished unless he attends court with a craven apology for such unseemly behaviour. I cannot stress too strongly that the applications before me have nothing to do with insulting the court or affronts to the dignity of the court. These applications concern wilful and repeated disobedience to an order of the court: the deliberate refusal to comply with the express terms of an order.

(6) In this case the wilful disobedience has been committed with maximum publicity by a large and powerful body, bent on showing to its members and to the whole nation that it is untouchable. If orders of the court are seen to be set at nought in this way, openly and repeatedly defied by such a body, with impunity, where is the rule of law?

My conclusions are as follows. Taking as I do a very grave view indeed of what has occurred, I propose to impose upon the NUM a fine of £200,000. I will also order the NUM to pay the plaintiffs' costs of the two committal motions, to be taxed on an indemnity basis and paid forthwith. I will order that the fine is to be paid within 14 days from today. If not so paid, I will consider ordering the sequestration of the assets of the NUM.

As to Mr Scargill, he was not personally a defendant in the Yorkshire action, but a person who knowingly assists in a breach of an order of the court himself commits a contempt. Here, Mr. Scargill not merely knowingly assisted; he was the person who participated in the BBC 2 news interview on 1st October; I have no doubt that he aided and abetted the passing and publication of the NEC resolution of the same day; and it was he who made the statement on 4th October.

So although Mr. Scargill has throughout been acting on behalf of the NUM, he personally is in contempt of court; and his conduct in all the circumstances has been such that it would not be right for no penalty to be imposed upon him. I do not think that this is an appropriate case for a committal order, but I propose to fine Mr. Scargill the sum of £1,000, and direct that fine be paid within 28 days from today. I will order that payment of that fine be enforced, if necessary, as provided in s.16(1)(a) of the Contempt of Court Act 1981. Furthermore, it should be understood that Mr. Scargill will be answerable to the members of the NUM for the depletion of its assets by the amount of the Union's fines and attendant costs,

being assets which will be no longer available for the benefit of the members who provided them. Similarly answerable will be the other members of the National Executive Committee who have supported Mr. Scargill in the activities giving rise to the fine.

I will direct that the order is not to be drawn up before next Monday. The NUM and Mr. Scargill will have leave to apply on 24 hours notice before the order is drawn up, if either of them wishes to make any submissions to me, either in respect of the amount of the fines or the time for payment or generally. So that they will both, even now, have a further opportunity to change their minds and attitude.

I will direct that counsel prepare a draft minute of the order, which is to be mentioned to me in open court at a time to be arranged.

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

Royal Courts of Justice
28th September 1984

Before:

MR. JUSTICE NICHOLLS

B E T W E E N:

TAYLOR & Ors. — Plaintiffs

- and -

NATIONAL UNION OF MINEWORKERS (DERBYSHIRE AREA) & Ors. — Defendants

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(Transcribed from the Official Tape Recording by Mrs. Beverley F. Nunnery, Official Shorthand Writer and Tape Transcriber, 25, Dulverton Mansions, Gray's Inn Road, London, WC1X 8EJ)

MR. N. LYELL, Q.C. and MR. P. ELIAS (instructed by Messrs. Shacklocks) appeared on behalf of the Plaintiffs.

JUDGMENT

(As approved by Judge)

MR. JUSTICE NICHOLLS: In this action the three plaintiffs are men who work in the coal mining industry. They are each members of the National Union of Mineworkers (Derbyshire Area), (which I shall call "the Derbyshire Union"), and by virtue of such membership, members also of the National Union of Mineworkers (which I shall call "the NUM"). The first plaintiff, Mr. Albert Roland Taylor, is a surface engineer at Shirebrook colliery; the second plaintiff, Mr. John David Wyn Roberts, works as a quality control inspector at the Derbyshire area central workshops; and the third plaintiff, Mr. John Phillips, is a mobile plant driver at the William Thorpe complex. The defendants in the action are the Derbyshire Union, Mr. Gordon Butler and Mr. John Burrows, who are respectively the secretary and treasurer of the Derbyshire Union and who are sued personally and also as representatives of the members of the executive committee of the Derbyshire Union, the NUM, and Mr. Arthur Scargill, the president of the NUM, who is sued personally and on behalf of the members of the executive committee of the NUM.

The relief sought in the action consists of declarations and injunctions relating to recent events in the mining industry. Initially the first three defendants (that is, the Derbyshire Union and its two officers) defended the action, serving a defence denying the plaintiffs' entitlement to any relief, but at the commencement of the trial before me they appeared by leading counsel to state their willingness to submit to perpetual injunctions broadly along the lines of (but not identical to) the injunctions sought by the plaintiffs. Through counsel those defendants also stated that they were not willing to submit to any of the declarations sought, nor

to agree to the contents of those declarations, and that having stated their readiness to submit to injunctive relief they wished to take no further part in the trial save for being heard on costs in due course. Accordingly those defendants and their legal representatives withdrew from court and the trial proceeded without those defendants being further present or represented. The fourth and fifth defendants, the NUM and Mr. Scargill, were not present or represented before me; at no stage has either of them participated in the action or sought to defend it.

To understand the events to which this action relates and to which I am about to refer I must first mention three rules, two of the NUM and one of the Derbyshire Union. Rule 41 of the NUM, under the heading "Strikes and Lock-Outs", so far as material provides:

> "In the event of a dispute arising in any area or applying to the workers in any branch likely or possible to lead to a stoppage of work or any other industrial action short of a strike the questions involved must be immediately reported by the appropriate official of the area in question to the National Executive Committee which shall deal with the matter forthwith, and in no case shall a cessation of work or other form of industrial action short of a strike take place by the workers without the previous sanction of the National Executive Committee, and no funds of the Union shall be applied in strike pay or

other trades disputes benefit for the benefit of workers who shall have ceased work without the previous sanction of the National Executive Committee."

The reference to an "Area" is a reference to the NUM's constituent associations, themselves trade unions, of which the Derbyshire Union is one. The Schedule to the NUM Rules published in 1978 lists 20 constituent associations, most of which relate to geographical areas such as Derbyshire but some of which relate to occupational categories of miners (such as craftsmen). The National Executive Committee (which I shall call "the NEC") consists of the President, Vice-President and Secretary of the NUM and members appointed by the areas.

Rule 43 under the heading "National Action" was in these terms prior to 19th April this year:

> "In the event of national action being proposed by the Union in pursuance if any of the objects of the Union the following provisions shall apply:
> that a national strike shall only be entered upon as a result of a ballot vote of the members taken in pursuance of a resolution of Conference, and a strike shall not be declared unless 55% of those voting in the ballot vote in favour of such a strike.
> If a ballot vote be taken during the time the strike is in progress, a vote of 55% of those taking part in the ballot shall be necessary to continue the strike. If a ballot vote be taken during the time a stoppage is in progress, such stoppage may

not be continued unless 55% of those voting in the ballot vote in favour of continuance."

"Conference" is the Conference of delegates in which under the Rules the authority and government of the NUM is vested. It meets, or should meet, annually; but a special conference may be called at any time by the National Executive Committee. The delegates to Conference are elected by the areas, the number each area may elect depending upon the size of its membership. In the periods between conferences the NEC is entrusted with the task of administering the business and affairs of the NUM. So far as material the rules of the NUM may be altered or added to only by a two-thirds majority vote at an annual or special conference.

I turn to the rules of the Derbyshire Union. Rule 68 is headed "General Strike and mode of voting" and reads:

> "When any question of a general strike or lock-out is before the branches in accordance with rule 41 of the National Rules the voting shall be taken by ballot and shall be conducted as follows:
> The Area general secretary shall forward to each branch a sufficient number of voting papers on which members must record their votes at such time and place as may be determined upon by the branch committee. The branch secretary shall send the voting papers together with a summary of votes for and against to the Area General Secretary on the completion of the ballot. There must be 55% of the members who vote in favour of a strike

before rule 41 of the National Union's Rules is invoked."

On the constitution of the Derbyshire Union it is sufficient for me to say that subject to the authority of the NEC the general management of the affairs of the Derbyshire Union is vested in a council called the Area Council which consists of the area president and vice-president, and representatives appointed by the branches. Subject to the authority vested in the NEC and in the Area Council, the general business of the Derbyshire Union is supervised and dealt with by the Area Executive Committee, which consists principally of the area president and vice-president and representatives of panels of branches.

With that introduction I turn to the material events established by the evidence before me in this case. Earlier this year, as is well known, a dispute arose or crystallised concerning the proposed closure of certain coal mining pits. On 8th March 1984 the NEC passed a resolution to the effect that it declared official in accordance with rule 41 proposed strike action in Yorkshire and Scotland and in any other area which took similar action. Clearly this resolution was intended by the National Union acting through the NEC to encourage <u>all</u> its constituent associations (and I emphasise "all") to take strike action on the pit closure issue. On 12th March the passing of this resolution was reported to a special area council meeting of the Derbyshire Union by Mr. Butler (who is also a member of the NEC), and that meeting resolved to hold a coalfield ballot on Friday 16th March on the question:

"Do you support strike action to prevent pit closures and the massive rundown of jobs in Derbyshire and other Areas?". The ballot was held, and the result was 4,307 votes (49.9%) in favour of a strike, and 4,323 votes (50.1%) against a strike, with 31 ballot papers spoilt. Thus there was a very narrow majority (16 votes, out of some 8,600 votes cast) against strike action. This result was reported to a meeting of the Derbyshire Union special area council on the following Monday (19th March). Mr. Butler spoke of the need for the leadership of the Derbyshire miners as part and parcel of the NUM to retain some credibility and close its ranks in support of comrades in other coalfields. After a lengthy discussion the meeting resolved, by 12 votes to 2, to call for an all-out strike in the North Derbyshire coalfield in support of jobs and as a protest against pit closures. The council also agreed that the Area Executive Committee should act as "the Official Area Strike Committee"; that branch committees should act as strike committees at branch level; that strike centres should be set up in various regions of the coalfield; and that special dispensation be given to the continuity of coal supplies to hospitals, schools, old age pensioners and other deserving cases under the directions of the area strike committee.

The area council resolution was then reported to the NUM and by a letter received by Mr. Butler on the 6th April the NUM by its secretary endorsed the industrial action as official under the provisions of rule 41 of the NUM, in accordance with the decision of the NEC of 8th March.

Thus, pausing there, although rule 68 of the Derbyshire Union rules provides explicitly that there must be 55% of the Derbyshire Union members in favour of a strike before rule 41 of the NUM's rules is invoked, the area council of the Derbyshire Union and the NUM proceeded with official strike action in the Derbyshire area, although the only ballot held had resulted in the strike call being narrowly defeated. At this trial I have not had the benefit of hearing evidence from or submissions on behalf either of the Derbyshire Union or the NUM, and this I much regret. But I have to say that to my mind a plainer breach of the rules of the Derbyshire Union would be hard to conceive.

On 6th April the area executive committee met, and the minutes record as follows:

> "The Committee were unanimous in expressing the paramount importance of promoting complete unity within the ranks of the memership. In this respect the Committee expressed grave concern at certain instances where a minority of men were continuing to work, and following a general discussion it was unanimously resolved that this Area Executive Committee of the NUM Derbyshire Area views with extreme concern a situation which has developed in the coal pit whereby a small minority of members employed at Shirebrook and other colleries in the Area are continuing to work during the period of the current dispute, contrary to the decision of the Area Council of 19th March.

This Committee is not prepared to condone such conduct and whilst monitoring the serious nature of these actions declares its unanimous intention to take disciplinary measures against those members involved should these anti-trade union actions continue by the possible withdrawal of their membership of the National Union of Mineworkers (Derbyshire Area)."

A few days later on 12th April the NEC met and members directed their minds at the constitutional position under the provisions of NUM rule 41. The Committee agreed, inter alia, to reaffirm the unanimous decision of the Committee on 8th March already mentioned, and to reconvene a special delegate conference.

At that conference, held at Sheffield on 19th April, a resolution was passed endorsing the NEC decisions of 8th March and 12th April, and agreeing that the NUM calls on all areas to join the 80% already on strike and thereby ensure maximum unity in the Union. The resolution continued that in order to have as much unity as possible, future development of picketing, requests for solidarity action, etc., should be coordinated by the National Office; and that it was incumbent on the Labour and Trade Union movement to give maximum support, including "solidarity strike action in both associated and non-associated industries", and an instruction not to cross any picket lines. The resolution called upon all areas to participate in a national campaign, and the National Office was instructed to organise rallies and to distribute leaflets and documents. At the same time NUM rule 43 was amended by

reducing to a simple majority the vote required on a ballot under that rule for a national strike.

On 1st May the Derbyshire Union held its Annual Area Conference. This was addressed by Mr. Scargill, and the minutes record that in his address he adverted to the situation where people within the NUM were prepared "to breach the fundamental principles of trade unionism by crossing picket lines, and even more important, by crossing those picket lines established by fellow miners". He concluded with a "final message to you in Derbyshire [to] make sure that every striking miner is a picket not only in the Notts coalfield but also at power stations, docks and factories. The quicker we tighten the knot around Britain's industry, in particular steel, the quicker we will involve other workers and put pressure on the Government to bring this dispute to a successful conclusion".

The Derbyshire Area Conference resolved unanimously to reduce the majority required in an area ballot held under rule 68 of the Derbyshire Union rules from 55% to a simple majority. I should add regarding the Notts coalfield that the position there was that in that area, which adjoins the Derbyshire area, a ballot held had resulted in a substantial majority against strike action, 20,188 votes against and 7,285 in favour. On 18th March the Notts Area Council had affirmed the fundamental right of members not to cross picket lines and the mandate of the Notts area ballot decision which "gives the fundamental right of a member to go to work if he wishes".

On 10th May the NEC passed a further resolution regarding the strike in these terms:

"Following the decision of the Special National Delegates Conference to endorse the decisions of the N.E.C. on the 8th March and 12th April to declare official the strike action currently being undertaken by Areas in accordance with Rule 41, the Executive are concerned at reports that certain Officers of the Union at Area and Local level are ignoring either their own Area decision to take strike action or advising miners to cross official picket lines.

This N.E.C. warns that any Officer at either Local or Area level who urges men to cross an official picket line will be acting contrary to the established practice of the N.U.M. and Trade Union movement generally.

Their actions will be against the interests of this Union and the National Executive will have to consider taking action against such officials in accordance with the Rules of the Union."

On 22nd May the Derbyshire Area Executive Committee met again, and at this meeting reference was made to "a small minority of Derbyshire miners who were presenting themselves for work and therefore acting as scab labour". The Committee was reminded of the resolution it had approved on 6th April, declaring its intention to take disciplinary measures against members employed at Shirebrook and other collieries in the area continuing to work should their anti-trade union actions continue by the possible withdrawal of their membership of the

Derbyshire Union. The Committee then resolved unanimously:

> "That this Committee now invoke the provisions of the resolution approved by the Area Executive Committee at its meeting held on Friday 6th April 1984 by withdrawing membership of the NUM Derbyshire Area for an indefinite period from those members who have not conformed to NUM policy during the period of the present dispute and who have offered themselves as scab labour."

Over the next few days this decision was given publicity in the local press and on the local radio in the Derbyshire area. It was this that caused the plaintiffs to seek legal advice, which culminated in the institution of this action on 4th June 1984. In practice all workers in the coal mining industry of the appropriate grades are members of the NUM, so that expulsion or suspension of a man from membership is a very serious matter indeed for him. Hence their anxious concern at the Area Executive Committee decision of 22nd May, because each of the plaintiffs was, by the end of May, working. Mr. Taylor gave evidence of Shirebrook colliery being "picketed out" on 13th March by masses of pickets who had come from Yorkshire. He worked thereafter whenever he could, but it was not always possible to get in to work because of the number of pickets who were deployed at all the entrances to the colliery. He said that it was not at all nice or easy to go through the picket lines, and he gave evidence of bricks being thrown, bales of hay being dragged onto the road and set alight to stop those who wished to work, and of pickets

pushing at police to push them under vehicles. Threats have been made to him at his home concerning his wife and children, and his car windows and panels sprayed with the word "scab". Following these threats he was away from work for about four weeks, returning about the third week in May when he saw pictures on the television of men returning to work at Shirebrook. Mr. Roberts was "picketed out" for nine weeks, the pickets coming from Yorkshire, South Wales and elsewhere. He returned to work after seeing the same television reports, and gave evidence of intimidation and picket violence. So concerned was he at abuse of his 10 year old boy at school, and of the conduct of his neighbours, that he has moved his family away from home for the time being. Mr. Phillips has worked throughout the period of the strike. Since his work takes him to collieries throughout the Derbyshire area he has not suffered the same difficulties as a worker employed at one place. Like his co-plaintiffs he has met massed picket lines and been abused as a scab, but he has suffered no violence or intimidation away from the picket line.

Finally as to the history, I should mention the extraordinary delegate conferences of the NUM held on 11th/12th July and on 10th August. At the July conference a resolution was purportedly passed amending the NUM rules by adding a new rule (rule 51) regarding the disqualification of members, branches and areas and removal of officers. Rule 36 of the Derbyshire Union conferred on the Area Executive Committee power, if any member or officer wilfully committed a breach of the Derbyshire Union rules, to expel him or suspend him from membership for a specified period. The new rule 51 of

the NUM is a very long rule. Suffice to say it provides for the establishment of a National Disciplinary Committee of the NUM. This has power to consider a complaint that a member (inter alia) "has done any act (which includes any omission) which may be detrimental to the interests of the Union and which is not specifically provided for in this Rule". The penalties which this Committee may impose include power to expel or suspend from membership of the NUM. I say that this resolution was purportedly passed because on 18th July 1984, in an action brought by some members of the Nottinghamshire Area against the NUM and others, the Vice-Chancellor on motion declared that all resolutions purportedly passed at the NUM conference held on 11th and 12th July which if valid would have had the effect of altering the NUM's disciplinary rules in breach of an order made by the Vice-Chancellor on 10th July 1984 were void and of no effect. On 10th August, at a further meeting of the NUM delegate conference, a further resolution, apparently in the same terms as the one purportedly passed on 11th and 12th July, was passed. The validity of the latter resolution was not in issue before me in this action.

The plaintiffs' claims are as follows. The plaintiffs claim that the strike called by the Derbyshire Union and the NUM is unlawful and contrary to the rules and constitution of the Derbyshire Union and the NUM, and accordingly that all directions and instructions issued by either of the two unions requiring members to strike or not to work or not to cross picket lines are similarly unlawful and in breach of the unions' rules and constitutions, and

that the plaintiffs were lawfully entitled to disregard such directions and instructions. The plaintiffs also claim, in short, that the Derbyshire Union and the NUM are not entitled to discipline the plaintiffs or any other member of the Derbyshire Union or the NUM who disregards such directions or instructions, and that the indefinite suspension of the plaintiffs from membership on the 22nd May 1984 we unlawful. The plaintiffs seek declaratory and injunctive relief appropriate to these claims.

I consider first the claim that the strike is unlawful. First, I must reiterate my regret that neither the Derbyshire Union nor the NUM has seen fit to present to the court any evidence or submissions in support of the lawfulness of its conduct. Their decision not to defend the proceedings is the more regrettable, and surprising, in view of the seriousness of the allegations made against them. However, in my view a deliberate choice by the defendants not to defend a claim ought not to be allowed to prejudice the position of the plaintiffs. On the material before me, in my judgment it is as plain as a pikestaff that so far as the Derbyshire area is concerned, which is the only area with which this action is directly concerned, the strike call by the Derbyshire Union and by the NUM was in breach of the rules of the Derbyshire Union and of the NUM and, hence, invalid. No national ballot has been held, so the strike call cannot stand as a lawful call for a national strike under NUM rule 43. The result of the only ballot held in the Derbyshire area was a very slim majority against a strike, so the strike cannot stand as a lawful strike of the Derbyshire area

(i.e. of the Derbyshire Union) under NUM rule 41 and Derbyshire Union rule 68. That is the beginning and end of the matter, so far as the Derbyshire area is concerned.

Paragraph 2 of the defence of the first three defendants avers that the reference in Derbyshire Union rule 68 to NUM rule 41 is an error, and that rule 68 is intended to refer to rule 43. I can see nothing to support this either in the language or context of rule 68 or in the history of the rule stretching back to 1924. The same paragraph in the defence also alleges the existence of a custom and practice of the Derbyshire Union for many years, and therefore by implication a rule, that strikes of some or all of the members of the Derbyshire Union may occur without a prior ballot. On this it suffices to say that apart from any other considerations no evidence of such a custom or practice was called. Further, paragraph 2 as particularised alleges that "general strike" in rule 68 means a strike of the whole membership of the NUM nationally. I cannot accept this. In my view "general strike" in Derbyshire Union rule 68 means a general strike of the members of that Union, namely, a strike of the Derbyshire area.

I should add that the primary way in which Mr. Lyell put forward this part of the plaintiffs' case was that the strike called is a national strike and not a call for a strike by one or more areas, and that since no national ballot has been held with the necessary majority in favour, the strike is unlawful. He submitted that what the NUM has sought to do is to exercise a discretion under rule 41 to achieve a purpose

(i.e. a national strike) which can only be achieved properly under rule 43. It seems to me that the provisions in the NUM rules regarding a national strike cannot be circumvented by the NUM merely avoiding use of the words "national strike". If it calls upon all its members to stop work that is a call for a national strike. Again, if it calls upon all its members not to cross picket lines and takes steps to organise or encourage the setting up of picket lines throughout the country, that equally would be a call for a national strike within NUM rule 43. The evidence before me includes evidence to the following effect. On 8th March the NEC passed its resolution approving as official strike action in opposition to pit closures which any area might choose to call; on 19th April the NUM special delegate conference resolved that the future development of picketing should be coordinated by the national office, and called on all areas to strike; since then the national office has directed or coordinated the strike activities, picketing (including picketing of power stations and coal imports at ports) and the preparation and circulation of black lists of haulage firms crossing "official picket lines"; pickets have been deployed from one area into areas such as Nottingham where the area has resolved not to take strike action; the NUM has threatened to discipline local officers who encourage miners to cross "official picket lines"; and there was evidence that in Nottingham (an area not on strike) Mr. Scargill described the strike as "official" following the conference decision of 19th April.

Again, refraining from formally "declaring" a national strike, and from instructing or directing members to strike

(confining the action to a "call") does not in my view take the strike action outside the ambit of rule 43 when, as here, picket lines are set up as "official". The NUM relies heavily on the long-standing trade union tradition of not crossing picket lines. A national call to strike by the NUM conference, coupled with the organisation of "official" picket lines on a national basis and with threats to officers who encourage miners to cross such picket lines, seems to me in practice to place a miner deciding whether or not to work in a position not substantially different from that existing where there is a formal declaration of a national strike or an instruction to strike. A national call coupled with threats and the need to cross a so-called "official" picket line to get to work in my judgment is entering upon a national strike.

Accordingly, although the strike action in the Derbyshire Area purports to be area action, Mr. Lyell's submission that the strike in which the Derbyshire Union is participating is not a stoppage of work of one or more areas within rule 41 but is national action falling to be justified if at all under rule 43 is, in my judgment, well-founded so far as concerns Derbyshire (which is the only area with which this action is directly concerned).

From the conclusion that the strike call is in breach of the Unions' rules so far as the Derbyshire Area is concerned, it follows that the Unions may not properly issue instructions or directions to the membership to strike or not to work or not to cross picket lines in that area. Any strike action taken, or any picket lines mounted, in that area can at best

be "unofficial", and the plaintiffs are entitled without thereby breaching any rule or obligation they owe to the Union, not to strike, and to disregard the call to strike and to cross such picket lines.

From this decision it also follows, it seems to me, that the failure of the plaintiffs to heed the calls of the Derbyshire Union or the NUM to strike and not to cross picket lines cannot properly be the subject-matter of any disciplinary measures or proceedings. The same must apply to other members of the Derbyshire Union. Accordingly the purported indefinite suspension of the plaintiffs on 22nd May was void and of no effect. For good measure that suspension was also void on other grounds: the plaintiffs were given no prior notice of the complaints against them or of the action proposed to be taken, and were given no opportunity of presenting their case, and an indefinite suspension was not one of the penalties for misconduct prescribed in rule 36 (the relevant Derbyshire Union rule).

The first three defendants have denied that the resolution of 22nd May amounted to a suspension, as distinct from a threat of suspension. I cannct so read the resolution. Its terms seem to me to be unambiguous.

I come now to the relief sought. The making of declarations is discretionary. Is this an appropriate case for declarations? The plaintiffs' case - and in fairness to them it should be said - is that they are loyal NUM members, ready to abide by decisions of their Union, reached constitutionally. Their complaints in this action are not

based on mere technicalities, lawyers' quibbles on nice points of interpretation of obscure rules. The rules are the constitutions of the Unions. They exist for the benefit and protection of all the members. The rules regarding strikes are explicit, but for a period of over 6 months now the officers of the NUM and the Derbyshire Union have chosen to disregard the constitutions under which they hold office, and to ride roughshod over their members by taking action which could be taken lawfully only with the support of a majority vote on a ballot. When challenged to justify their actions, both Unions declined to do so. Meanwhile members of the Derbyshire Union who wish to do no more than exercise their right to work are vilified, harassed, disciplined by their Union, and sought to be intimidated by violent mass picketing and in other ways, and they and their families in the communities where they live are abused or ostracised and threatened with physical violence. In my view this is a proper case for the court to exercise its discretion and grant declarations on the invalidity of the strike call in the Derbyshire Area, on the plaintiffs' entitlement in law to disregard picket lines, and on their entitlement in law not to be disciplined by their trade unions for disregarding picket lines and continuing to work.

Accordingly, although I will hear counsel on the precise wording, I propose to make declarations and grant permanent injunctions in the following terms. First, a declaration that the strike called by the first and fourth defendants, so far as it related to the Derbyshire Area of the fourth defendant, was in contravention of the rules and

constitutions of both those defendants and as such unlawful.

Secondly, a declaration that:

(a) all directions and instructions issued by or on behalf of the first or fourth defendants in pursuance of the said strike in the said area requiring any member of the first or fourth defendant to strike, or not to work, or not to cross picket lines, are in breach of the rules and constitutions of the first and fourth defendants and as such in breach of contracts between the plaintiffs and each of them and the first and fourth defendants and unlawful;

(b) the plaintiffs and each of them were at all material times lawfully entitled to disregard all such instructions and directions;

(c) that neither the first defendant nor the fourth defendant was entitled at any material time, or is now entitled, to exercise any disciplinary measures or invoke any disciplinary procedures against the plaintiffs or any of them, or any other member of the first or fourth defendants, by reason of their refusing to comply with such instructions or directions;

(d) that the purported indefinite suspension of the plaintiffs and each of them effected on 22nd May 1984 from membership of the first defendant was void and of no effect.

Thirdly, an order that the defendants and each of them, and those who they represent, be restrained from doing or

authorising the doing of (whether by themselves, their servants, agents or otherwise hosoever) the following acts or things or any of them, that is to say:

(a) taking any steps or undertaking any procedures to implement or give effect to the said suspension of the plaintiffs or any of them and without prejudice to the generality of the foregoing excluding the plaintiffs from or limiting or restricting their access to any activities or any benefits of the first or fourth defendants which the first or fourth defendants are required to provide to its members in accordance with its rules and constitution by reason of their continued working or crossing of picket lines;

(b) making any representations whether to the plaintiffs or to any of them or any other person that for any of the plaintiffs to work or cross picket lines in that area is a breach of any Union rule or duty or exposes them to the risk of any disciplinary process or liability for any default;

(c) taking or initiating or purporting to take or initiate any disciplinary action of any kind against the plaintiffs or any of them by virtue of their refusing to comply with instructions or directions to strike or not to cross picket lines.

3.14

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SECRET

NBPM

cc JR

BS 15/10

B/P 15/11

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

15 October 1984

Michael Reidy Esq
Private Secretary to the
Secretary of State for Energy
Thames House South
Millbank
LONDON SW1

Dear Michael

PSBR COSTS OF THE COAL STRIKE

Thank you for your letter of 30 August.

As you say, the figures in your letter are somewhat different from those given in the House by the Chancellor on 31 July and 1 August. Officials in your department had, of course, agreed the figures the Chancellor then gave for the public expenditure costs.

On the public expenditure side, the difference is one of methodology. The previous figures took account only of those savings in the NCB's outgoings which were unlikely to be lost after the strike finished. Your new approach, on the other hand, does take credit for savings which are highly likely to be lost at the end of the strike. For example, on holiday pay the NCB has saved some money but expects to pay out most of this after the strike. The same applies to a substantial part of the savings you identify on the RMPS. I understand your officials are separately forecasting that the full provision made in Estimates for the RMPS will in the end be spent.

Turning to the PSBR, there is room for debate about where the line should be drawn but we are prepared to accept your case for including the additional Heavy Fuel Oil duty.

Both public expenditure methodologies are, of course, legitimate, but in looking at your new figures it is important to take account of the fact they include credit for savings which are not expected to be sustained. If they were not sustained, the figures for public expenditure costs to the end of July would be £324 million (in the range the Chancellor gave in the House) and for the PSBR would be £374 million.

SECRET

Looking to the future it is probably right to draw up the figures on both bases. It will be necessary to have a consistent public presentation and, as the figures given by the Chancellor are already in the public domain, the Chancellor suggests we stick to that basis in future.

The Chancellor also thinks it would be useful if officials could review the position monthly from now on.

I am sending copies of this letter to Andrew Turnbull (No 10) and Peter Gregson (Cabinet Office).

Yours ever
David

D L C PERETZ
Principal Private Secretary

NAT IND: Coal Pt 13

15/10 Sole Copy

37 A

SECRET

COAL DISPUTE: NOTE FOR THE RECORD

During the course of the weekend the Prime Minister spoke at various times to the Secretaries of State for Employment and Energy and to Mr MacGregor.

Mr King 'phoned on Saturday morning to dictate the various texts which were being considered at ACAS. These are attached:

(A) The NUM text (as drafted by ACAS) which was presented on Thursday.

(B) (i) The ACAS text which took account of the criticisms of (A) made by NCB. This was accepted by NCB on Friday.

(ii) A "tail-piece" drafted by NCB, but not tabled, setting out the respective duties and responsibilities of NCB and the unions.

(C) A revised text tabled by NUM on Saturday whose effect was

- to shift the reference to the "principles of the Plan for Coal" to an innocuous part of the text

- to remove the reference to "as a final stage"

- to delete "review" from "independent review body"

- to delete "closure" from "any closure matter".

SECRET

Mr King 'phoned again at 1900 hours on Saturday to report on the outcome of the meeting at ACAS. He said that while waiting for Mr MacGregor to arrive ACAS had spoken to NACODS who were willing to accept the ACAS text though they argued it would be helpful to the NUM if the reference to "closure" were dropped. When Mr MacGregor arrived he had said he could make no further move from the ACAS text to which he had already agreed. There was no further direct meeting between the NUM and NCB, but NACODS, after meeting the NUM, went in to see the NCB. By all accounts it was a rough meeting with NACODS taking on the role of NUM shock troops. They argued that they had a strong mandate for a strike and that their members could not be restrained much longer. Mr King reported that Mr MacGregor, in the face of this pressure, had concluded the meeting by saying he would consider whether the reference to "closure" could be omitted. It was not clear however how explicit this offer was. The meeting was adjourned until 1730 on Monday.

In discussion with Mr King and Mr Walker, who 'phoned at 2100 hours, the Prime Minister considered whether Mr MacGregor should return with other drafting suggestions to replace the word "closure". Mr Walker argued strongly against this and the Prime Minister eventually came to this conclusion also. Mr Walker said that Mr MacGregor should make no further move whatever but should emphasise that he had accepted the ACAS text without any corresponding move by the NUM. It was agreed that ACAS should not offer any further drafts. To do so in the absence of any move by the NUM would undermine the position of the NCB. Mr King undertook to get that message through to ACAS.

There was discussion of whether the "tail-piece" should be integrated into the text. ACAS appeared to regard it as a self-evident statement which both sides could accept. Ministers, however, felt it would be helpful to mobilise this wording though not necessarily as an integral part of

the text.

Mr Walker spoke to the Prime Minister again on Sunday afternoon at around 1500 hours. They agreed that there should be no movement away from the ACAS text. He reported that Mr MacGregor was intending to stick firm to the existing text even though he was experiencing some weakness with his colleagues in the negotiating team. It was agreed that the Prime Minister should 'phone Mr MacGregor in Scotland to say:

(i) She had heard from Mr Walker that he had no intention of moving from the ACAS text and in particular was insisting on the reduction of the reference to closures. She would express full support for this position.

(ii) If his colleagues threatened resignation Mr MacGregor should be prepared to see this happen. (Mr Walker counselled caution, however, as the appearance of a disaffected member of the NCB negotiating team on television could be damaging.)

(iii) NCB tactics should be to contrast their willingness to accept the ACAS text with NUM refusal to move in any way.

(iv) The Secretary of State for Energy would be willing to send a letter to Mr. MacGregor expressing support for his position if that were judged to be helpful.

Mr. Walker also made the following points:

(i) He would be appearing on "Panorama" despite the fact that talks would still be going on. He would be emphasising the strong position on endurance.

(ii) He had raised the question of strengthening the NCB negotiating team by bringing in either Wheeler, Moses or Eaton. Mr. MacGregor was reluctant to do this as it could provoke unrest and possibly resignations amongst other NCB managers.

(iii) If necessary, the NCB should be prepared to take the gamble on NACODS. There was a reasonable prospect that they would either not call a strike or that if they did so it would be ineffective. Either would be preferable to further concessions.

The Prime Minister spoke to Mr. MacGregor by phone at 1630. He explained that NACODS were being used by the TUC and NUM to blackmail the NCB. His tactic was to allow the force of the NACODS' ballot to weaken by a process of "radioactive decay". He gave the impression that he might wish to extend the talks for several days yet to allow even further time to pass. He explained that he had asked for the next round of talks to start at 5.30 on Monday as this would bring NACODS' men into work for the start of another week. If agreement were not reached with NACODS he would demand that there be another ballot specifically on what the NCB was now offering.

The Prime Minister said she had heard that Mr. MacGregor was proposing to make no further concessions and to resist totally the deletion of any reference to closures. She told him that he would have the full support of

Ministers in this. He assured her that any further weakening would be "over my dead body". He indicated that even if the principle of an advisory body were accepted there would still be tough negotiations about its composition and terms of reference. He declined the Prime Minister's offer of a letter of support.

The call ended with the Prime Minister emphasising again that there could be no further movement.

The Prime Minister held a meeting on Monday morning at which the Lord President, the Secretaries of State for Energy and Employment, Mr. Alison, Mr. Gregson, Mr. Butler and myself were present. This replaced the scheduled meeting of MISC 101.

The Prime Minister set out the position reached over the weekend as recorded above. It was agreed that Mr. MacGregor should make no further concessions and should contrast his acceptance of the ACAS compromise text with the refusal of the NUM to give any ground whatsoever. Mr. King again emphasised that it was vital that ACAS did not submit a new text undermining the NCB's position. He again offered to get a message to this effect to ACAS.

It was noted that the NUM had a number of other demands, e.g. pay/hours; the composition and terms of reference of the advisory body (Mr. Walker wanted this to be local and oriented towards engineers); and an amnesty for those dismissed for committing criminal offences. Concessions on the existing text were likely to be pocketed and these new demands brought forward. It was unlikely, therefore, that concessions now would achieve a settlement.

The Secretary of State for Energy said it would be difficult to insist absolutely on the principle that those convicted of criminal offences of damage to NCB property or

violence to other miners should be dismissed. Convictions could run into several thousands, among whom would be many NUM office holders. Against this was argued the need to protect working miners from victimisation when the strike was over.

It was agreed that, if necessary, the possibility of a strike by NACODS should be faced.

AT

15 October, 1984

(A)

NUM POSITION ON THURSDAY

3c. Any other colliery not covered by a or b may be brought forward by either party for discussion and investigation in line with the Plan for Coal and the Colliery Review Procedure.

3d. The Colliery Review Procedure will be amended to include an independent Appeals Body whose function will be to consider an appeal from any one of the mining unions or the NCB on any matter arising from 3a to 3c and -

Alternative codicil:

(i) any decision of this body will be binding.

(ii) full weight will be given to the advice of this body.

B

ACAS PROPOSALS MADE AT 1030 hrs on 12 OCTOBER

3c. Any other colliery not covered by 3a and 3b above may be brought forward by either party for discussion and investigation in line with the principles of the Plan for Coal under the Colliery Review Procedure. The Colliery Review Procedure will be amended to include as a final stage an independent Review Body whose function will be to consider a reference from any one of the parties to the procedure on any closure matter arising under Clauses a, b and c above about which there is disagreement. Full weight will be given to the advice of this independent review body.

B ii

TAIL PIECE

It is accepted as a principle that the NCB has the statutory duty and responsibility to manage the industry. It is also fully recognised that the unions have the right and responsibility to represent all the interests of their members in the industry.

NUM COUNTER PROPOSAL ON 12 OCTOBER

3c. Any other colliery not covered by 3a and b above may be brought forward by either party for discussion and investigation in line with the Plan for Coal under the Colliery Review Procedure. The Colliery Review Procedure which in accordance with the principles of the Plan for Coal has dealt with any matter arising under a, b or c will be amended to include an independent body whose function will be to consider a reference from any one of the parties on any matter arising under the above clauses about which there is disagreement.

10 DOWNING STREET

FCRB

The Security Service is not lacking expertise but I suspect the Prime Minister will be disappointed by this minute which indicates some improvement in police procedures but little action by the Security Service.

What do you think?

AT
15/10

37

SECRET

Reference No E 0118

PRIME MINISTER

MISC 101(84)45th Meeting: Coal

After the usual reportsfrom the Secretary of State for Energy on the number of pits and miners working and coal movements, and from the Home Secretary on law and order, you will probably wish to concentrate on:

(i) the ACAS talks;

(ii) handling of the media in relation to the talks and their outcome.

Next meeting

2. A meeting of MISC 101 has been provisionally arranged for 5pm on Wednesday 17 October. Depending on developments you will wish to decide whether this meeting is needed or to postpone further discussion until Cabinet on Thursday.

PG

P L GREGSON
Cabinet Office
12 October, 1984

SECRET

SECRET AND PERSONAL

Prime Minister

36

12/10

Daily Coal Report - Friday 12 October 1984

		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	10	-
(iii)	Some men present	23	-
(iv)	On strike/picketed out	96	-

Very little change since yesterday's report. There were good attendances in the working areas. NACODS worked normally, except in Scotland where numbers were down at 7 pits. Otherwise no new notable features.

Coal Movements

180,000 tonnes were moved yesterday.

40 coal trains ran.

Coal Board deliveries to power stations this week are estimated to be 624,000 tonnes compared with 637,000 tonnes last week.

Deliveries to BSC have been maintained and planned production of steel is being achieved.

Deliveries to industry this week are estimated to be 127,000 tonnes, the same as last week. The CBI continue to report no supply problems.

Law and Order

3,500 pickets caused disturbances at Brodsworth pit (Yorkshire) this morning, but they failed to prevent 3 miners reporting for duty. 11 policemen and 3 pickets were injured. A brick was dropped from a road bridge through the windscreen of a police van. There were 12 arrests.

A petrol bomb went off last night outside the security office at Mansfield colliery and another was found before it ignited. Police also searched the surface at Hem Heath after telephone claims that firebombs had been planted. Nothing was found.

NCB/NUM Negotiations

Scargill's claim after yesterday's discussions that the NUM had accepted the independent formula proposed by ACAS was deliberate deception on his part, as Mr MacGregor made clear on the radio this morning. The "formula" was merely the suggestion which the NUM had themselves made to ACAS in preliminary discussions.

An ACAS formula - which attempted to bridge the gap between the two sides - was, however, discussed at today's negotiations. Essentially this provides for an independent advisory body to make recommendations in cases of dispute about pit closures. It provides that the Board would give "full weight" to the advisory body's recommendations. But the final decision would rest with the Board (and indeed the Board could not delegate its statutory responsibilities for managing the industry). At the time of writing it is understood that the Board have accepted such a formula, but the union has not.

Line to Take

(Subject to further developments in the negotiations). The country, and ordinary working miners are sickened by the violence which is sustaining this senseless strike. The Board's original offer was a good one and they have reaffirmed to ACAS their desire for an early solution. The Marxists and militants who have prevented ordinary miners from having their democratic say bear a heavy responsibility. They will not succeed.

Distribution: Members of MISC 101, Mr Gregson, Cabinet Office

Enquiries: Michael Reidy, PS/SOS for Energy, Tel 211 7214

ANNEX A

COPY

COLLIERY REVIEW PROCEDURE

[This is an amended version of Mr. Milligan's letter of 23rd November 1972 to Mr. Daly and Mr. Crawford, and of Mr. Essame's of 23rd November 1972 to Mr. Tyler. It includes (sidelined) the amendments agreed by all parties in March/May 1976 and represents the agreed revised version of the Colliery Review Procedure].

You will remember that, when the Board, the NUM, NACODS and BACM wrote jointly to Mr. Boardman on 4th September, 1972 we said:-

"We have agreed the principles of a new procedure for the joint review of colliery performance at Area level which we all consider of major importance. The proposition is that there will, as a routine, be a review by coalfields of the performance and future of all pits with Area representatives of the three Unions, in a continuing series of regular periodical meetings. The object will be to identify pits with particular problems and seek to resolve these in the most effective manner.

If, in spite of all efforts, certain pits still remain heavy losers, and due to exceptional circumstances closure seems inevitable, such closures will only take place after consultation with the Unions and having full regard to the interests of those affected (this aspect is referred to under the section relating to Government measures)."

The purpose of this letter is to suggest how the detailed arrangements might work.

You will recall that the previous position was that the arrangements for review of collieries were dealt with as part of the Consultative Committee procedures. On the occasions when a particular pit showed especially serious results, the colliery (and higher Union officials) were warned that the results were such as to put the future of the pit in jeopardy. Where the Board decided to close, the NUM had a right of appeal against that decision.

What we now suggest is a totally new procedure, in that there would be a systematic analysis of the results of all collieries in an Area (whatever their results) at least once every three months. This analysis would be made at meetings between the Area Director and Area representatives of the three Unions. The accent would be on discussing constructive ways of improving results. In the course of these discussions the Area Director would identify those collieries where special action was required, and would call for suggestions from the Area Union representatives. Attention would be given to getting even better results from pits which were doing well, as well as to the means of improving disappointing results. About three weeks later, this meeting would reconvene, and concentrate on key points identified in the earlier discussions. Colliery representatives could be invited to attend the meeting if a particular colliery was being specially considered. Area representatives of the Unions might earlier have visited the particular colliery. The old concept of "jeopardy" would disappear.

/cont'd...

Whilst the purpose of these meetings is to improve results, and secure the maximum efficiency and optimum future for the industry and those who work in it, we all recognised that some pits would have to close, either through exhaustion or because of heavy losses or changing markets, and the Area Director at one of the Review Procedure meetings would have to explain that he could not justify keeping the colliery open. He would present to the Unions' representatives a written statement of the reason for his decision together with his detailed proposals for any redundancies which arose as a result. Copies of this statement would also be sent to the Area Offices of the Unions concerned.

The Board would hope that in such cases agreement would be reached locally that the colliery could not continue in production, and the Unions nationally would be informed of the decision. If, however, no agreement could be reached locally, the Area Director would report this to the Board. If the Board, from a national stand-point, could see no suitable justification to keep a colliery open, they would inform national Unions. The Unions would have the opportunity to make a technical inspection and study market prospects.

There would be provision for a national meeting (within a month of the notification by the Board to the national Unions) if the Unions so desire. After this the Board, as managers, would decide whether the colliery must close. In such circumstances they would normally give four months' notice to the Unions.

Thus where an Area Director cannot justify continued operation, the procedure available to the Unions would be as follows:-

		Time from Start
(1)	The Area Director has one of his Colliery Review Procedure Meetings with Area Unions.	-
(2)	Meeting reconvened. Special attention given to the particular colliery.	3 weeks
(3)	Area Director reports to the National Board he cannot justify continued operation.	1 month
(4)	The National Board (if appropriate) tell the National Unions they cannot see how they could justify continued operation.	-
(5)	If the Unions do not agree, they may make a technical inspection.	-
(6)	The Unions may ask for a national appeal meeting	2 months
(7)	The National Coal Board consider points made at appeal meeting, decide whether to close and, if so, announce it will take place in four months' time unless the NCB and the unions agree to earlier closure.	$2\frac{1}{2}$ months
(8)	Colliery closes; individual notices terminate	up to $6\frac{1}{2}$ months.

This new review procedure will need to fit into our existing local consultative procedures. Local practices vary slightly, however, and the way in which they fit together may best be left for local discussion between Area Directors and the Area officials of the Unions concerned.

National Coal Board
May 1976

PRIME MINISTER'S BRIEFING - 12 OCTOBER 1984

MAJOR INDUSTRIAL DISPUTES

National Coal Board, (NUM)

1. In a series of meetings with the various parties in the dispute ACAS met the British Association Colliery Management on 5 October and the NUM on 6 October. Talks began yesterday at ACAS headquarters with the NCB and NUM. National Association of Colliery Overmen Deputies and Shotfirers also attended the meeting which is continuing today.

2. Members of the NACODs were balloted on 24 September and gained an 82% mandate from its membrs to take strike action. This followed the NCB issuing instructions that NACODS members must cross picket lines to reach work. Previously they had only been asked to make "reasonable efforts" to get to work.

3. Talks between NACODS and the NCB ended without the threat of all-out strike by NACODS 17,000 members being lifted. A further meeting took place on 2 October and NACODS' proposals for improved consultation procedures with the NCB and wages for members whose pay had been stopped for not crossing picket lines were agreed. The Association's proposals for a revised system of agreeing pit closures are still being considered.

4. The Transport and General Workers Union has promised the NUM full support for the miners strike.

5. An overtime ban has been operating since 31 October 1983 in protest at the NCB's closure programme and its pay offer of 5.2% on basic pay rates.

6. On 8 March the NUM National Executive Committee approved the local strikes which had been called from after work on 9 March in Yorkshire and Scottish Areas of the NUM, and approved in advance any strike action called in

other areas. Decisions on whether to strike were left to individual areas, rather than to a national ballot. Ballots on strike action in various areas produced majorities against striking. A special delegates conference held on 19 April decided not to hold a national ballot at that stage. The conference also agreed that future national ballots would need a simple majority to authorise strike action, rather than the 55% majority which the rules had previously required.

7. On 18 July the High Court ruled that disciplinary rule changes agreed at the NUM annual conference on 11 and 12 July were 'void and of no effect'.

8. In the early days of the strike, after extensive unlawful picketing in various areas, the National Coal Board obtained an injunction against the Yorkshire Area of the NUM. This ordered the union to withdraw its instructions to members to engage in picketing at pits other than their own and required the union not to encourage or assist in unlawful picketing on Coal Board premises, including financing and encouraging flying pickets. On 19 March the NCB was granted an indefinite adjournment of its application for contempt of court proceedings against the Yorkshire NUM. The NCB can return to the High Court on giving two days' notice to the Yorkshire NUM.

9. Two private haulage contractors went to the High Court on 26 July to seek the enforcement of an earlier injunction against picketing of their lorries at Port Talbot. On Monday 30 July the Court gave the South Wales area of the NUM 48 hours to pay fines of £50,000 for contempt of court. The fine has been paid from the area's assets which have been sequestrated.

10. Although technically too late, the NUM have been given leave to defend a a High Court action, begun by two miners from the Yorkshire area. They want a strike ballot, branch elections, no picketing until the ballot and elections are held, and new disciplinary rules declared invalid. The High Court ruled on 28 September that the miners' strike was 'unofficial' and should not be described as 'official' by the NUM or 'its servants or agents'. Similar action taken by a group of Scottish miners failed to win an injunction but they were given leave to return to the High Court at a later date if they so wished. The case of the 3 Staffordshire miners who are taking action against the Area NUM alleging wrongful dismissal from office will go to a full trial

in October. In the meantime the Court ordered their re-instatement and declared the Area strike to be unofficial. A miner at Easington Colliery in Co Durham has been granted an injunction to stop the NUM taking action to prevent him from working.

11. Mr Arthur Scargill was served a High Court writ on 1 October in his personal capacity as President of the NUM, to appear in court on 4 October to answer committal proceedings brought by the 2 Yorkshire miners. This followed Mr Scargill's appearance on TV when he described the strike as 'official' and in accordance with the union rules. He threatened members with disciplinary action if they crossed picket lines. The writ seeks to commit him to prison or to impose fines or sequestration of the NUM's assets. Copies of the Derbyshire miners' orders were also served on Mr Scargill at the same times.

Mr Scargill nor the NUM appeared in Court. They were given 6 days to reconsider their defiance of the court ruling at the end of which, on 10 October, Mr Scargill was fined £1000 by the High Court for contempt of court and given 28 days to pay. The NUM was fined £200,000 and given 14 days to pay. If the union does not pay the fine, the court will consider moves to seize £7m assets. Mr Scargill issued a statement reaffirming the NUM stance that the strike was official and that miners should not cross picket lines.

12. Three Derbyshire miners were granted an injunction in the High Court on 20 September which prevents the NUM taking disciplinary action against them. The NUM agreed to be bound by the injunction because of a mistake in the union's rule book.

13. A group of miners is planning to begin High Court proceedings next week claiming damages from the NUM for loss of earnings.

14. On 10 October a special conference of the NALGO failed to achieve the necessary two-thirds majority to stop donations to NUM until the establishment of a secret ballot.

DHSS Longbenton and Durham (CPSA 350 SCPS 50)

15. The strike began on 14 May over plans to change shift patterns at the computer centres which handle pensions, sickness pay, child benefits and national insurance contributions. The union claim that these changes would lead to considerable loss of earnings.

16. A series of meetings between officials from the unions and DHSS ended on 21 August without finding a solution to the dispute. CPSA members at the unemployment benefit computer centres at Reading and Livingston voted to strike from 10 October but the National Executive decided against calling these members out on strike, when it met on 11 October. It was decided by a 16-8 majority vote to intensify the dispute by selective strike action at local offices responsible for paying unemployment benefit. Over 500 staff at the Newcastle computer centre are now out on strike. However talks are expected today between the DHSS and the unions to try and resolve the dispute.

Vauxhall, Luton (400 AUEW) (300 TGWU), Ellesmere Port, (2250 AUEW) (2000 TGWU) Dunstable, (TGWU, AUEW 2400)

17. Workers voted on 9 October to start an indefinite strike over a pay offer of 7.5% increase which shop stewards claim inadequately reflects the changes in working practices being asked of the 15,000 workforce. Strike action was taken on 10 October by Luton and Ellesmere Port plants, and although a majority of workers at Dunstable voted against strike action, production has been halted because 100 key workers responded to the strike call. Talks between management and union officials began late on 11 October.

DEPARTMENT OF EMPLOYMENT

IRD2

File

NOTE FOR THE RECORD

Mr. King reported to the Prime Minister in Brighton that the NUM and NCB were discussing a text which ran as follows:

"3(c): Any other colliery not covered by 3(a) or (b) may be brought forward by either party for discussion and investigation in line with Plan for Coal and the Colliery Review Procedure.

3(d): The Colliery Review Procedure will be amended to include an independent appeals body whose function will be to consider an appeal from any one of the mining unions, or the NCB, on any matter arising from 3(a)-(c).

Alternative Codicils:
(i): Any decision of this body will be binding.

(ii): Full weight will be given to the advice of this body."

The Prime Minister discussed this with Mr. Walker by phone. It was not clear whose draft this was, but it seemed likely that it had been prepared by ACAS and the NUM.

The Prime Minister said it was unsatisfactory in several respects:

(i) The body should be advisory and should consider applications rather than appeals.

(ii) The NCB should not be an applicant as this would, in effect, concede its management function.

Mr. King spoke subsequently to Douglas Smith in his Department who said that NCB had raised three objections to the text:

(a) They wished the body to be advisory.

(b) The role of the body should be confined to paragraph 3(c), i.e. it should not consider pits closed under heads 3(a) and 3(b).

(c) The phrase "in line with Plan for Coal" should be replaced by "in line with the principles of Plan for Coal".

It subsequently emerged that the NCB had secured agreement to their objections (b) and (c) and to the deletion of the reference to the NCB as an appellant to the body. The argument which remained therefore focussed on whether the body should be advisory and on whether its findings should be binding.

Apparently, earlier in the day agreement had been reached with NACODS that the body should be advisory only.

11 October 1984

DSGACQ

MISC 101
Fran

COPY NO 2 OF 13

35

Y SWYDDFA GYMREIG
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel: 01-233 3000 (Switsfwrdd)
01-233 7172 (Llinell Union)

Oddi wrth y Gweinidog Gwladol

CMO SECRET & PERSONAL

WELSH OFFICE
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel: 01-233 3000 (Switchboard)
01-233 7172 (Direct Line)

From The Minister of State

11 October 1984

Dear Peter,

I am writing in Nick Edwards' absence overseas to comment on one aspect of the impact of the current miners' strike which is causing increasing public interest here in South Wales, and which I thought should now be drawn to colleagues' attention.

While industry continues to cope well - and this is to be welcomed - shortages of supplies are beginning to affect local authority public service activities, particularly schools. The media have been giving increasing attention in particular to school closures in Mid Glamorgan. From what my office hears from local sources, the nub of the difficulty is that some 200 schools in Mid Glamorgan compete with a number of hospitals for a grade of coal (low volatile peas) which is in particularly short supply. Experiments with alternative fuels have so far been unsuccessful and, having set aside sufficient fuel to heat hospitals and old peoples' homes throughout a normal winter, the NCB finds itself with insufficient reserves to meet the needs of the schools. It seems possible that only about 40% of normal supplies will be available to schools and, given the generally low level of stocks, the situation could deteriorate rapidly, bringing quite widespread disruption to education in the county. Mid Glamorgan will of course be seeking alternative means of heating but still estimate that 150 schools will be in difficulty by the end of the month. Similar problems could arise elsewhere in South Wales though on a smaller scale.

There will also be problems in the domestic market particularly for open grate coal where customers are often (and perhaps usually) elderly. There is some evidence that in recent months Wales has received less coal than most areas and messages reaching me suggest that there is no way in present circumstances in which even a reasonable proportion of winter demand will be met. This is true for all parts of Wales but the industrial south is in greatest need.

/Thus the

The Rt Hon Peter Walker MBE MP
Secretary of State for Energy
Department of Energy
Thames House South
Millbank
LONDON
SW1P 4QJ

Thus the position in South Wales seems likely to be a focus of continuing attention. The full extent of the problem is not yet clear. Assessments of supplies and needs change from day to day, and it may be that alternative methods of heating will be found - often at a cost - in many cases. My office will watch the situation carefully.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Education, Trade and Industry, Employment and Scotland and to Sir Robert Armstrong.

Yours ever,

John.

JOHN STRADLING THOMAS

010

From: THE PRIVATE SECRETARY

TF Told Nigel that Mrs T is hoping Customs will impound lorries so that he can make propaganda. AT 11/10

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SWIH 9AT

11 October 1984

Dear Tim,

The French Communist Trade Union, the CGT, plans to bring some 35 lorries of food and other goods to this country next weekend for distribution to the striking miners. The lorries are expected to be accompanied by about 800 supporters and the whole group plans to arrive at Dover at 6.00 pm on Saturday, 13 October.

We understand that after arrival supporters will travel to the local town of Aylesham where they will receive hospitality and then return to Dover to catch the 11.00 pm ferry back to France. The lorries will be subject to examination by Customs and Excise and then travel to Aylesham (possibly not until Sunday) to offload their cargo. The leader of the CGT, M Henri Krasucki, intends to travel with the group and meet some NUM officials, possibly including Mr Scargill, on arrival. Both the CGT and the NUM have been liaising with Customs and Excise and the Ports authorities about the arrangements for the visit.

We are arranging for immigration officers to travel on the ferry when it crosses from France so as to examine the passengers on the ship before arrival and lessen the difficulties of disembarkation at Dover. They will be examined by the immigration officers in the normal way, and some may be refused admission under normal immigration procedures. The Home Secretary takes the view, however, that he would not be justified in seeking to exclude the whole party unless there was clear evidence that public disorder was planned. The police do not foresee public order problems and neither they nor the Security Service have any information to suggest that disruption is intended. The police take the view that an attempt to prevent the supporters entering would be more likely to precipitate than avert public order problems.

Yours ever,

Nigel

N A PANTLING

Tim Flesher, Esq

File

SECRET AND PERSONAL Copy No 1 of 18

34

Daily Coal Report - Thursday 11 October 1984

		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	10	-
(iii)	Some men present	23	-
(iv)	On strike/picketed out	96	-

- Good attendances again in the main working areas.

- Attendance in Scotland is up to 327, again including 188 at Bilston Glen.

- NACODS men are now working normally at only 4 Scottish pits: elsewhere in Scotland they have a minimal presence.

- An unchanged number reported again in the North East.

- Serious damage and possible loss of Wearmouth pit appears to have been averted because members of the management union, BACM, have agreed to carry out the maintenance work which the NUM refused to handle.

- 73 reported in Yorkshire, plus 128 contractors' men in the Selby complex.

- In North Derby 241 reported at Bolsover (up 20 since yesterday) and 193 at Shirebrook (a record, up 3 from yesterday). At Warsop and other pits attendances are much as yesterday.

- The position in South Wales and Kent is unchanged.

SECRET AND PERSONAL

Coal Movements

176,000 tonnes were moved yesterday.

37 coal trains ran.

Law and Order

There were 1500 pickets at Denby Grange (Yorkshire). 2 policemen were injured.

The 3 striking miners charged with threatening to kill a faceworker at Manton colliery have again been remanded in custody for a week.

NUM/NCB negotiations

At the time of writing these were still in train. During the day the Coal Board also met NACODS for a brief exchange of views.

Line to take

Ordinary miners want an end to this senseless strike and the organised mob violence that is sustaining it. It is time for the NUM leaders to face up to this.

Distribution: Members of MISC 101, Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 6070

Prime Minister (2)
AT 10/10

SECRET AND PERSONAL

Copy No 1 of 18

37

Daily Coal Report - Wednesday 10 October 1984

		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	10	-
(iii)	Some men present	23	-
(iv)	On strike/picketed out	96	-

Denby Grange (Yorkshire) has been upgraded to category (iii).

Otherwise little change since yesterday:-

- There are good attendances in the main working areas.

- Attendance in Scotland is up by 2 to 325, including a record 188 at Bilston Glen.

- NACODS men are now in at only 5 Scottish pits, and are picketed out at 8.

- The position in the North East is unchanged.

- 71 reported in Yorkshire. These included the single working miner at Woolley pit who was beaten up by masked men yesterday. In the Selby complex 125 contractors' men reported again.

- In North Derby a record 190 men reported at Shirebrook. Otherwise numbers were much as yesterday.

Coal Movements

177,000 tonnes were moved yesterday.

SECRET AND PERSONAL

37 coal trains ran.

The coke run from Orgreave is continuing without difficulty.

Law and Order

There were more pickets in Scotland today.

Elsewhere the main centres of picketing activity were Wearmouth (North East) and Yorkshire. There were 1200 pickets at Kellingley, and large numbers also at Denby Grange, Rossington and Yorkshire Main.

In many locations there were reports of stones and other missiles being thrown, though there was no serious trouble.

Contempt Proceedings - High Court Decision

Scargill has been fined £1000 and the NUM £200,000 for contempt of court. The judge said he would consider an application to sequestrate NUM funds if the union's fine were not paid in 14 days. Scargill has 28 days to pay his fine.

Industrial Relations

Mr Roy Ottey, general secretary of the NUM power group craftsmen based at Stoke on Trent, has resigned from the NUM national executive because he was unwilling to break the law. So far there are no indications that other moderates will follow his lead.

The Coal Board and the NUM meet at ACAS tomorrow to resume negotiations. NACODS, who met ACAS yesterday, may also be present in the building.

The electricians' union (EETPU) are balloting their members on support for the miners' strike - and have strongly recommended

against any action.

Line to Take

If Mr Scargill really has the interests of his members at heart, he will acknowledge that the Coal Board's offer is a good one, and approach tomorrow's talks in a constructive spirit. The number of miners reporting back for work continues to grow. This is the clearest evidence that ordinary miners want to see an early end to this senseless strike and the organised mob violence which so many mining communities are now suffering.

[If asked to comment on today's High Court proceedings: the High Court has made it's decision. This is a matter entirely for the Court].

Distribution: Members of MISC 101, Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 6070

NBPM

AT 4/10

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ

01 211 6402

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1

10 October 1984

Dear Andrew

Thank you for your letter of 28 September, which enclosed correspondence the Prime Minister had received from Sir John Clark, Chairman of Plessey. You asked whether we had any information on the coal industries of Poland and the Soviet Union which could be useful in the debate about the closure of uneconomic pits in Britain.

Unfortunately, while this department has some general information on the coal industries in these two countries, at present we do not have anything directly useable on pit closures. Coal production levels are fairly steady in both countries, though production targets in the Soviet Union are currently not being met. The article you kindly sent from Pravda described some of the difficulties: old equipment, thin seams of coal, and lack of commitment from the work-force. Both countries, of course, have 5 year plans for the modernisation of their industries, and the Poles hope to achieve a small increase in production. The Polish mines are reported to have difficulty in recruiting sufficient miners. This is possibly because new mines are being developed in an area of Eastern Poland where the labour force has been predominantly agricultural. For the Soviet coal industry the exhaustion, earlier than expected, of seams in the traditional European mining areas has necessitated a switch of production to new coalfields in Siberia.

We have asked the relevant posts to obtain any information they can about the number and timing of pit closures, whether any such closures can be described as attributable to economic reasons rather than exhaustion, and redundancy conditions and transfer arrangements for individual miners. I will write to you again when we have had a response. In the meantime, you may wish to send the information above to Sir John Clark.

Yours
John

J S NEILSON
Private Secretary

The Rt. Hon. Lord Shawcross G.B.E., Q.C.
MORGAN HOUSE
ONE ANGEL COURT
LONDON EC2R 7AE
01-600 2300

10th October 1984

Ian McGregor Esq
Chairman
National Coal Board
Hobart House
Grosvenor Place
London SW1

Dear Mr McGregor:

You or your secretary may possibly remember the letter I wrote to you on 24th July. I duly received your reply of 7th August which I considered most carefully, but was not convinced by it that my fears and ventured criticisms were ill-founded.

Indeed, subsequent events have all too clearly confirmed my impression that the Coal Board's case that the taxpayers' subsidy should not be used to mine coal at such a cost that it simply cannot be sold competitively has not been properly put to the public. Mr Scargill gets it all his own way and his constant appearances on television are rarely matched at all and perhaps never in a convincing way. He is a television performer and this of course is the last thing you would want or pretend to be. Most unfortunately, as I think, however, Television is nowadays the medium which most influences public opinion. Fortunately Mr Walker is now intervening, but it is late in the day.

I must add that I find - as an old campaigner - the dispute with NACOD almost inconceivable. In a struggle in which the several unions involved in the mining industry were likely to be concerned the obvious policy was to divide and conquer. Instead action was taken which was well calculated to lead NACOD on to the NUM side. I only hope that the apparent suspension by NACOD will be maintained, but their formula seems to curtail, if not take away, management's right to manage.

My only reason for writing again is that I am desperately afraid of the long term consequences of a settlement which Scargill can represent as a victory.

Yours
Hartley Shawcross

cc The Prime Minister
cc The Rt Hon Peter Walker MP

NAT IND PT 13

COAL.

Prime Minister (2)

Copy No| of 18

SECRET AND PERSONAL

AT 9/10

32

Daily Coal Report - Tuesday 9 October 1984

		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	10	-
(iii)	Some men present	22	-
(iv)	On strike/picketed out	97	-

There are good attendances in all the working areas and generally the picture is much as yesterday:

- 323 men again reported in Scotland, including 187 at Bilston Glen.

- NACODS men have reported at 8 Scottish pits, but have refused to cross NUM picket lines at another 5.

- The position in the North East is unchanged with 19 at Wearmouth and both Wilkinsons in at Easington.

- 72 have reported in Yorkshire plus 125 contractor's men.

- In North Derby 221 men reported at Bolsover, 181 at Shirebrook and 152 at Warsop. There are also 22 at Markahm, 22 at Whitwell, 18 at Renishaw Park, 4 at Arkwright, 3 at High Moor - much the same as recently.

- In South Wales NACODS have refused to cross picket lines at Coedely pit.

- The situation in Kent is unchanged.

SECRET AND PERSONAL

Coal Movements

159,000 tonnes were moved yesterday - a smaller figure than hoped for because of the mechanical breakdown of loading equipment. The fault has now been repaired.

24 coal trains ran - a smaller figure than expected because of the loading difficulties.

A handful of left wing local councillors are putting pressure on the Coal Board to stop lorry movements from the mid-Cannock opencast site. They contend that the use of lorries breaches planning conditions. The Board are planning to meet the councillors to discuss the situation. Meanwhile the lorry movements are continuing.

The coke run from BSC's Orgreave coke plant to Scunthorpe restarted yesterday without difficulty.

Law and Order

The single working miner who has been reporting to Woolley pit near Wakefield (where Scargill once worked) was attacked on his way to work this morning by 4 men wearing balaclava helmets. He is in hospital with injuries to his face, head and chest.

At Barrow pit (in the Barnsley area), where a single miner reported yesterday, an air rifle was fired at members of the pit management staff.

Scargill and colleagues are due to appear in the High Court tomorrow to answer allegations of contempt.

Industrial Relations

ACAS are having further discussions with NACODS today.

Line to Take

It is in the interests of the coal industry, and mining communities, to invest in a profitable, cost-effective future. This is the Coal Board's aim and the Government's. It is time all miners were given a democratic choice to vote for their future. Those who have been able to vote so far, have voted overwhelmingly to work.

Distribution: Members of MISC 101, Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 6070

NI6614 4 XXX 244

HOPES GROW AFTER NACODS TALKS

OPTIMISM THAT THE DISPUTE BETWEEN THE NATIONAL COAL BOARD AND THE PIT DEPUTIES UNION NACODS COULD BE OVER SOON GREW TODAY, AFTER TALKS BETWEEN UNION LEADERS AND THE CONCILIATION SERVICE ACAS.

AFTER THE FOUR-HOUR MEETING AT A COVENTRY HOTEL, NACODS GENERAL SECRETARY MR PETER MCNESTRY WAS ASKED WHAT GAVE HIM GROUNDS FOR HOPE.

HE REPLIED: ''THE FACT THAT FOR THE FIRST TIME THE BOARD HAS ACCEPTED THE INVOLVEMENT OF ACAS IN THE DISPUTE.''

MR MCNESTRY SAID:''WE ARE NOW ENCOURAGED THAT ACAS ARE INVOLVED AND TALKS WILL CONTINUE TO SEEK A SATISFACTORY SETTLEMENT TO THE DISPUTE WITH THE NCB''.

TODAY'S TALKS CAME JUST 48 HOURS BEFORE NCB OFFICIALS AND MINERS' LEADERS MEET IN THE NEXT BID TO END THE BITTER 30-WEEK NATIONAL PITS STRIKE.

NACODS HAS A 82.5 PER CENT VOTE FOR STRIKING IN A BALLOT OF ITS 17,000 MEMBERS - BUT LEADERS HAVE YET TO INVOKE THE CALL FOR A STOPPAGE.

THE UNION'S DISPUTE WITH THE NCB AROSE ORIGINALLY OVER THE GUIDELINES COVERING PIT DEPUTIES CROSSING NUM PICKET-LINES - AND THE BOARD'S REFUSAL (SINCE RESCINDED) TO PAY NACODS' MEMBERS WHO WOULD NOT CROSS THEM.

MR MCNESTRY SAID: ''WE WILL MEET AS A NATIONAL EXECUTIVE, LOOK AT THE SITUATION AND MAKE A DECISION.''

HE REFUSED TO SAY WHEN, BUT ADDED THAT NACODS' LEADERS WOULD BE AT THURSDAY'S NCB-NUM TALKS.

TODAY THE ACAS OFFICIALS, LED BY CHAIRMAN PAT LOWRY WERE URGING THE UNION NOT TO TAKE ANY HASTY ACTION BEFORE THURSDAY.

Home Office

NEWS RELEASE

50 Queen Anne's Gate London SW1H 9AT
Telephone 01-213 3030/4050/5050
(Night line 01-213 3000)

Cool file

October 9, 1984

FURTHER GOVERNMENT HELP FOR POLICE COSTS
IN MINERS' DISPUTE

The Home Secretary today set a new and firm limit on the amount that any police authority will have to find from the rates for policing costs arising from the miners' strike. They will have to contribute no more than the product of ¾ penny rate. This is far more generous than the arrangement so far announced. In Nottinghamshire, for example, the police authority will have to find £900,000 from the rates. In Derbyshire the sum is £825,000 and in South Yorkshire £1,050,000. Beyond that, any extra costs incurred in policing the dispute - however long it lasts - will be met in full by the Exchequer.

The Home Secretary had on two previous occasions announced enhancements of the normal Exchequer contribution of 50 per cent towards policing costs. Before today's announcement, the position was that authorities had to find from the rates a maximum of the product of a penny rate for additional expenditure up to August 31, 1984; but this limit did not apply to expenditure after that date. The Home Secretary had, however, promised to keep the position under review if the dispute and the additional policing costs continued.

Today's announcement will enable authorities to plan with a firm knowledge of the total additional costs which they will have to meet however long the dispute may continue.

NOTE TO EDITORS

Although the maximum contribution is clearly defined as the product of ¾ penny rate, the basis for determining contributions up to that level is complicated by the normal arrangement of 50-50 share between Exchequer grant and local rates and the earlier decision that the Exchequer would meet 90% of approved additional expenditure above the product of a penny rate. This can be illustrated by the case of Nottinghamshire where the product of 1 penny rate is £1.2m.

/(1)

	Nottinghamshire £	Exchequer £
(1) For the first £1.2m the normal 50-50 split applies	0.6	0.6
(2) For the next £3.0m the split is 10%-90%	0.3	2.7
	0.9	3.3

This brings the Nottinghamshire contribution to the new maximum contribution of ¾ penny rate (£0.9m) therefore:

(3) All further costs are met 100% by the Exchequer.

Cabinet.

Tim Flesher
10 Downing St.

Carol

With the compliments of

THE PRIVATE SECRETARY

FOREIGN AND COMMONWEALTH OFFICE
SW1A 2AH

(INFORMATION DEPARTMENT)

SWB SU/7771/C/1 11 Oct 84

(B, W)

C. COAL INDUSTRY PROBLEMS

'Pravda' Leader Calls for "More Coal for the Country"

'Pravda' 9 Oct 84

Text of leader, headed as above:

~~(Text)~~ The successful work ~~of~~ of metallurgists and power workers and the state of urban heat supplies ~~to cities~~ largely depend on how the miners fulfil the plan. The growth of industrial potential

requires the additional generation of ~~energy~~ electric power and thus a further increase in coal extraction.

Many mine collectives are working successfully this year. The work of the leading mines of the Donetskugol association has become an example to the sector. The collectives of the ~~mines named for~~ Zasyadko and Kalinin mines and the Kuybyshevskoye mining administration have completed the five-year plan ahead of schedule; ~~And that~~ despite the complicated mining and geological conditions ~~under~~ in which access to the fuel is becoming ~~increasingly~~ more and more difficult. It is characteristic that in these collectives all sectors have achieved a high level of labor productivity.

However, as yet not all is ~~everything is going~~ well in the country's large-scale coal economy. A tense situation has currently ~~taken shape~~ developed with regard to accumulating the coal stocks ~~necessary for~~ needed by the national economy and the population in the ~~fall~~ autumn and approaching winter. Coal stocks for ~~the generation of heat and~~ producing heat and generating electricity are lower than last year.

The main reason is the failure ~~by~~ of enterprises of the USSR Ministry of the Coal Industry to fulfil production targets. The miners of the Kuzbass, Sakhalin, Maritime Kray and Chelyabinsk Oblast are failing to cope with solid fuel deliveries. Because of the regular underfulfilment of targets for the extraction of

Kuznetsk coking coals, ~~the~~ Magnitogorsk, Chelyabinsk, Nizhniy Tagil and several other by-product coke combines of the USSR Ministry of Ferrous Metallurgy have not been supplied with their standard stocks. The Ministry of the Coal Industry is also failing to pay proper attention to the production of high-grade coals and coal briquets for heating ~~apartment~~ blocks of flats.

This state of affairs cannot be tolerated. It is essential to improve the standard of engineering and economic work in collectives, ~~to~~ introduce proper order in mining, ~~to~~ assimilate production capacities more rapidly and ~~to~~ make fuller and more effective use of equipment. Leaders and specialists of the sector's enterprises and party, trade union and Komsomol organizations are called on to create in every collective an atmosphere of a high degree of responsibility for the fulfilment of plans and pledges and to subordinate all efforts to a single goal -- delivering fuel on time and to the necessary standard of quality.

Lagging collectives require special attention. We must carefully analyze work progress, reveal bottlenecks and determine specific ways of emerging from the shortfall in order to make good what has been defective. Correct action is being taken where workers and specialists are recruited from teams and sectors which

working well to render aid to those who have been unable to scale their plan heights in time and where leading workers' experience is widely publicized. This makes it possible to make better use of reserves and to build up the rate of coal extraction.

In a number of fields, especially in the Donbass, the miners are having to deal ~~increasingly~~ more and more frequently with thin seams at great depths. The miners need sophisticated equipment specially created for work under complex mining and geological conditions.

Scientists, designers and machine-builders are as yet in arrears to the miners. The development and series production of new equipment are being delayed intolerably. The sector's scientific and design organizations and machine-builders must improve the quality of designs and accelerate the provision of mines with modern equipment.

A number of enterprises producing equipment for mines are now being modernized and expanded. The sooner the coal machine-building enterprises are commissioned, the more rapidly the miners' equipment arsenal will be improved. That is why construction organizations' leaders must do everything to commission new coal industry establishments and modernize existing ones promptly.

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ref pm091034 moscow pravda russian 9 oct///existing ones promptly.

take 2 of 2 -- pravda views need for increased coal production

pm091036

9 ~~//text//~~ The 26th CPSU Congress set the sector the task of developing coal extraction by the efficient strip mining method at preferential rates. The accelerated creation of capacities at coal mines in the Kuzbass and the Kansk-Achinsk and Ekibastuz fuel and energy complexes is a guarantee of the successful solution of the

tasks set by the Energy Program. much also depends on attention to the social requirements of the sector's workers. The construction of housing, schools, and cultural and consumer services and medical institutions for miners must be taken under strict control by local party and ~~soviet organs~~ local government bodies.

The party and government pay great attention to the further development of the coal industry and display constant concern for the miners of the "sunny stone". Miners' wages have been increased and their working and daily living conditions are improving. The country expects the miners an increase in coal extraction ~~from the miners.~~ The Communists must set an example of a conscientious attitude toward the matter. Party organizations are called on to launch competition still more widely for an increase in coal extraction and to improve ideological and political work in mining collectives.

As is well known, mining the coal is only half the battle. It must be delivered promptly to its consumers. And it is here that the miners are often let down by the railway men ~~railroad workers~~. The Donetsk ~~are~~ and Tselinnaya railway ~~roads~~ fail to dispatch wagons ~~cars~~ promptly to the mines for loading. It frequently happens that the power workers are not ready to receive the fuel. That is what happens at, for instance, at ~~the~~ Ust-Ilimsk and Maritime Krai ~~Primorye~~ GRESs. This is particularly intolerable in the autumn ~~fall~~ and winter months when the precise work of

industrial enterprises and the life of ~~cities~~ towns and villages depends on their prompt coal supplies. Coal and transport enterprises and thermal and electrical power stations must work to a single rhythm.

Coal extraction is a laborious process and there is a high price on every ton of fuel. It is all the more important to economize on it by every means and to close all channels of loss. There are many examples of truly thrifty and economical management of the matter. But it is far from everywhere that this approach is ensured. Losses of secondary fuel and ~~energy~~ power are great at a number of enterprises of the USSR Ministry of Ferrous Metallurgy, ~~the~~ USSR Ministry ~~of the~~ Production of Mineral Fertilizers and the USSR Ministry of the Construction Materials Industry. It is the task of party and trade union organizations, local soviets and people's control workers to step up attention towards the introduction of energy-saving equipment and technology and the use of secondary heat resources and to make squanderers more strictly answerable.

The growth of coal extraction and regular supplies to consumers and a thrifty and truly proprietorial attitude towards the use of fuel and ~~energy~~ power resources will promote the more precise operation of all sectors of the national economy and the successful fulfilment of the 11th five-year plan targets.

END

~~(endsit) 7 oct vt/bennett~~

NBPM AT 9/10

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET
TELEPHONE DIRECT LINE 01-215 5422
SWITCHBOARD 01-215 7877

Secretary of State for Trade and Industry

8 October 1984

The Rt Hon Peter Rees QC MP
Chief Secretary
HM Treasury
Parliament Street
LONDON
SW1P 3AG

Dear Peter.

MINERS' DISPUTE - POLICING COSTS

I have seen a copy of Leon Brittan's letter to you of 27 September 1984 about the cost of policing the miners' dispute.

2 I support his proposal and agree with the suggestion that he take a suitable opportunity to make an announcement.

3 I am sending copies of this letter to the Prime Minister, the other members of MISC 101, George Younger and Patrick Jenkin, and to Sir Robert Armstrong.

Yours ever
Norman

NORMAN TEBBIT

JH1AZT

NAT IND: Coal Pt 13

2.

Prime Minister

30

SECRET AND PERSONAL

Daily Coal Report - Monday 8 October 1984

		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	10	-
(iii)	Some men present	22	-
(iv)	On strike/picketed out	97	-

Wolstanton (Staffordshire) has moved from category (iii) to category (ii).

- good attendances in the main working areas.

- attendance in Scotland up 3 to 323 - including 187 at Bilston Glen.

- in the North East 19 men reported at the troubled Wearmouth pit (up 2 from Friday).

- 71 reported in Yorkshire (up 6 from Friday). There were also 115 contractors men working in this area.

- in North Derbyshire 213 reported at Bolsover, 176 at Shirebrook and 138 at Warsop.

- attendance in other areas was much the same as Friday.

Coal Movements

876,000 tonnes were moved last week, of which 637,000 tonnes went to the CEGB.

Law and Order

Picketing was generally light today, though at Longannet a policeman was injured when a brick was thrown through the window of his panda car.

SECRET AND PERSONAL

Industrial Relations

As reported at MISC 101, save that the Board have this afternoon agreed to have further talks with the NUM on Thursday. ACAS will play a limited role in being present at the start of the meeting, though the negotiation will be directly between the Board and the union. The Board have made clear to ACAS that there can be no compromise on the question of who runs the industry - the management not the union.

Line to Take

Mr MacGregor has always said that he is willing to talk about arrangements which would enable the Coal Board to fulfil its duty to manage the industry effectively. If ACAS can help in finding a basis for doing that - and if the NUM are prepared to attend negotiations in a constructive spirit - that's fine. It would not be useful to say more now.

Distribution: Members of MISC 101, Mr Gregson, Cabinet Office

Enquiries: Michael Reidy, PS/SOS for Energy, Tel 211 7214

COAL

COVERING SECRET Copy No 1 of 4

File

29

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 7214

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1

8 October 1984

Dear Andrew

I attach the latest weekly report on coal and power station statistics.

Copies also go to Margaret O'Mara and Richard Hatfield.

Yours
John

J S NEILSON
Private Secretary

COVERING SECRET

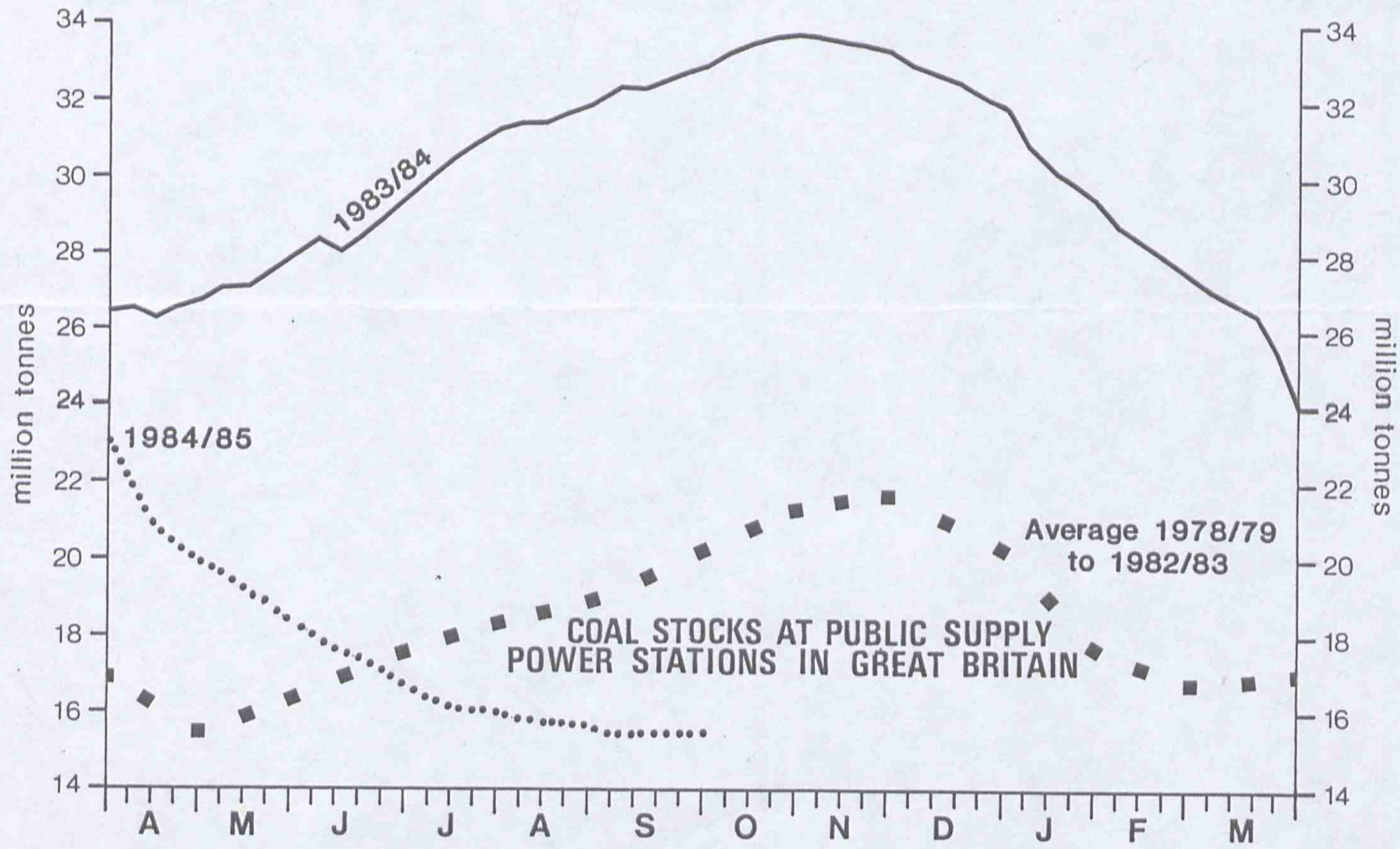
Copy No 2 of 14.
5 October 1984

WEEKLY COAL AND POWER STATION STATISTICS (1)

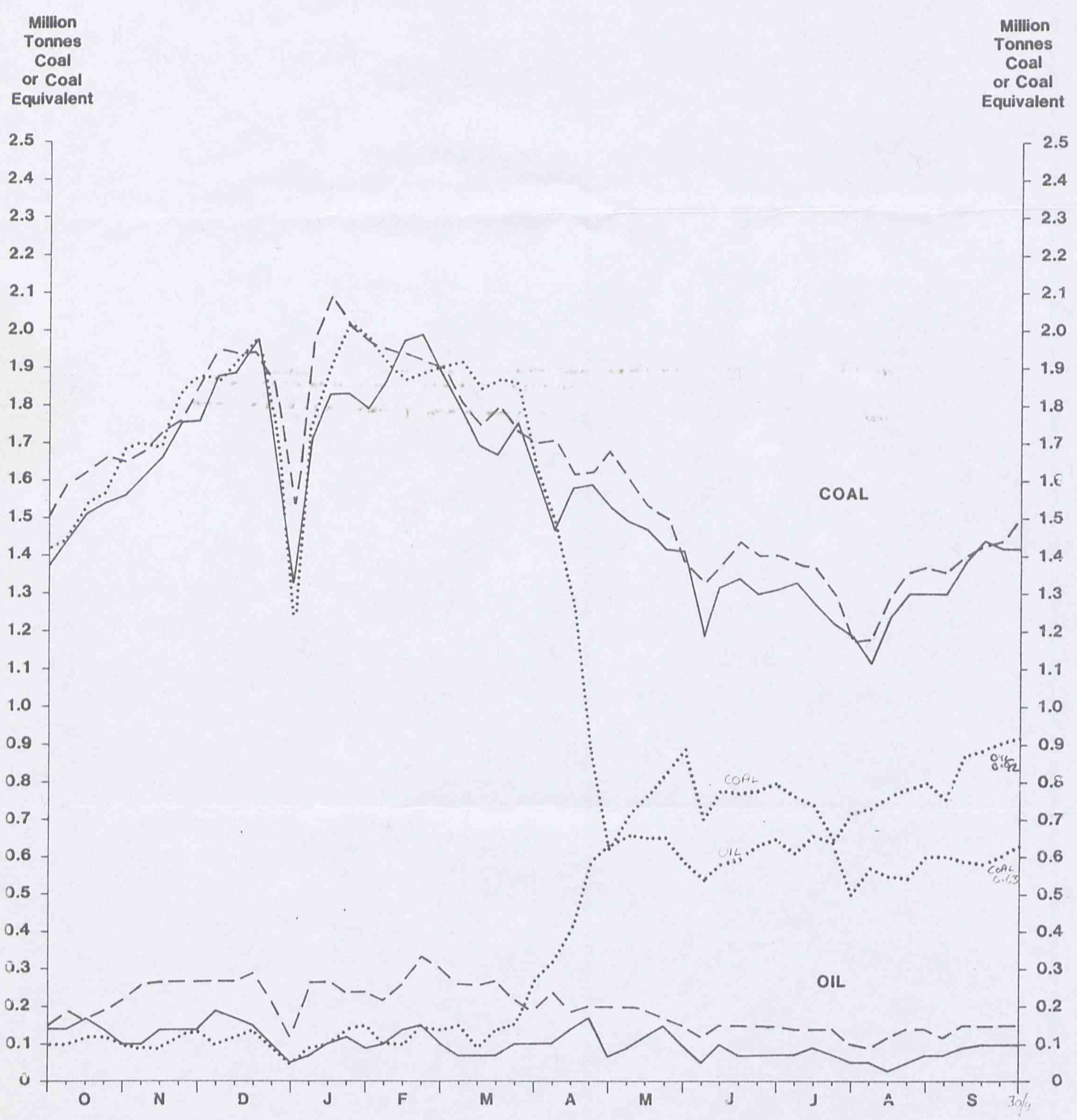
EcS [redacted]sion, Dept. of Energy, Thames House South, Millbank SW1P 4QJ. Phone: 01-211-6928

	Week ending	1·10·83:	8·9·84	15·9·84	22·9·84	29·9·84
COAL	PRODUCTION (m. tonnes) deep mines †	2·05:	0·50	0·54	0·49	0·53
	opencast †	0·33:	0·30	0·31	0·27	0·27
	TOTAL	2·38:	0·80	0·85	0·76	0·80
	PRODUCTIVITY(2) (tonnes/manshift) 'overall' o.m.s	2·56:	..	..	..	..
	'production' o.m.s	10·70:	..	..	..	..
	UNDISTRIBUTED STOCK (m. tonnes) TOTAL	23·72:	22·54	22·52	22·39	22·22
POWER STATIONS	COAL STOCKS (m. tonnes)	33·27:	15·33	15·40	15·48	15·56
	COAL CONSUMPTION "	1·42:	0·59	0·58	0·60	0·63
	COAL RECEIPTS "	1·76:	0·59	0·65	0·68	0·70
	OIL STOCKS(3) "	1·34:	1·32	1·34	1·37	1·26
	OIL CONSUMPTION(3) "	0·06:	0·51	0·52	0·53	0·54
	OIL RECEIPTS(3) "	0·07:	0·62	0·52	0·53	0·39
	ELECTRICITY SUPPLIED (4) (GWh)	:				
	Nuclear "	774:	714	781	805	815
	Other Steam "	3,372:	3,304	3,317	3,407	3,510
	TOTAL "	4,146:	4,018	4,098	4,212	4,326
	TOTAL - temperature corrected "	4,196:	3,946	4,141	4,148	..

(1) Great Britain unless otherwise stated. All latest figures are subject to revision.
(2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.
.. data not yet available. † includes licensed production.



COAL CONSUMPTION AND OIL CONSUMPTION (OIL FIRED) AT PUBLIC SUPPLY POWER STATIONS IN GREAT BRITAIN



2.

...A MEMBER OF THE MINERS' UNION EXECUTIVE, ROY OTTEY, WHO REPRESENTS A SECTION OF POWER GROUP WORKERS, HAS RESIGNED BECAUSE HE IS OPPOSED TO PRINCIPLE OF THE NUM DEFYING THE LAW.

01 211 6402

The Rt Rev the Lord Bishop of Durham
Auckland Castle
Bishop Auckland
County Durham
DL14 7NR

5 October 1984

Dear Bishop,

Thank you for your reply to my letter. I appreciated your saying that my letter to you was reasoned and informative, and that you admired both the courtesy and the compassion which I expressed.

I appreciated this because it was certainly my intention to explain to you my sincere belief that both the National Coal Board and the Government have endeavoured, and are continuing to endeavour, to provide coal miners, their families and communities with a good future, and that they fully understand the miners' present problems.

I am sure your reply to me was intended to be what you described as "an urgent discussion between Christians about the frighteningly difficult problems which we all face".

I would like however to express my concern about some of the fundamental arguments in your letter.

Your prime argument is that the Government does not seem to care for the unemployed. The words 'not seem' are of course important. It may be a criticism of our failure to convey not just our concern but our actions to meet the problems of the unemployed.

I know of no problem which dominates more the thinking and the anxieties of both myself and the government. As somebody whose father was an unemployed factory worker in the 1930's, there is nothing that I hate more passionately than the despair of unemployment. I must ask you to examine the range of measures

that this government is currently applying in order to relieve the burdens of unemployment created by the worst recession this century. Just let me list this year's expenditure upon government schemes designed to tackle this problem:-

Youth Training:- To provide training and planned work experience to enable school-leavers to compete more effectively in the labour market.	£820 million
Young Workers' Scheme:- To encourage employers to take on more young people into permanent full-time jobs.	£56 million
Community Industry:- To provide temporary jobs for disadvantaged young people who find particular difficulty in finding and keeping jobs.	£26 million
Enterprise Allowance:- To help unemployed people who wish to start up in business.	£66 million
Community Programme:- To provide temporary jobs for the long-term unemployed of community benefit.	£561 million
Full-time and Part-time Job Release:- To encourage employed people approaching state pension age to give up work early and release jobs for the unemployed.	£315 million
Renovation of local authority housing	£1005 million
Grants for private housing home improvements	£450 million
The inner city urban programme dealing with the special concentration of social need for the inner city.	£255 million
Grants to eradicate derelict land	£74 million

All this expenditure has been motivated by the desire to ease the problems of unemployment.

You go on in your letter to create the image of a nasty government, however, by claiming cuts in those services which are of particular value to the poor. A rather remarkable allegation

against a government which in its first five years more than doubled expenditure on the health services in cash terms and substantially increased it in real terms, thereby allowing the numbers of nurses and doctors to be increased. An unfair allegation about a government which, during a world recession in which manufacturing production has been dramatically cut, so that the means of exercising compassion were reduced, decided that no old age pensioner suffered and kept its election pledge to protect pensioners from the ravages of inflation. To keep our word at a time when the gross national product in real terms was falling was, of course, a very considerable financial burden. Government expenditure on the elderly is now nearly £10 billion more per year than it was in the year before we came into office. We have more than doubled expenditure for the elderly in this period.

You seem in your letter to imply that there is something wrong in finding money for what you describe as military adventures in the Falklands. I hope I don't have to presume from this that, as an Anglican Bishop, you would have allowed the military adventures of the Fascist Junta in the Argentine to suceed, and the freedom of citizens for whom we had responsibility to be destroyed. As to your mention of the fact that we spend money on keeping up the police force, I can assure you that there are 70,000 people working in the coal industry who are very relieved we have done that.

What concerns me most about your letter and your sermon is the difference of your emphasis and attitude between Mr Ian MacGregor and Mr Arthur Scargill.

Mr MacGregor has offered the miners what everybody agrees to be a good pay offer, plus a guarantee that all miners will be able to continue working in the industry if they wish to do so, plus a massive investment programme in the future, plus a programme to bring new businesses to mining communities. For this Mr MacGregor is not just condemned but is chosen by you as the person who should be removed from office.

But Mr Scargill receives only an aside in your sermon to the effect that you hope Mr Scargill will not continue as a absolutist but become a compassionate and realistic negotiator who cares more for people and for their future than for an ideology. In your letter you merely describe Mr Scargill as having a personal intransigence.

Do let the public know in more detail how you really view Mr Scargill. I know you have made a considerable study of Marxist theory and practice. Where do you feel he fits into all of this? I am sure you have read his article in "Marxism Today" in which he displayed a Marxist contempt for democracy, and his article in "New Left Review" in which, referring to his mob successes at the Saltley coke depot, he wrote "Here was the living proof that the working class had only to flex its muscles and it could bring Governments, employers, society to a total standstill". What are your thoughts on this?

Do you feel that the writings, oratory and actions of Mr Scargill are just those of somebody displaying a degree of personal intransigence, or do you feel that they are the actions of somebody on a political crusade which is contrary to the desires of the majority of the people in our country. I posed to you the important question - what if Mr Scargill continued to go for conflict and adhered to a demand that he knew that neither Government nor the National Coal Board could ever agree to. Your reply to that question was remarkable. You replied you would go for a cooling off period in which pits not working would continue not to work and working pits would continue to operate. The strike would continue, without the pickets. But I must ask you, as a Christian and as a Bishop - why do you think Mr Scargill keeps up the mass picketing? Why does he ignore the guidelines of the TUC, and his own union, that only 6 peaceful pickets can operate at any colliery entrance? Why have there been 7,000 arrests on criminal charges? Why are there victimisation and beatings up on a massive scale? And why has Mr Scargill never on any occasion appealed for violence by the picket mobs to stop? There would be no need for police if Mr Scargill abided by the guidelines of his own union on picketing but of course what there would be would be a massive return to work of miners that have been deprived of a ballot.

You argue in one passage of your letter that Mr Scargill has very strong support - seemingly never strong enough to ballot his members, seemingly never strong enough to rely on the peaceful picket as opposed to the mass mob.

You go on to argue that redundancy payments are all very well but redundancy means no further jobs for the redundant and no jobs for their children.

You must look at the facts. What the Coal Board is primarily offering is for men in their 50's early retirement on generous terms. I am sure you would agree that at a time of unemployment, early retirement on generous terms is a strong assistance in that battle. As to your argument that the retention of a totally uneconomic pit is important to provide jobs for their children, it is a proposal that does not stand up to examination. Virtually all of the pits that we describe as uneconomic now, the 10 per cent of the pits that are losing £300 million a year and producing coal that costs way above the average costs of production, are virtually all pits that, even if you continued this waste of resources, would be exhausted of coal long before the children were able to obtain jobs at them. And even if they could last, you would be condemning tomorrow's teenagers to a working life deep in the ground in the most dangerous and uncomfortable four pits. I cannot believe that it is Christian charity to preserve these sort of jobs when, economically, there is no need.

How much better instead of wasting such resources to provide new resources to bring in new firms, new enterprises and new industry into the mining communities where pit closures are going to take place. Mr MacGregor is the first chairman of the National coal Board to take a decision to provide finance and services to see that that is done. This is a real long term method of aiding the communities. The retention of an uneconomic pit has no such advantage.

As a Christian bishop in a mining diocese your objectives must be identical to the policies that the government are willing to finance. A mining industry that can pay its miners well; a mining industry taking decisions that will give it an expanding and not a contracting future; and a mining industry meeting is responsibilities to see that when a pit can no longer produce coal on a sane and sensible basis that community is provided with generous provisions to encourage new enterprises. Guarantees that any person wishing to continue as a miner elsewhere is able to do so.

What as a Christian bishop you must not do is to encourage the belief that if miners are deprived of the right to ballot and, if mob rule and violence are imposed then demands devoid of logic and sanity will have to be fulfilled.

Daily I receive by letter appeals from those who are suffering from the violence and intimidation on a scale that neither you nor I have ever witnessed. Mr Len Murray spoke out against it. Mr Kinnock on two occasions has spoken out against it, although he cannot distinguish between the defensive action the police have to take and the offensive measures that the attackers have used. He treats the fire brigade with the same contempt as he treats the fire. In your sermon you mentioned, as an aside, that violence should not be rewarded. I do suggest to you that you could well preach to the miners leaders, and to Mr Scargill if he listens to preachers of your faith, that Christians would judge the cause to be sound if it was freely supported, and suspect it to be very unsound if force and intimidation have to be used.

What also depressed me about your letter was those matters raised in my original letter to you that you decided to ignore. I asked you why it was that Mr Scargill had decided for the first time in your lifetime to call a national strike in his industry without giving his members the right of a ballot.

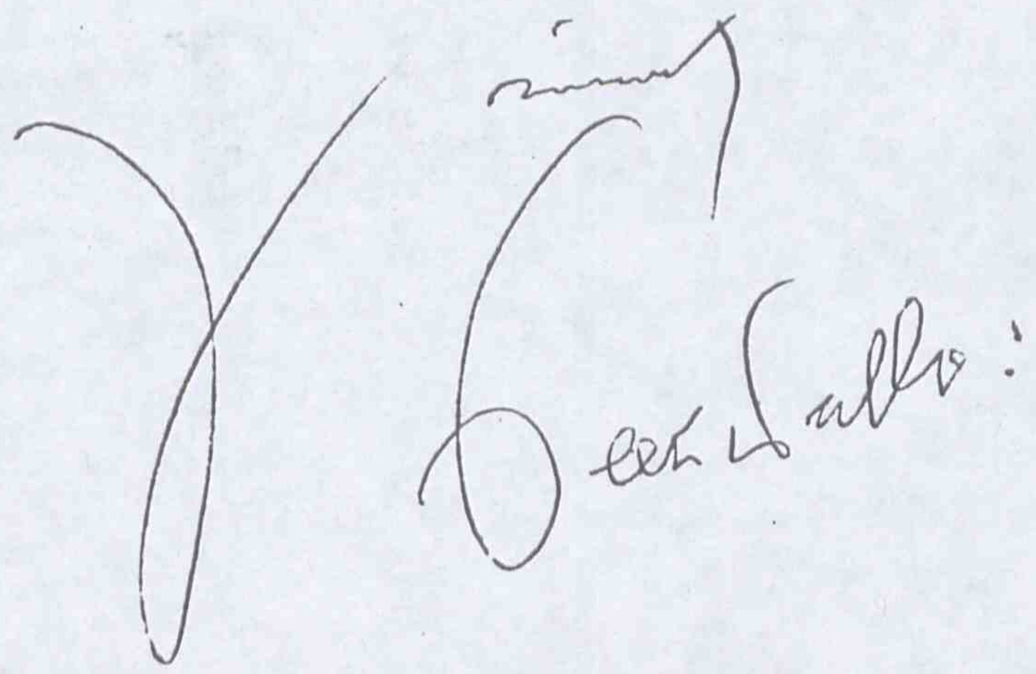
I asked how you could accuse a Government that invested £650 million more in the coal industry than had been agreed under the "Plan for Coal" which was endorsed by the Labour Government and the National Union of Mineworkers.

I asked you to express your appreciation of Mr MacGregor as the first chairman of the National Coal Board to demand that the National Coal Board themselves took on a responsibility for the future of the communities affected by closure.

I asked you as a Christian in your moments of meditation and prayer to ask why the 70,000 miners who were given a democratic vote, decided overwhelmingly not to strike and ponder why it is that these men have day after day been threatened by mobs outside their own communities.

I asked you if you did recognise that when in your sermon you stated "That there must be no victory for the miners on present terms because this would mean pits left open at all costs and the endorsement of civil violence for group ends", you were in fact explaining the reason why miners, their families and their communities have suffered so much for so long.

It would be very difficult for any Christian bishop to suggest that what is being offered by the Coal Board and the Government to the miners and their communities was other than understanding, compassionate and decent.



PETER WALKER

28

Ref. A084/2663

MR BUTLER

You asked whether it might be possible to find out why a certain American lady who has been living in this country returned to the United States on 8 August.

2. I am informed that the lady in question has not returned to the United States, but has been here throughout the relevant period.

Approved by
ROBERT ARMSTRONG
and signed in his absence

5 October 1984

27 889

File

10 DOWNING STREET

From the Principal Private Secretary

5 October 1984

Your Secretary of State recently asked me to find out whether there was any information about what a certain American lady, who was reported as having returned to the United States on 8 August, had been doing since then.

I have had enquiries made and am informed that the lady in question has not returned to the United States but has been here throughout the relevant period.

F. E. R. BUTLER

cst

Michael Reidy, Esq.,
Department of Energy.

PRIME MINISTER'S BRIEFING - 5 OCTOBER 1984

MAJOR INDUSTRIAL DISPUTES

National Coal Board, (NUM)

1. Talks between the NCB and the NUM broke down on 14 September. No further talks are planned. A meeting took place on 24 September between the NCB and the TUC but no agreement was reached.

2. Members of the National Association of Colliery Overmen, Deputies and Shotfirers were balloted on 24 September and gained an 82% mandate from its membrs to take strike action. This followed the NCB issuing instructions that NACODS members must cross picket lines to reach work. Previously they had only been asked to make "reasonable efforts" to get to work.

3. Talks between NACODS and the NCB ended without the threat of all-out strike by NACODS 17,000 members being lifted. A further meeting took place on 2 October and NACODS' proposals for improved consultation procedures with the NCB and wages for members whose pay had been stopped for not crossing picket lines were agreed. The Association's proposals for a revised system of agreeing pit closures are still being considered.

4. Representatives of NACODS met ACAS on 4 October and put forward a formula for ending the dispute. ACAS is meeting the British Association of Colliery Management today and the NUM on Saturday and hopes to meet the NCB at a later date.

5. The Transport and General Workers Union has promised the NUM full support for the miners strike.

6. An overtime ban has been operating since 31 October 1983 in protest at the NCB's closure programme and its pay offer of 5.2% on basic pay rates.

7. On 8 March the NUM National Executive Committee approved the local strikes which had been called from after work on 9 March in Yorkshire and Scottish Areas of the NUM, and approved in advance any strike action called in other areas. Decisions on whether to strike were left to individual areas, rather than to a national ballot. Ballots on strike action in various areas produced majorities against striking. A special delegates conference held on 19 April decided not to hold a national ballot at that stage. The conference also agreed that future national ballots would need a simple majority to authorise strike action, rather than the 55% majority which the rules had previously required.

8. On 18 July the High Court ruled that disciplinary rule changes agreed at the NUM annual conference on 11 and 12 July were 'void and of no effect'.

9. In the early days of the strike, after extensive unlawful picketing in various areas, the National Coal Board obtained an injunction against the Yorkshire Area of the NUM. This ordered the union to withdraw its instructions to members to engage in picketing at pits other than their own and required the union not to encourage or assist in unlawful picketing on Coal Board premises, including financing and encouraging flying pickets. On 19 March the NCB was granted an indefinite adjournment of its application for contempt of court proceedings against the Yorkshire NUM. The NCB can return to the High Court on giving two days' notice to the Yorkshire NUM.

10. Two private haulage contractors went to the High Court on 26 July to seek the enforcement of an earlier injunction against picketing of their lorries at Port Talbot. On Monday 30 July the Court gave the South Wales area of the NUM 48 hours to pay fines of £50,000 for contempt of court. The fine has been paid from the area's assets which have been sequestrated.

11. Although technically too late, the NUM have been given leave to defend a a High Court action, begun by two miners from the Yorkshire area. They want a strike ballot, branch elections, no picketing until the ballot and elections are held, and new disciplinary rules declared invalid. The High Court ruled on 28 September that the miners' strike was 'unofficial' and should not be described as 'official' by the NUM or 'its servants or agents'. Similar action taken by a group of Scottish miners failed to win an injunction but

they were given leave to return to the High Court at a later date if they so wished. The case of the 3 Staffordshire miners who are taking action against the Area NUM alleging wrongful dismissal from office will go to a full trial in October. In the meantime the Court ordered their re-instatement and declared the Area strike to be unofficial. A miner at Easington Colliery in Co Durham has been granted an injunction to stop the NUM taking action to prevent him from working.

12. Mr Arthur Scargill was served a High Court writ on 1 October in his personal capacity as President of the NUM, to appear in court on 4 October to answer committal proceedings brought by the 2 Yorkshire miners. This followed Mr Scargill's appearance on TV when he described the strike as 'official' and in accordance with the union rules. He threatened members with disciplinary action if they crossed picket lines. The writ seeks to commit him to prison or to impose fines or sequestration of the NUM's assets. Copies of the Derbyshire miners' orders were also served on Mr Scargill at the same times.

Mr Scargill or the NUM failed to appear in Court. They have been given 6 days to reconsider their defiance of the court ruling.

13. Three Derbyshire miners were granted an injunction in the High Court on 20 September which prevents the NUM taking disciplinary action against them. The NUM agreed to be bound by the injunction because of a mistake in the union's rule book.

DHSS Longbenton and Durham (CPSA 350 SCPS 50)

14. The strike began on 14 May over plans to change shift patterns at the computer centres which handle pensions, sickness pay, child benefits and national insurance contributions. The union claim that these changes would lead to considerable loss of earnings.

15. A series of meetings between officials from the unions and DHSS ended on 21 August without finding a solution to the dispute. CPSA members at the computer centres at Reading and Livingston have voted to strike from 10 October. Over 500 staff at the Newcastle computer centre are now out on strike. The payment of pensions by girocheque has been disrupted but it seems unlikely that unemployment benefit payments will be affected to the same extent.

Disputes settled since last Report.

16. Cammell Laird, Birkenhead (110, CSEU)

The sit-in on a gas rig ended on Wednesday. Bailiffs removed the 40 men who have now been jailed for contempt of court.

British Aerospace, Filton (2400, AUEW and others)

17. Workers in both the aircraft and dynamics division voted to accept management's pay and productivity offers plus an interest free loan of £120 to staff who were locked out during the dispute.

DEPARTMENT OF EMPLOYMENT

IRD2

26

SECRET

P.01404

PRIME MINISTER

MISC 101(84)44th Meeting: Coal

After the usual reports from the Secretary of State for Energy on the number of pits and miners working and coal movements and from the Home Secretary on law and order, you may (depending on developments over the weekend) wish to concentrate on:

i. the outcome of the NCB's discussions with NACODS, and contacts by ACAS with the various parties;

ii. the latest assessment of developments in the High Court on Wednesday, and their consequences (the Attorney General will be attending);

iii. the line to be taken on the coal dispute in Mr Tebbit's Panorama interview;

iv. the impact of developments in the dispute during the week on the Party Conference.

Next meeting

2. The next meeting of MISC 101 will be at 9.45 am on ~~Wednesday~~ Monday 15 October, although you will no doubt be keeping in close touch with the Secretary of State for Energy and other Ministers, as required, in the course of the week.

PG

P L GREGSON

5 October 1984

SECRET

DEPARTMENT OF ENERGY
Thames House South
Millbank
London SW1P 4QJ

Tel: Direct Line: 01-211 7214
Switchboard: 01-211 3000

Robin Butler.

With the Compliments of

the Private Secretary to

the Secretary of State

Michael Reidy

5 October 1984

File

Prime Minister
This is the legal advice given to the NCB about a mandatory advisory board.
FERB
5.10.

NATIONAL COAL BOARD

re: Power of Board to Delegate

JOINT OPINION

1. We are asked to advise whether the NCB could lawfully accept a proposal put forward by NACODS to assist in resolving the current industrial dispute. The proposal involves the creation of an independent body empowered to give a binding decision on the issue of whether a colliery should be closed.

2. The NCB is a statutory Corporation, whose duties and powers are prescribed in the Coal Industry Nationalisation Act 1946, and subsequent legislation. Section 1 (1) of the Act imposes on the NCB duties which include "securing the efficient development of the coal mining industry". By Section 1 (3) there is power to the Board to act in a way which is calculated to facilitate the proper discharge of their duties. By Section 1 (4) the Board must seek to secure, consistently with the proper discharge of their duties, that on an average of good and bad years a balance is achieved on

Revenue account.

3. Decisions as to the criteria by reference to which pits should close are clearly integral to the duty to secure the efficient development of the industry. Moreover, such decisions are relevant to the fulfilment of the obligation under Section 1 (4). We do not consider that the Board could delegate the duties which are clearly imposed upon them by the legislation. It is extremely rare that a statute is construed so as to contain an implied power of delegation, and we can find no indication in the Act that the NCB may devolve its functions on some other body so as to limit its own ability to manage the industry. This view, whilst based on an interpretation of the Act, accords with the analogous position in relation to non-statutory companies. Their Directors cannot delegate their duties or powers without an express authorisation in the Articles of Association.

4. We have considered whether our view would be altered if the NCB were to take the view that in the present circumstances the long term benefit of the industry would be secured by conferring upon an independent body the duty of making a binding decision as to whether pits should close. Could it be argued that if the Board form such a view they fulfilled their duty to secure the objectives of

Section 1 (1) by delegating their function? In our view, the Board could not properly make such a decision since its effect would be to abdicate an area of responsibility which had been fairly imposed upon the Board itself by the wording of Section 1. It is not open to the Board to decide that it would be in the best interests of the industry for some other body to fulfil its duty.

5. We are also asked whether the Secretary of State for Energy could resolve this difficulty by giving a direction under Section 3 (1) of the Act. This entitles him to give the NCB directions of a general character as to how they should perform their functions in matters affecting the national interest. We assume that a direction that pit closures should be determined in a binding way by an independent body could properly be characterised as a direction of a general character. We consider, however, that the powers of the Minister are limited to telling the Board how it should perform its functions. The Minister cannot direct the Board in such a way as to prevent them from fulfilling the functions and duties which, if we are right in the view we have already expressed, are duties which have to be performed by the Board themselves.

6. It follows that no agreement of the kind contemplated could, in our view, be lawfully entered into by the Board unless it were made plain that a

reference was advisory and not binding and that the Board reserved their right not to implement any decision which they considered would be contrary to the proper discharge of their duties under Section 1 of the Act.

Robert Alexander

ROBERT ALEXANDER Q.C.

David Lloyd Jones

DAVID LLOYD JONES

Temple, EC4

4th October 1984.

NATIONAL COAL BOARD

re: Power of Board to Delegate

JOINT OPINION

R.V. Cowles Esq.,
Chief Solicitor,
Legal Dept.
Hobart House,
Grosvenor Place,
London SW1

File

PRIME MINISTER

I attach the letter from Mr. MacGregor to NACODS.

The next moves appear to be that NACODS will take the letter to ACAS. ACAS will also be having talks tomorrow with the NUM and BACM. Then NACODS will resume talks with the NCB on Sunday morning.

The NCB have said to the Department of Energy that if NACODS will reach agreement on the attached letter, that will be seen as resolving the three matters on the ballot paper, and will thus dispose of the possibility of a strike by NACODS. They believe that NACODS make a distinction between the successful resolution of the three points of their ballot paper, and the question of actually establishing an advisory body: in other words, if they agree that this is a satisfactory response to their present demands, they would not ultimately insist on the establishment of an advisory body if that does not prove negotiable with the other two unions.

Whether NACODS will accept this letter as settling the third point of their ballot paper is anybody's guess. The impression of the NCB today was that, although Sampey and MacNestry would like to back Scargill - and I gather that on the news tonight MacNestry was making disparaging noises about what the NCB had offered - in general the NACODS Executive thought this letter a significant advance. But, of course, before NACODS meet the NCB again on Sunday morning, the NUM will have had a further chance to get at Sampey and MacNestry.

F.E.R.B.

5 October, 1984.

TEXT OF LETTER READ OVER THE TELEPHONE BY MICHAEL REIDY

Dear Mr MacNestry,

You asked for clarification of the note which the Board gave you this afternoon about a proposal to amend the colliery review procedure by the setting up of an independent advisory body.

The statutory duties of the Board preclude the establishment of any advisory body for closures which seems to make decisions binding on the Board.

However, we discussed the case of the advisory body whose decision will not be binding, where we mutually agreed on its composition and mutually agreed on the criteria on which it would be requested to report.

Were we mutually to agree to the constitution and terms of reference of such a body, we expressed the opinion that if the party had agreed to refer matters to such a body set up under paragraph 3 above, the Board would unquestionably give full weight to the findings (within the agreed criteria) of such a body in the Board's decisions on colliery closures.

COVERING SECRET Copy No 1 of 4

25

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 7214

Prime Minister

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1

4/10.

4 October 1984

Dear Andrew

POWER STATION ENDURANCE

I attach the latest report on endurance.

Copies also go to Margaret O'Mara and Richard Hatfield.

Yours
John

J S NEILSON
Private Secretary

COVERING SECRET

POWER STATION ENDURANCE

1. Coal deliveries to CEGB power stations last week were 0.70 mt (including non-NCB sources), the best achieved since the start of the strike. Coal burn was 0.61 mt so that for the fourth week stocks have increased, by 0.09 mt. The Board's stocks last Sunday night were 14.7 mt with a further 0.9 mt at Scottish power stations.

2. Total NCB deliveries were 0.88 mt, of which about 0.23 mt went to customers other than power stations.

3. The average rate of coal deliveries to CEGB power stations over the whole period of the strike has been 0.47 mt per week. The average over the past eight weeks has been 0.56 mt.

4. The range of endurance outcomes is estimated by the CEGB as follows:

	Oil burn (% of maximum)	
Average coal deliveries	90%	100%
0.30 mt/week	late Jan	early Feb
0.35	end Jan	mid Feb
0.40	early Feb	end Feb
0.45	mid Feb	mid March
between 0.45 and 0.52	-	(see Note)
above 0.52	-	Autumn 1985

Note: Between 0.45 and 0.52 mt/week it is particularly difficult to forecast endurance with confidence. The margin needed to extend endurance from spring (March/April) throughout the summer is small, as Sir Walter Marshall has explained.

Department of Energy
3 October 1984

Daily Coal Report - Thursday 4 October 1984

		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	9	-
(iii)	Some men present	23	-
(iv)	On strike/picketed out	97	-

Rossington (Yorkshire) has been upgraded to category (iii).

- Good attendances in the main working areas.

- NACODS men are continuing to work normally.

- 317 reported in Scotland - up 2 from yesterday - including 187 again at Bilston Glen.

- A record 64 reported in Yorkshire.

- Elsewhere attendances are much as yesterday.

Coal Movements

A good day: 185,000 tonnes were moved yesterday, including 138,000 tonnes to the CEGB.

47 coal trains ran.

Law and Order

For the second successive day there was trouble at Woolley (Yorkshire). 2,000 pickets caused disturbances and threw stones and other missiles. 3 policemen were injured.

Police cars were stoned by several hundred Durham pickets outside Hartlepool nuclear power station. The pickets barricaded the entrance, ripped up fencing and set it on fire.

In court at Mansfield today 3 striking miners were remanded for a week on charges of making threats to kill working miner Mr Bob Taylor and his family.

Industrial Relations

The NACODS executive is to meet the Coal Board again tomorrow (Friday).

ACAS is to meet the NUM on Saturday to discuss NACODS proposals.

High Court Proceedings

The contempt proceedings against Scargill and other NUM officials has been adjourned until Wednesday next. Mr Justice Nichols said he hoped they would reflect on their decision not to appear in court. He said that the unchallenged evidence of Scargill's remarks revealed "a very grave state of affairs".

Line to Take

The number of miners returning to work continues to increase. This is further evidence that ordinary working miners want an end to this senseless strike as quickly as possible. The country applauds the efforts of those who are seeking to exercise their democratic rights for a return to work.

Distribution: Members of MISC 101, Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 6070

2

Prime Minister

MT

4/10

THE PRIME MINISTER

Following our meeting at Cabinet this morning, I have spoken to the D.P.P. who is going to take over the case involving Mr Taylor who was forced off the road and threatened. He is also ging to consider those more serious cases which he could properly take over. He is drawing to the attention of the County prosecuting solicitors the need to apply for expedited trial in appropriate cases and generally he will keep a close eye on the situation. I shall also be discussing with him cases which it might be necessary to move out of Yorkshire for trial either at the Old Bailey or a more friendly County.

MH

I am sending a copy of this note to the Lord Chancellor and the Home Secretary.

4 October 1984

MBFN 23A
AT 5/10

ROYAL COURTS OF JUSTICE
LONDON, WC2A 2LL

01-405 7641 Extn

3rd October 1984

SECRET

The Rt. Hon. Patrick Jenkin, MP,
Secretary of State for the Environment,
2 Marsham Street,
LONDON, SW1P 3EB.

Dear Patrick.

OPENCAST COAL SITE AT SPRINGHILL STAFFORDSHIRE

I refer to paragraph 3 of your letter of 1st October to Peter Walker in which you state that you await my advice on the circumstances in which you might use the powers contained in section 49(4) of the Opencast Coal Act 1958.

As I said in my letter of 4th September, it is doubtful whether section 49(4) gives the Secretary of State power to vary the terms of the conditions in a planning permission deemed to be granted by virtue of a direction given under section 2 of the 1958 Act by giving a direction under section 49(4). However, the section is not clear and it is arguable that it gives power to amend such a condition. In controversial cases, where there is a risk of challenge, the section should not be relied upon; but in uncontroversial cases where the local authority agreed to the change and no-one would challenge the use of the power, you might consider, after taking legal advice, that the section could be used.

.....

I am copying this letter to the Prime Minister and Peter Walker.

Yours ever,

Michael

23

Law enforcement

Ref. A084/2643

PRIME MINISTER

Cabinet: Industrial Affairs: Coal

Since there is a heavy Cabinet agenda you will wish to avoid a lengthy discussion. You might invite oral reports from:

i. the Secretary of State for Energy on

the number of pits and miners working

coal movements

the NCB talks with NACODS and the contacts with ACAS

ii. the Attorney General on

the civil action by working miners against Mr Scargill and the NUM Executive

iii. the Home Secretary on

picketing and intimidation

progress in dealing with criminal cases.

2. In summing up you will probably want to bring out the point that the contempt of court action is being brought by working miners and does not arise from this Government's employment legislation but long-established law designed to protect the rights of members of trade unions and other associations. You will also wish to settle the line to take for Friday (a critical day with the NCB Board meeting and a further meeting planned with NACODS) and for the weekend.

Next Meeting

3. The next meeting of MISC 101 is at 11.30 am on Monday 8 October.

RTA

ROBERT ARMSTRONG

3 October 1984

NAT IND : COM : PE13

23

Law enforcement

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RTA

ROBERT ARMSTRONG

3 October 1984

SECRET

22

1. Mr Butler

3 October 1984

2. PRIME MINISTER

NACODS AND THE COAL DISPUTE

This morning's meeting of MISC 101 gave a good airing to the difficult handling issues involved in the NACODS dispute.

The Coal Board has to get across to the average NACODS member and the public the point that the original cause of the dispute - the 15 August circular - is no longer in contention. This should be broadcast loudly, both to demonstrate that Ian MacGregor and the Coal Board are flexible, and to make it more difficult, if the need should arise, for NACODS to get their members out on dispute. This is an urgent matter.

Ian MacGregor could say that he had listened carefully to NACODS views and, having seen the intensity of the violence and intimidation which they were facing in the worst affected areas, he had decided that the normal commercial rules could not apply in this situation.

How should the talks with NACODS proceed? The NCB should concentrate on an advisory panel rather than an arbitrating committee of wise men: it would be wrong, given the wish to avoid a strike coinciding with next week's Conference, to break off all discussions now.

SECRET

Of course an advisory panel can become the thin end of the wedge: it represents backtracking from the perfectly satisfactory arrangements for pit closures operated over many years prior to this dispute. It ultimately calls into question management's right to manage. This is a point which many on our side, and many newspapers, will be making in the next few days.

However, the talks should be kept going and there are many issues which can be discussed. How wide a remit should the advisory panel have? How many people should sit on it? If the numbers could be decided, what kind of people should they be, and would there be rows over the membership? How strong could their advice be? And who ultimately has the task of sifting their advice? What happens if the advice is rejected, etc, etc?

A week of such discussions could serve to confuse the whole issue of the desirability, shape and workability of an advisory panel. These confusions should be used as an opportunity by the NCB to reaffirm (a) its flexibility; (b) its broader point about having given in to NACODS on the issue of concern to them; and (c) to raise in people's minds the doubts about the point of talking to NACODS at all about these issues, when the NUM would be very unlikely to agree to any such solution. At the end of the week, the NCB could break off and explain to the public how hard they had tried

to accommodate sensible NACODS requests, or could go on talking about a deal with NACODS (that the NUM would doubtless refuse).

Meanwhile, it is vitally important that the NCB should sack any miner convicted of violence against fellow NCB employees or property. The NCB should reiterate its intention to do this.

JOHN REDWOOD

PRIME MINISTER

WORKING MINERS AT MANTON COLLIERY

Giles Shaw reported this morning that there had been an alleged attempt to kill one of the two working miners at Manton Colliery who are responsible for the writ which was served on Mr. Scargill on Monday. The Home Office tell me that there are now some 80 policemen engaged at one time or another in guarding the two miners with officers permanently deployed at the front and back of their houses. They have panic buttons in their houses together with direct telephone links to police incident rooms. In addition they are accompanied at all times by policemen except when they ask that this should not be done. The incident to which Mr. Shaw referred occurred during a journey (for which the working miner had asked not to be accompanied by the police) to see his mother following his father's death. Two men have now been charged and are likely to appear in court tomorrow morning. One of them - the Secretary of the local branch of the NUM - is charged with "threatening to kill". (under s16 of the Offences Against the Person Act 1861).

3 October 1984

VSCABS

2

PRIME MINISTER

cc Mr Catford

MT

BISHOP OF DURHAM

I understand from the Department of Energy that the Bishop of Durham came to see Mr. Walker this afternoon. They tell me that there was an extremely unsatisfactory meeting. Although the Bishop of Durham said that he wished he had appreciated many of the points made by Mr. Walker at the meeting and in his letter before he delivered his sermon and that he regretted if his remarks about Mr. MacGregor had been construed as being hurtful he was generally unrepentant. Indeed it was clear from the meeting that the Bishop is a man of the left, which bears out the impression given from his letter, which employs many of the standard Labour Party criticisms of the Government, eg uncaring, cuts in services, reductions in benefits etc. Mr. Walker's conclusion was that as far as convincing him was concerned, the Bishop was a "dead loss".

I understand from Andrew that you discussed whether or not a reply should go to the Bishop's letter to Mr. Walker. I understand Mr. Walker's view is that it should not do so and I must say I agree with him. We will never sway the Bishop himself and to engage in further public debate with him will only increase his status as a minor folk hero of the left.

VD

3 October 1984

VSCABT

Copy No 1 of 18

SECRET AND PERSONAL

Prime Minister

Daily Coal Report - Wednesday 3 October 1984

3/10.

		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	9	-
(iii)	Some men present	22	-
(iv)	On strike/picketed out	98	-

Seafield (Scotland) and Manton (Yorkshire) have moved up to category (iii).

A slight overall improvement today:-

- Attendances in the main working areas are good.

- NACODS men are working normally today. Those on strike in South Wales returned to work this morning.

- 315 reported for work in Scotland, including a new record 187 at Bilston Glen.

- In the Coal Board's western area a record 8,633 men reported.

- In the North East the situation is unchanged, although there are safety problems at Wearmouth where 17 men reported (see below).

- In Yorkshire attendances are up to 56 (Kellingley 7, Allerton Bywater 6, Rossington 4, Markham 4, Carcroft 1, Yorkshire Main 6, Denby Grange 2, Bullcliffe Wood 1, Woolley 1, Kiveton Park 10, Brookhouse 4, Manton 4, Silverwood 2, Thurcroft 2, and 2 at Shireoaks for the first time).

SECRET AND PERSONAL

- In North Derby 182 men have again reported at Shirebrook, 161 at Warsop and 224 at Bolsover.

Coal Movements

165,000 tonnes were moved yesterday.

50 coal trains ran.

Law and Order

At Woolley (Yorkshire) 3 policemen were injured in clashes with more than 1,000 pickets. The pickets built barricades and set fire to them in an attempt to stop the single miner reporting for work. Stones and other missiles were also thrown.

Elsewhere picketing was relatively light.

Industrial Relations

As reported at MISC 101 today. No further developments.

High Court Proceedings

One of the 3 mechanics expelled from the NUM by the Durham Mechanics Branch for repeatedly crossing picket lines at Wearmouth has initiated court proceedings against the union. His case is likely to go before the High Court in Sheffield on 12 October.

Pits at Risk

The Coal Board has warned that Wearmouth pit will be endangered unless the NUM agrees to help with vital shaft maintenance work. If legal safety requirements cannot be met the power may have to

be shut off on 17 October.

Horden-Blackwall pit in Durham is also at risk because of flooding.

Labour Party Conference

The TGWU has withdrawn its motion urging defiance of the courts over the ruling on the strike's legality. It had reportedly been warned that passing a resolution backing Scargill could itself constitute contempt of court.

Line to Take

As before, stress key elements of Coal Board offer.

The country admires those miners who, despite threats and intimidation, are seeking to pursue their democratic rights.

Distribution: Members of MISC 101, Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 6070

P.01402

PRIME MINISTER

MISC 101(84)43rd Meeting: Coal

After the usual reports from the Secretary of State for Energy on the number of pits and miners working and coal movements and from the Home Secretary on law and order, you will probably wish to concentrate the discussion on:

i. Mr Orme's latest efforts to restart negotiations between the NCB and NUM;

ii. the NCB's handling of its talks with NACODS;
(from Press reports it seems that a crunch will soon be reached with NACODS pressing for an independent review procedure for closures which the NCB will be unable to accept: what will happen then? and, even if the talks with NACODS do reach some acceptable understanding about closures, where does that leave us with the NUM?)

iii. the civil action by working miners against Mr Scargill and the NUM executive;
(you will wish to ask the Attorney General how he thinks the court will proceed; can the route of fines and sequestration rather than imprisonment be pursued? What is the likely impact on the NUM, on the attitudes of rank and file miners, and on other unions?)

iv. the latest assessment of the likelihood of sympathetic action by power station workers.

Next meeting

2. There will be an opportunity for a further discussion under the Industrial Affairs item at Cabinet on Thursday 4 October but this will have to be brief since the Cabinet agenda is long. The next meeting of MISC 101 is on Monday 8 October at 11.30am.

PLG

P L GREGSON

2 October 1984

Daily Coal Report - Tuesday 2 October 1984

		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	9	-
(iii)	Some men present	21	-
(iv)	On strike/picketed out	100	-

Although the general situation is much as yesterday, there are some encouraging features:

- NACODS men have reported as normal in the working areas. Only at two pits in the militant part of South Wales have NACODS men walked out.

- In Scotland numbers at Bilston Glen rose to a new record of 185.

- In Yorkshire 50 men reported, including 6 at Rossington for the first time and 2 at Denby Grange for the first time. The 4 men who reported yesterday to Manton colliery were present again today.

- In North Derby the main feature was a record 182 men at Shirebrook.

Coal Movements

161,000 tonnes were moved yesterday, of which 117,000 tonnes went to the CEGB.
27 coal trains ran.

Law and Order

3,400 pickets caused trouble at Thurcroft pit (Yorkshire) where 1 miner reported this morning. Stones were thrown, 2 police officers were injured: there were 10 arrests.

At Rossington (see above) there were 400 pickets and 5 arrests.

In Scotland there were 500 pickets at Frances pit - the first large scale picket in Scotland for some time. These included a contingent from the north east.

Industrial Relations

The Coal Board and NACODS had further talks today. NACODS are to meet ACAS tomorrow. Media reports tonight that a "peace plan" is to be put to Friday's meeting of the Board are incorrect. The Board will receive a report of NACODS views, including their demand for an independent tribunal to take final decisions on colliery closures.

There are reports of a possible 24 hour rail strike next Tuesday in Derbyshire, Nottinghamshire and South Yorkshire. The Federation of Rail Unions is alleging victimisation of train crews at the Shirebrook depot.

Alleged Contempt of the High Court

Writs alleging contempt were served on Scargill, McGahey, Heathfield, Taylor (President of the Yorkshire NUM), and Butler (General Secretary of the Derbyshire NUM). All 5 were given 48 hours (which expires on Thursday) to appear in court and explain their conduct after last week's High Court ruling that the strike in Yorkshire is unlawful and that men who cross picket lines should not be disciplined. Scargill today repeated his determination not to attend the court voluntarily.

Labour Party Conference

Mr Kinnock said today that the price of continuing the strike was 6 times as great as "any so-called savings" He did not however refer to a new Labour Party "peace initiative" as had been expected.

The TGWU has put forward an emergency motion calling on the conference to back the NUM in defying the High Court ruling that the strike is unlawful.

Line to Take

Members of the public can see for themselves that the Coal Board's offer is a fair one. They also overwhelmingly agree that the violence and intimidation of the militants, which is helping to sustain this senseless strike, must not be allowed to succeed:

Distribution: Members of MISC 101, Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 6070

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PRIME MINISTER

NCB/NACODS MEETING

There was a meeting between the negotiating teams from the NCB and the NACODS Executive at Doncaster today. Cowans was added to the NCB team. The following is a report from a member of the NCB team to the Department of Energy.

The talks were amicable and constructive. Pay and guidelines on crossing picket lines are agreed and out of the way. Today's discussion concentrated on machinery for review of pit closures and some form of arbitration arrangement in cases of disagreement, in which NACODS are described as "evangelical".

At first, NACODS proposed a mandatory arrangement. Cowans said that it was questionable whether the Board's statutes allowed it to surrender its responsibility in this way. Discussion then turned to an advisory process; and there was a frank exchange on the difficulties which would arise on the first occasion when the NCB wanted to reject the view of an "advisory" tribunal that a pit should be kept open against the NCB's wishes.

Cowans pointed out to NACODS that any settlement would have to embrace the NUM and BACM. The NACODS Executive said that they did not want to have direct discussions with the NUM, and the purpose of the NACODS approach to ACAS tomorrow is to ask ACAS to mediate between NACODS and the other unions in order to formulate what is a reasonable

CONFIDENTIAL

demand on the unions side.

Cowans said that he would report to the NCB on Friday what NACODS had said. At this stage he was fact-finding, not negotiating. The Board might be forced by its statutes to reject proposals which removed or diluted its management responsibilities; but it would look constructively at NACODS' suggestions.

NACODS' parting shot was to ask whether they could bring their full Executive to the NCB on Friday to hear the Board's conclusions. Cowans agreed to this.

The impression of the NCB team was that NACODS were genuinely anxious not to play the strike card. But a feeling of obligation to obtain something significant for their members was superimposed on a desire to find a way of settling the dispute. The NCB have taken the point that they will have to handle with great care the meeting with NACODS on Friday at which they give their reactions to the NACODS' approach.

Peter Walker is in Peterborough this evening, returning to London at about 11 p.m. He will be talking to Cowans tomorrow. Mr. MacGregor is going to France tomorrow morning, and is due to return on Thursday evening. At present Mr. Walker has a meeting scheduled with Mr. MacGregor for 9 a.m. on Friday, but will probably try to bring this forward.

Meantime, tonight the NCB Press Office have been instructed to deny stories that there is a new peace plan, and will simply say that the NCB listened to NACODS today, and will be reporting what was said to the NCB on Friday.

2 October, 1984.

FERB

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MISC 101

Copy No 1 of 4

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ

01-211-6402

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1

1 October 1984

Dear Andrew

POWER STATION ENDURANCE

I attach the latest reports on endurance and the weekly statistical fact sheet on coal stocks.

Copies also go to Margaret O'Mara and Richard Hatfield.

Yours
John

J S NEILSON
Private Secretary

Enc

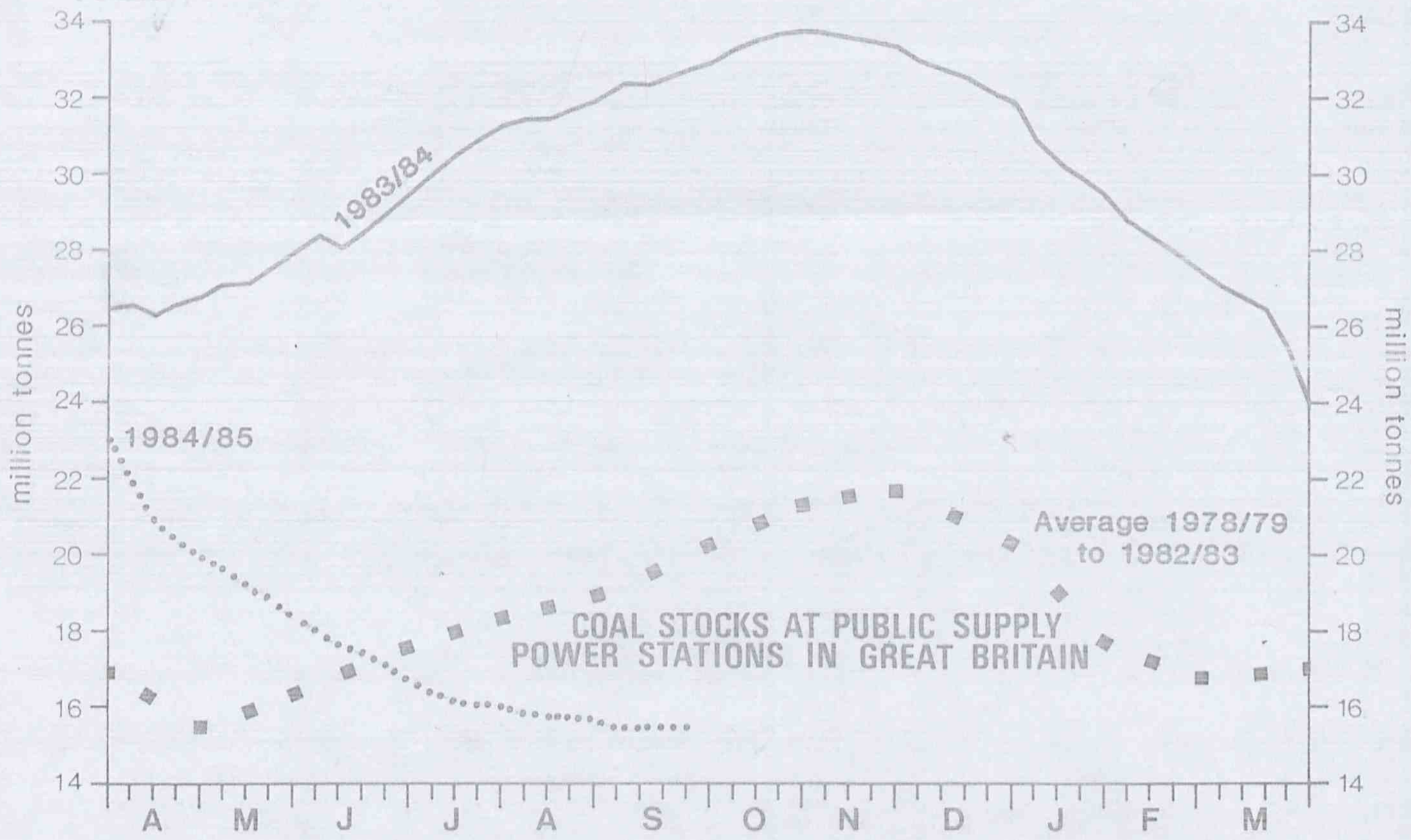
Copy No 1 of 14
28 September 1984

WEEKLY COAL AND POWER STATION STATISTICS (1)

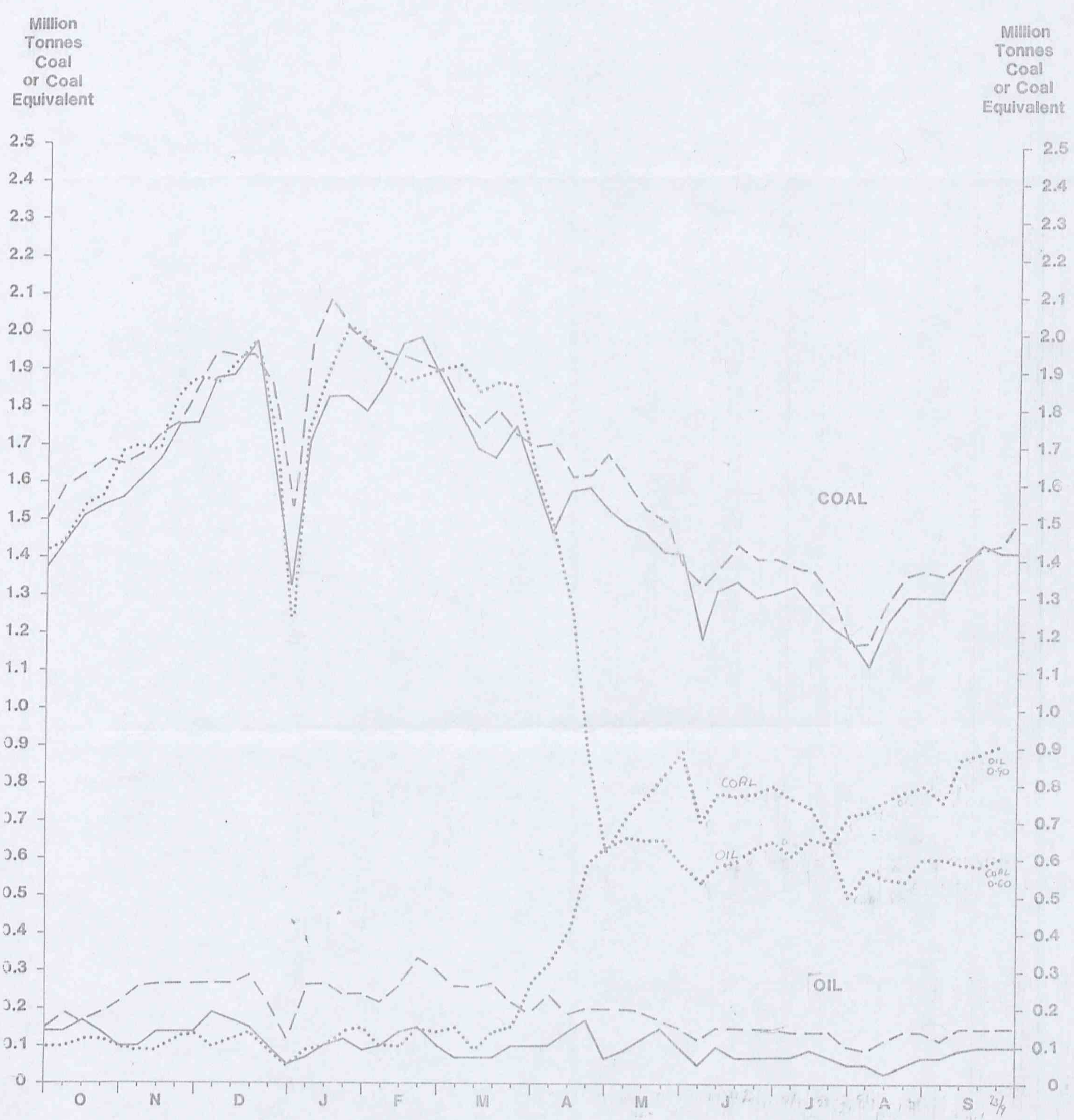
EcS Division, Dept. of Energy, Thames House South, Millbank SW1P 4QJ. Phone: 01-211-6928

	Week ending	24.9.83	1.9.84 (5)	8.9.84	15.9.84	22.9.84
COAL	PRODUCTION (m. tonnes) deep mines †	1.94	0.29	0.50	0.54	0.49
	opencast †	0.28	0.25	0.30	0.31	0.27
	TOTAL	2.23	0.54	0.80	0.85	0.76
	PRODUCTIVITY(2) (tonnes/manshift) 'overall' o.m.s	2.53	..	..	..	..
	'production' o.m.s	10.65	..	..	..	..
	UNDISTRIBUTED STOCK (m. tonnes) TOTAL	23.73	22.52	22.54	22.52	22.47
POWER STATIONS	COAL STOCKS (m. tonnes)	32.93	15.33	15.33	15.40	15.48
	COAL CONSUMPTION "	1.42	0.60	0.59	0.58	0.60
	COAL RECEIPTS "	1.61	0.41	0.59	0.65	0.68
	OIL STOCKS(3) "	1.33	1.18	1.32	1.34	1.37
	OIL CONSUMPTION(3) "	0.06	0.44	0.51	0.52	0.53
	OIL RECEIPTS(3) "	0.05	0.54	0.62	0.52	0.53
	ELECTRICITY SUPPLIED (4) (GWh)					
	Nuclear "	696	741	714	781	805
	Other Steam "	3,392	3,006	3,304	3,317	3,407
	TOTAL "	4,087	3,747	4,018	4,098	4,212
	TOTAL - temperature corrected "	4,044	3,893	3,946	4,141	..

(1) Great Britain unless otherwise stated. All latest figures are subject to revision.
(2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.
.., data not yet available. † includes licensed production. (5) includes summer bank holiday



COAL CONSUMPTION AND OIL CONSUMPTION (OIL FIRED) AT PUBLIC SUPPLY POWER STATIONS IN GREAT BRITAIN



POWER STATION ENDURANCE

1. Coal deliveries to CEGB power stations last week were 0.68 mt (including non-NCB sources), the best achieved since the start of the strike. Coal burn was 0.59 mt so that for the third week stocks have increased, by 0.09 mt. The Board's stocks last Sunday night were 14.6 mt with a further 0.9 mt at Scottish power stations.

2. Total NCB deliveries last week were about 0.85 mt, of which about 0.20 mt went to customers other than power stations.

3. The average rate of coal deliveries to CEGB power stations over the whole period of the strike has been 0.46 mt per week. The average over the past 8 weeks has been 0.53 mt.

4. The range of endurance outcomes is estimated by the CEGB as follows:

	Oil burn (% of maximum)	
Average coal deliveries	90%	100%
0.30 mt/week	early Jan	late Jan
0.35	mid Jan	early Feb
0.40	late Jan	late Feb
0.45	early Feb	early March
between 0.45 and 0.52	-	(see Note)
above 0.52	-	Autumn 1985

NB: Between 0.45 and 0.52 mt/week it is particularly difficult to forecast endurance with confidence. The margin needed to extend endurance from Spring (March/April) throughout the Summer is small, as Sir Walter Marshall has explained.

Department of Energy
26 September 1984

From: THE PRIVATE SECRETARY

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SWIH 9AT

1 October 1984

Prime Minister

Dear David,

COURTS AND THE MINERS' DISPUTE

I mentioned to you on the telephone on Thursday that there has been further progress in the appointment of stipendiaries to deal with the outstanding cases relating to the miners' dispute. The most recent appointments are:

(i) Chesterfield: has arranged for the loan of court clerks from Manchester and Sheffield; this will enable them to go ahead with plans for a second stipendiary from 15 October.

(ii) Mansfield: has been allocated a stipendiary for the period 5-16 November.

(iii) St Helens: has been allocated a stipendiary from 1 October for two to three days per week, subject to a weekly review. Extra court clerks have also been arranged.

(iv) Peterlee (Co Durham): a stipendiary will sit for the two weeks beginning 22 October.

The Home Secretary intends to give details of the use of stipendiaries in his Conference speech, and it would be helpful if there could be no prominent publicity of these developments before then.

Yours,
Nigel

N A PANTLING

David Barclay, Esq

SECRET

Copy 1

NBPM AT 1/10

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

16

My ref:

Your ref:

Dear Secretary of State

1 October 1984

See PA 12

Thank you for your letter of 17 September.

I have consulted Michael Havers urgently on my power to make a determination under the condition in the Springhill case. He advises that for me to have jurisdiction it must be shown that there has been a failure to agree. The Board applied to the Council in April for consent to move 1,000 tonnes of coal per week by road and the Council refused their consent. I therefore have jurisdiction to make a determination on the movement of that amount of coal. However, because the Board have not formally asked the Council to agree to the movement of 15,000 tonnes per week, Michael Havers advises that until the Council have had that question put to them and have refused to agree (either expressly or by failing to reply to the Board) I have no jurisdiction to make a determination in respect of that larger amount. With the best will in the world, I cannot ignore that advice. The NCB should now formally ask the Council to agree to the movement of 15,000 tonnes per week.

Turning now to other sites affected by the lack of rail transport, I still await Michael Havers' advice on the circumstances in which I might use the powers laid down in Section 49(4) of the Opencast Coal Act. If he feels that in some circumstances it is acceptable to use these powers, then I shall be very ready to help you in any way in which he advises me that it is open to me to proceed.

The Springhill case shows that we must look closely at the circumstances of each case and the precise wording of any conditions. You say that Springhill is the only case to which the particular planning condition applies. What we must do now is, as a matter of urgency, to ask our officials to examine the particulars of each of the 8-10 sites to which you refer. I have asked my officials to discuss these with your Department straight away.

I have not said that an Inspector would necessarily find against the Board. I have simply pointed out that he would have to take account of any representations received and the reasons why the conditions were applied in the first instance.

SECRET

I am anxious to do all I can to help over what is clearly a troublesome constraint.

I am copying this letter to the Prime Minister and Michael Havers.

Yours sincerely

Alex Davis

for PATRICK JENKIN

Approved by the SofS and signed in his absence

The Rt Hon P Walker MP.

NAT IND
COOK
PK 13

CONSERVATIVE PARTY NEWS SERVICE

Press & Public Relations Department.

Phone: 01-222 0151/8
01-222 9000

Conservative Central Office.
32 Smith Square,
London SW1P 3HH

Coal-

RT HON PETER WALKER MBE MP

Release Time: 13.00 hrs, Monday 1st October 1984

630/84

Statement by the Rt Hon Peter Walker MBE MP (Worcester), Secretary of State for Energy.

BENN - THE PREACHING AND THE PRACTICES

As the nation witnesses Mr Benn's passionate support for the miners, it is vital they recognise it is not the miners that Mr Benn is supporting, but Mr Scargill. These two men have identical political objectives. But every miner in the country should recognise that the pronouncements of Mr Benn and his condemnation of a Conservative Government are in total contrast to his performance when he was Labour's Secretary of State for Energy in four of the five years of the last Labour Government.

His record was appalling. In those five Labour years, total capital investment in the coal industry was £1,472 million. In the first five years of this Government the capital expenditure was £3,824 million. For every pound that Mr Benn was willing to invest, the Conservatives have invested £2.30. What hypocrisy for him to call on us now to expand the industry when our performance has been so much better than his.

Under Mr Benn there were 20,000 voluntary redundancies. For a married man aged 55 under Mr Benn he received a maximum of £72 per week. Under the Conservatives he could now receive £104 plus lump sums totalling over £15,000. For a man aged 49 under Mr Benn he received a maximum of £950, and now under the Conservatives he could receive £33,000. That is the contrast between the way in which the Conservatives have dealt with those who wished to retire early or to take voluntary redundancy and the harsh treatment of Mr Benn.

Printed and published by Conservative Central Office, 32 Smith Square, London SW1P 3HH

Now Mr Benn says he supports Mr Scargill in retaining every uneconomic pit. He did not tell the country that when he introduced the Coal Industry Act of 1977. He personally was the prime sponsor of the Bill. And what did Clause 6 of that Bill say in its very first paragraph: "The Secretary of State with the approval of the Treasury may, out of money provided by Parliament, make to the Board such grants as in the opinion of the Secretary of State will further assist in the redeployment of the manpower resources of the Board and the elimination of uneconomic colliery capacity". Mr Benn was therefore the prime promoter of a Bill where one of the declared objectives was the elimination of uneconomic colliery capacity.

What hypocrisy to posture now as a man passionately opposed to the closure of uneconomic pits. Indeed, in Mr Benn's last months of office, one pit was closed where there were reserves of coal which would certainly have lasted a further three to four years. Another pit closed with reserves of more than 1½ million tonnes. How dare he now suggest that Mr Scargill and he will never close any pit unless it is totally exhausted of coal.

But how did this advocate of treating the miners generously behave when it came to the issue of pay? I will tell you. He brought about the biggest successive annual reductions in miners' earnings since nationalisation. Between 1975 and 1976, in real terms, miners' earnings dropped by £13.10 a week. Not satisfied with that, the next year they dropped in real terms by a further £15.70 a week. In two years of Bennery therefore miners' earnings plunged by £28.80 a week.

Be it investment, be it pay, be it early retirement, Tony Benn was a disaster for miners compared with this Government. On uneconomic pits he spoke with one voice in power and a totally different voice out of power. Let every miner recall that it was Mr Benn who told the House of Commons as the Minister responsible for the then Labour Government "It is Government policy to phase out subsidies to the nationalised industries. In line with this the Government hope that the coal industry will be able to operate without the need for assistance, apart from the social grants". If we now pursued Mr Benn's policy the Coal Board would be bust, insolvent and the miners jobs would be destroyed.

ENDS

SECRET AND PERSONAL

(AT has seen)

15

Daily Coal Report - Monday 1 October 1984

		Number	plus on holiday
(i)	Working normally	45	-
(ii)	Turning some coal	9	-
(iii)	Some men present	18	(2)
(iv)	On strike/picketed out	96	(4)

Seafield (Yorkshire), where the number reporting has dropped from 4 to 3, has been relegated to category (iv); though the pit is on an official rest day.

The general situation is little changed from last week. The Coal Board report that 22 ex-strikers returned on this morning's shift. Main points to note are as follows:

- attendances in the main working areas are holding up;

- NACODS men have continued to report in these areas. There have, however, been higher than usual absences reported in the South Midlands, and at Mardy (South Wales) NACODS men walked out;

- in Scotland 181 men reported at Bilston Glen;

- in the North East both Wilkinsons reported at Easington; 17 at Wearmouth;

- 44 men reported in Yorkshire. These included the first men back to Manton - Messrs Foulstone and Taylor, who last week won a High Court ruling that the strike was not official, together with two colleagues. (See below);

- 32 men reported in Kent, at Tilmanstone and Betteshanger.

Coal Movements

The Board's provisional estimate is that 883,000 tonnes were moved last week, of which 645,000 tonnes went to the CEGB.

41 coal trains ran on Friday.

Law and Order

After clashes with the police last night 23 pickets were arrested at Manton. A police car was ambushed, and one of the occupants hit by a piece of concrete. Later a barricade of tyres was placed across the road and set on fire.

Elsewhere picketing was generally moderate, though there were 1500 pickets at Yorkshire Main.

Industrial Relations

At the time of writing, talks between the Coal Board and NACODS have just been adjourned until tomorrow. Preliminary reports indicate that in the discussions NACODS placed great emphasis on colliery closures procedures - apparently seeking some form of independent tribunal to take final decisions. A similar proposal is understood to have been made today by the opposition energy spokesman, Mr Orme, who is reported to have sent copies of his plan to the Coal Board and ACAS.

D/Employment report that ACAS, in pursuing their further exploratory soundings of the Board and the NUM, propose to start with the latter - but they have made it clear to Scargill that they do not intend to make a special trip to Blackpool for this purpose.

Court Hearings

After Friday's High Court ruling that the strike was unlawful, Scargill claimed to the press that the 1981 ballot vote giving an 86% majority for strike action in Yorkshire "was, and is, official". It is understood that the

two Manton miners who brought one of the actions are now considering further action against the union for contempt of court.

[Stop press: A writ has just been served on Scargill which, according to media reports, seeks to jail him. It is believed a hearing could take place on Thursday].

Labour Party Conference

Todays events included attacks on the Coal Board, police and Government by Messrs Scargill, Benn, Heffer and others. The Conference voted overwhelmingly to back a statement by the national executive which included accusations of police violence against pickets. A copy of a statement issued by the Secretary of State for Energy is attached.

Line to Take

- As before, stress key elements of Coal Board offer.

- condemn violence and intimidation. The police are acting impartially in defending ordinary citizens from the rule of the mob.

Distribution: Members of MISC 101, Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 7214

Coal.

FROM THE BISHOP OF DURHAM BISHOP AUCKLAND 602576

AUCKLAND CASTLE
BISHOP AUCKLAND CO DURHAM
DL14 7NR

28th September 1984

Dear Mr. Walker,

Thankyou for your reasoned and informative letter of the 24th September. I greatly appreciate both the courtesy and the compassion you express. I am glad too of the opportunity for calm but urgent discussion between Christians about the frighteningly difficult problems which we all face, and about how our faith should interact with our practical and political decisions and stances.

The difficulties and differences between us seem to me to stem principally from two things, Firstly, I do not doubt your personal concern, nor your intentions, nor the value of many of the measures of which you write. Unfortunately, the government to which you belong does not seem to care for the steadily increasing number of people who are unemployed, and are otherwise marginalised in society, and does not seem to care that it does not seem to care. (You probably saw Mr. Pym's gently cautious words on the subject in The Times of September the 19th in an article headed "Miners : Now for the Human Touch") .

On all the statistical tables known to me it seems a simple matter of fact that this government's fiscal measures consistently improve the lot of (to use titles from one such table) "senior managers" and "company directors"

while causing losses to "jobless man with family" and "semi-skilled worker". This seems a gratuitous refusal to care and a rather insulting determination to make sure that the already under-privileged bear an even greater share of the cost of our undoubted economic difficulties, and of our undoubtedly required greater economic realism. It is also difficult to believe that the government does care for all the members of our society when cuts are repeatedly made on those services which are of particular value to the poor, but money can always be found for military adventures in the Falklands, pretending to be still a great power in defence matters or keeping up the police forces. I do not say that we can do without either defence or police expenditure, but the emphasis does seem to be persistently on non-caring and agressive directions.

This leads too the second principal point. I agree with you that Mr. Scargill's personal intransigeance has played and does play a very considerable part in keeping the situation over the mines deadlocked. I would guess that quite a few miners would like to see a situation rapidly developing in which they could do without Mr. Scargill's intransigeance. But it is necessary to ask why Mr. Scargill gets the (by no means complete, but very strong) support that he does. The answer surely lies on the one hand in the general economic situation. Redundancy payments are all very well, and the redundancy arrangements of the N.C.B. may well be the envy of threatened workers elsewhere, but redundancy means both no further jobs for the redundant, and no jobs for their children. Communities and a whole way

of life are swept away at a time when there are no alternatives elsewhere. This is a vital difference between closing mines in the 60's and early 70's and closing them now. I am sure that many miners and their families remain doggedly committed to the strike not for money, but for a way of life. Whatever Mr. Scargill may be after, they are seeking not revolution, but a future for something they have valued like life itself.

Then, on the other hand, Mr. Scargill's intransigeance is immensely reinforced by a government style which seems to make a virtue of confromtation. I had hoped, when I first drafted my Enthronement sermon two or three weeks before the event , that the page on the miners' strike could be either withdrawn or completely rewritten. But the Prime Minister's remarks on The Jimmy Young Programme reported in the papers of September the 20th convinced me that, with great sadness and perplexity, I could not alter a word. We seem to have intransigeance confronted by intransigeance, and this, I believe, is the death both of true politics and true community.

You yourself make a splendid point towards the end of your letter about compassion and efficiency. Of course, compassion does not get you very far in dealing with the problems of millions. We must have efficient production of the means of compassion. But surely this implies negotiating with and not destroying communities, groupings, and organisations which have grown up over the years, and which represent, however imperfectly, the legitimate aspirations and hopes

of real and valued members of our society. It means developing a politics of the possible which carefully and compassionately considers the cost of any particular campaign in regard to the overall aims of the political struggle.

If the government is really prepared to contemplate the pit strike going on for more than a year then it seems to me to have lost all sense of what a community is and what a country is. Something must be done speedily to stop communities tearing themselves apart, to stop bully boys in both mining pickets and police forces calling the tune, to stop ordinary families coming near to starving, and to stop the mining industry destroying itself. A government should be so strong enough to be able temporarily to accept a compromise or check to its overall policies for the sake of local communities and particular persons. Such compromises would add to, not detract from, its authority.

You ask me what I would do if Mr. Scargill continues to refuse to negotiate on the one issue he says is not negotiable. I think I should challenge him to a "cooling-off" period. Let both (?all) sides recognise the status quo at the moment. Where pits are effectively working leave them to work effectively, where pits are not working leave them not working - without either picketing to change the position or police to make sure that very small numbers of men have "their right to work recognised". Leave the communities around the pits alone, and let them make their own peace with local police and local miners. Meanwhile, resume all possible negotiations, using all parties that are available on willing, and abandon the pretence that it is a matter between the

N.C.B. and the workers, and not a government matter.

If the strike continues it is certain that miners, government and country will have been defeated. It is, therefore, surely, in the last analysis, up to the government to consider what concession it can possibly make to break this dreadfully threatening deadlock, and free us all for further chances to tackle our problems without confrontation politics at every turn.

As you say, "We must do our best to assess who is the true enemy". I think that Christian insight would encourage us to recognise that part of the enemy is always within ourselves, and that no "they", "he" or "she" should ever be treated as the total enemy, and the sole enemy. This does not make for simplicity of party slogans. But I think it does make for a compassion which if exercised politically might greatly add to efficiency and hope.

Yours sincerely,

David Durden:

The Right Honourable P. Walker,
Secretary of State for Energy,
THames House South,
Millbank,
LONDON SW1P 4QJ

Cc. The Prime Minister

File

Dr Jeremy Bray MP
House of Commons
London SW1A 0AA

Telephone 01-219 3000 (switchboard)
01-219 4000 (direct line)

28 September 1984

29

Mr Robert Haslam
Chairman
British Steel Corporation
9 Albert Embankment
London SE1 7SM

AT to see

Dear Bob,

The reports in the Financial Times and other papers today (28 September) about the effect of the miners' strike on BSC, have risked upsetting the delicate balance which has maintained operations at Ravenscraig. I understand from Mr Ron Melvin, your present Publicity Director, that the reports were based on briefings by BSC.

The implied threat not to restore coal and ore traffic to rail, now risks depriving Ravenscraig of the large volume of rail traffic which continues to move in and out of the works. It was a similar statement made by Mr Albert Wheeler, Scottish Director of the NCB, about Polkemmet coal supplies to Ravenscraig, that caused the original cessation of coal supplies to Ravenscraig by train. In neither case is there any basis in actual Ravenscraig plans or intentions. Both management and unions at Ravenscraig have constantly reiterated their wish to see rail traffic restored fully as soon as possible. Nor would the local community readily tolerate the environmental damage of unnecessary convoys of heavy lorries passing through the town centre and housing estates daily for an indefinite period.

Regarding coal supplies, if lasting damage has been done to coal supplies from Polkemmet because of the flooding of the pit, Ravenscraig management is reluctant to rely solely on imports. Management has been having discussions with the National Coal Board about the supply of coking coal from Holditch and two other collieries in Staffordshire, which offer a higher quality of coking coal.

To resurrect at this time the proposal to shut down either the cold or the hot mill in Scotland, while leaving slab production at Ravenscraig intact, is an unnecessary and inaccurate reflection of the options being considered for Ravenscraig, and in the circumstances quite gratuitous trouble making.

While I understand the press briefing was intended as background to a conference in the United States, the intention, whether for home or foreign consumption, seems to have been a political attempt by BSC to trade on the understanding by its own employees of operating considerations on steel plant, simply to score points about the miners' strike. If you wish to maintain operations in your steel works, then I hope you and your staff at Head Office will at least show the same consideration for industrial relations, as the Ravenscraig shop stewards and I have shown of operational considerations at Ravenscraig.

I am not releasing a copy of this letter to the press, but reserve the right to do so if these press reports do in fact damage the situation. However, I am sending a copy of this letter, to the Secretary of State for Trade and Industry and the Prime Minister, together with my press statement of 14 September, which I did not send them at the time.

As you know, the Ravenscraig shop stewards on that occasion had privately to threaten the immediate shut down of Ravenscraig before BSC management would agree to accept the terms which settled the dock strike. I am concerned from this latest evidence, that BSC Head Office has still not learnt the discretion needed to get over present industrial difficulties.

Yours sincerely

Jeremy Bray

Dr Jeremy Bray MP
House of Commons
London SW1A 0AA

Telephone: 01-219 3000 (switchboard)
01-219 4000 (direct line)

1

Subject to correction at time of delivery

PRESS STATEMENT

Friday, 14 September 1984

DR JEREMY BRAY MP

Release time 11 am

MP for Motherwell South

Thanks to the good offices of my colleague John Prescott a meeting was arranged between Ravencraig and TGWU officers and stewards on Wednesday, 12 September. In my presence on Wednesday morning Mr Alan Johnson (Deputy to Mr Dunbar, Works Director) and Mr Ron Mercer (Iron Works Manager) proposed to Ravenscraig stewards that with present coal stocks they should suggest restricting deliveries of coal to Ravenscraig to 16,000 tons increasing fortnightly to 18,000 tons, then 20,000 tons, until it reached and remained at 22,500 tons for the duration of the miners' strike. I suggested that since no one was suggesting 16,000 tons, deliveries should be at 18,000 tons for 4 weeks, then increase to 20,000 tons and then to 22,500 tons. Mr Johnson and Mr Mercer accepted this was an equivalent proposal.

This proposal was put to and agreed with the TGWU Scottish docks representatives ~~and~~ on Wednesday in time for ratification by the Ravenscraig Joint Works Committee on Thursday, 13 September, and for

consideration by the TGWU national docks committee today, Friday 14 September. It was agreed that public reference should only be made to 18,000 tons for four weeks, with the subsequent revision not made public. A return to work at Hunterston was recommended on the basis of custom and practice as understood by the TGWU and ISTC before the dispute.

When on Thursday morning Ravenscraig management were informed they congratulated Ravencraig stewards on the arrangement. Mr Dunbar said he would make no public reference to 22,500 tons until after Friday. It remained only for the TGWU to discuss with the Clyde Port Authority the manning of the tugs and mooring boats on which no departure was to be sought from previous practice.

In the event on Thursday afternoon Mr Dunbar of BSC attended the meeting between the Clyde Port Authority and the TGWU. He insisted that the TGWU representatives accepted that the 22,500 tons a week was the Ravenscraig requirement before discussing the manning questions. Mr Hardie of the TGWU said that this was not for him to say. Nor was this the purpose of the meeting. BSC could have obtained any assurance they sought from an appropriate meeting with TGWU and their own union representatives.

After the meeting was adjourned yesterday, Mr Dunbar made a press statement insisting on 22,500 tons. I telephoned Mr Dunbar to ask why he had departed from the agreed formula. He had no adequate explanation. I was unable to contact Mr Haslam, Chairman

of BSC, so I spoke to Mr Tebbitt's private secretary, asking that BSC should make a further statement in time to save the arrangements to be proposed to today's meeting of the TGWU Dock Committee. I said Mr Dunbar seemed to have acted on his own initiative and needed guidance on the national interest. Mr Tebbitt's secretary assured me that Mr Haslam had kept in touch hourly with them during the day. Mr Haslam told the Minister's private office that he had instructed his people at Ravenscraig to take a firm line. I asked to speak to Mr Haslam or Mr Tebbitt last night, but had no response.

The appearance to the Ravenscraig workers of duplicity on the part of Ravenscraig management privately proposing and accepting an arrangement and the publicly rejecting it, can still be corrected. It has placed the Ravenscraig trade union representatives in an impossible position which they are having to consider.

If BSC does not accept the arrangement it privately proposed, Mr Haslam and Mr Tebbitt will have deliberately sabotaged the basis for a settlement of the dock strike, and destroyed the trust necessary between management and workers at Ravenscraig.

END OF STATEMENT

Next page : Background information

BACKGROUND INFORMATION 14 September 1984

to Press Statement by Dr Jeremy Bray

MP for Motherwell South

At an early stage in the miner's stike I met Mr Haslam, Chairman of BSC by chance. I said he seemd to be leaving his local management to look after Ravenscraig and they were doing well. He said, "Yes, that is the right way to do it." So I said that I would continue to deal with them directly and not through him. I have kept in close touch with the management and trade union representatives at Ravenscraig throughout.

I was present on two occasions when Mr Dunbar, Works Director, and Mr. Mercer, Iron Works Director, exlained to shop stewards the need for 14 or 15 train loads or 18,000 tons per week as the minimum coal supply needed for the safe operation of coke ovens and blast furnaces.

Steady operation at these levels however was found to cause problems. Mr Dunbar assured me that the 70 ton scab formation on one blast furnace had nothing to do with the low level of operation, but its removal required a higher level of carbon input and iron output for a few days.

In later talks with the Clyde Port authority and the TGWU on the berthing of the OSTIA at Hunterston, when Mr Wyper of the TGWU

offered 18,000 tons of coal per week from Hunterston, Mr Dunbar said experience had shown 22,500 tons was necessary. This Mr Wyper could not accept.

As Ravenscraig had to get the coal, I supported the berthing of the OSTIA. Since however the consequence was a national dock strike, I urged on Mr Dunbar and trade union representatives at Ravenscraig their responsibility in the interests of British industry as a whole, to offer any reasonable understanding with the TGWU which would settle the original issue and resolve the dock strike.

Since difficulties had arisen in estimating the inherently unpredictable requirements of blast furnaces I suggested that all restrictions on supplies on materials to Ravenscraig should be lifted, and instead a limit placed on the production of finished strip and plate equivalent to 18,000 tons coal usage. I said that such an arrangement could be made by Ravenscraig trade union representives with the TGWU without any management initiative. A similar suggestion was later made independently by Mr John Hardie, Scottish docks officer of the TGWU. Mr Dunbar rejected the detail of my suggestion, but the proposal for a meeting of the TGWU and Ravenscraig unions was followed up.

END

File JR

10 DOWNING STREET

From the Private Secretary

28 September 1984

Dear John,

The Prime Minister has received the attached letter from Sir John Clark of Plessey. Do you have any information on the coal industry in the Soviet Union and Poland and, if so, does it point to any conclusions which would be helpful in the debate about the closure of uneconomic pits in Britain?

Yours sincerely

Andrew Turnbull

(ANDREW TURNBULL)

John Neilson Esq.,
Department olf Energy.

SECRET

TF

14A

COPY 1 OF 3

CC NO

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 7214

Charlotte
file with coal mentioned

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1

27 September 1984

Dear Andrew

We spoke yesterday about follow up work from Tuesday's MISC 101. I attach the Hansard record of Mr Walker's remarks on 7 June which explained how two pits with workable reserves had been closed in Mr Benn's period as Secretary of State for Energy. Also enclosed are detailed notes about these two closures, which were Langwith colliery in North Derbyshire and Craig Merthyr colliery in South Wales.

Coal Division here have tried to investigate, with the Department of Employment and Department of Trade and Industry regional offices, whether pit closures during the Benn era led to any significant local rises in unemployment. They identified two closures - Dalquarran in Ayrshire and Metal Bridge in County Durham - where it was known that a sizeable number of people had accepted voluntary redundancy. Notes on these two closures are attached. Around 20,000 men accepted the redundancy terms in the four years 1975/76 - 1978/79, about the same number as in the single year 1983/84. Virtually all of these were over 55, for whom the terms were already moderately generous. The NCB have told us that where a pit was closed, the normal pattern was for most men at that pit to be transferred, and for some men to be offered redundancy at a number of surrounding pits, so that the unemployment effect would be dissipated. Given these examples and facts the officials so far consulted have concluded that further research in this area would be fruitless, but we do of course stand ready if you wish.

I am copying this letter to Peter Smith at the Department of Employment, in case he is able to throw any more light on regional unemployment trends during this period.

Yours
John

J S NEILSON
Private Secretary

SECRET

[Mr. Orme]

prevent the influx of coal from outside the United Kingdom, and plan conversion to coal-fired power stations instead of retaining expensive oil-burn capacity. That would be a long-term saving, which would benefit the coal industry and energy consumers. They should plan and construct new coal-fired stations instead of wanting the pressurised water reactor at Sizewell. They should be wholeheartedly committed to expenditure on new uses for coal, such as gasification and liquefaction. They should proceed rapidly with a programme for combined heat and power. They should introduce a massive extension of the boiler conversion scheme for industry.

Those are part and parcel of achieving wider markets for coal and a secure future for the industry. Investment in the nation's most important natural resource is not a waste of taxpayers' money either today or in the future. The expansion of the coal mining industry can only reap benefits for the entire country and ensure a future for the miners, the industry and for our ability to provide an energy source for the people of Britain for many generations to come.

In February 1981 the Prime Minister told us that it was important to secure a bright future for the coal industry and that the Government would honour "Plan for Coal". What does she say today? The Government have presented the industry not with a vision of growth, development and expansion, but with one of contraction and closure. We call on the Government today to accept their responsibilities as a party to "Plan for Coal", and to move towards a settlement of the dispute along the lines stated in our motion, beginning with the withdrawal of the closure programme. We call on the Government to stop their secret manipulations to score a political victory over the miners and to start acting in the interests of the nation. Britain needs ever tonne of coal and every miner to dig that coal. That is what this debate is about.

Mr. Speaker: I have selected the amendment in the name of the Prime Minister.

4.31 pm

The Secretary of State for Energy (Mr. Peter Walker): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'confirms that the future of the coal industry will depend on the industry's success in deploying its assets so as to keep coal competitive with other fuels; welcomes the action of the Government in providing more capital investment for the industry than any previous Government in order to achieve a successful future for the industry, noting that their investment of over £3·9 billion has not only far exceeded investment in the industry by the last Labour Government, but has substantially exceeded the scale of investment envisaged in the "Plan for Coal"; welcomes the steps taken by the National Coal Board and the Government to ensure that, in areas where a reduction in uneconomic capacity is being considered, miners affected will be treated more generously and with greater understanding than in the past, to the benefit of mining communities; notes that the early retirement and voluntary redundancy provisions are more generous than those of any other industry, and have helped create a situation in which the National Coal Board can assure any miner now employed that he will be able to continue working as a miner if he desires to do so; welcomes also the action of the National Coal Board to assist mining communities by creating a new enterprise company; and calls upon all those in the industry to co-operate to achieve the higher productivity essential to keep coal competitive and secure the future prosperity of the industry and its employees.'.

The speech of the right hon. Member for Salford, East (Mr. Orme) was remarkable for its total departure from a true analysis of the position. He said that it was important for the Government to stick to "Plan for Coal". If one decided to adhere to "Plan for Coal" and tried to bring into the coal industry what was envisaged by that document, as updated by the right hon. Member for Chesterfield (Mr. Benn) and by the previous Member of Parliament for Chesterfield, the only thing one could do would be to slash the investment programme and to close many more pits.

The Government have substantially exceeded the proposals on investment in "Plan for Coal". That was deplored by the right hon. Gentleman because the investment was in new pits, collieries and coal faces. During the past 20 years the work force in the industry has been reduced by 290,000—190,000 of those under 10 years of Labour Government and 100,000 under 10 years of Conservative Government. Labour Governments have a remarkable record of closing pits. Is the right hon. Gentleman seriously saying that they learnt their lesson from the 1960s and that when they came to office in 1974 and prepared "Plan for Coal" they decided that in future they would close only those pits that were completely exhausted.

Mr. Orme: Or unworkable.

Mr. Walker: That is the new definition, but it was not the definition used by the then right hon. Member for Chesterfield in the last year of the Labour Government when nine pits were closed, including one pit with two to three years' reserves of coal in it and another pit with 1·5 million tonnes of coal in it.

The first "Plan for Coal" states:

"However, like most extractive industries, the NCB 'has to run fast to stay still'. Over the period up to 1985 it appears that a broad average of some 3-4 million tons capacity a year is likely to be lost, mainly through exhaustion of mines and possibly also through exceptional mining difficulties".

Is the right hon. Gentleman seriously suggesting that the NUM, the NCB and the then Department of Energy, under a Labour Secretary of State, calculated that 4 million tonnes of coal production would become completely exhausted during that period? Of course he is not. Unless all the Ministers at the Department of Energy, the NCB and the NUM were completely ignorant about the mining industry, they could not have meant the word "exhausted" to mean exhausted of all coal. They meant pits that were exhausted from the point of view of economic coal production.

If one wants evidence of that, the same document stated later:

"But inevitably some pits will have to close as their useful economic reserves of coal are depleted."

Perhaps we should examine the Labour Government's final Green Paper on energy policy, prepared by the then right hon. Member for Chesterfield, in which the Labour Government refused to put a target on coal production. There was no target for coal production in any of the documents produced at the time. They put in its place this conclusion in the Green Paper:

"The coal industry has in its own hands the opportunity to shape its long-term future. It has the reserves and the technology to make a major contribution to meeting our long-term energy needs. How much reliance we shall be able to place on coal in future will depend on the industry's success in deploying those assets so as to keep coal competitive with other fuels."

LANGWITH COLLIERY, NORTH DERBYSHIRE AREA

From 1973/74 to 1977/78, Langwith produced between 370,000 tonnes and 500,000 tonnes a year, which went to the power station market. About 1,000 men were employed at the colliery in 1973, but this had reduced to about 600 a year before closure.

Productivity was generally between 2.5 and 3.2 tonnes per manshift and the pit produced profits in its last few years of working, reaching to £2 per tonne in 1976/77 and £6 per tonne in 1977/78.

A special national meeting was held in May 1975 to hear an appeal by the NUM against the Board's decision not to develop on the eastern side of the colliery, because of the thin seam section, poor conditions for mining, high development costs and the likely financial operating losses. NUM efforts to get the Board to reverse their decision included approaches to Mr. Benn, the then Secretary of State for Energy. However, the Area Director finally announced on 10th April 1978 that in agreement with the local Union's the colliery would close. Coal winding ceased on 4th August 1978. The reserves left in the ground at closure amounted to about 1.5m. tonnes in the Main Bright and Clowne Seams.

There were 535 men on books at closure of whom 113 (21%) were made redundant. Men made redundant were aged 55 and over. Over 100 men were transferred to each of Warsop (2 miles from Langwith) and Shirebrook (2½ miles). The social effect on Langwith Village was accordingly negligible.

M21SE406,2

GRAIG MERTHYR COLLIERY, SOUTH WALES AREA

Graig Merthyr produced about 150,000 tonnes a year of power station coal. Manpower was between 450 and 500, overall productivity about 1.5 tonnes a manshift and losses were between £2 and £5 per tonne.

Meetings were held with the Union locally which led to an announcement by the Area Director on 8th February 1978 that agreement had been reached on the closure of the colliery because of the approaching exhaustion of workable reserves. Closure took place on 23rd June, 1978.

At the time of closure there were sufficient reserves for the pit to continue to operate for a further 3 or 4 years. However, the reserves were in the thin Swansea Three Feet Seam. In addition, some additional reserves were found at Cwmgwili, allowing the timing of the respective closures to be reversed, with Graig Merthyr men being made available to man up the new Betws Colliery.

At the time of closure, 64 (25%) of the 251 men on books were made redundant, and almost all the rest were transferred to either Betws or Brynlliw/Morlais. The men made redundant were aged 55 and over.

Graig Merthyr Colliery was situated in a remote area in the Loughor Valley, and the men had to travel either up or down the valley to work. The receiving pits were each about 5 miles away from Graig Merthyr, Brynlliw/Morlais at the bottom of the valley near Pontardulais, and Betws at the top near Ammanford. As a result many men will have had shorter journeys to work following the closure.

M21SE406,4

(A) DALQUARRAN (Ayshire)

Pit Closed: April 1977

Employment Exchange Area (Special Development Area) Girvan

119 men employed at time of closure

109 (92%) made redundant

9 transferred to other pits (Scope for transfer limited due to fact that transfers from an earlier pit closure, Cairnhill in November 1976 had filled up available vacancies)

Most men lived in village of Daly, nearest town of alternative employment Girvan - few prospects.

Unemployment:	Girvan Empl. Exch. Area		Scotland (average)
April 1977	370	13.8%	9.2%
July	453	16.9%	10.1%
Sept	450	16.8%	9.7%

By December 1977 the numbers unemployed had fallen slightly to 431.

There were no other major specific industrial closures during this period.

(B) METAL BRIDGE (County Durham)

Pit Closed July 1978

Employment Exchange Area (Development Area) Central Durham

357 men employed at time of closure

120 (34%) made redundant

Main job transfers: 90 men to Easington colliery (12 miles distant) 53 men to East Hetton (4 miles) and 50 men to Blackhall (12 miles).

No single pit village - so effects of redundancy spread. However prospects for finding alternative employment hit by closures in summer of 1978 of:-

Courtaulds 1600 jobs lost;
Advance Textiles 400 jobs lost;
Cheerex Plastics 98 jobs lost;

Unemployment position was alleviated by opening of Carreras Rothmans Factory - 700 new jobs 1978-80.

cont.

Unemployment:	Central Durham Empl. Exch. Area		England (average)
May 1978	4374	6.6%	5.7%
June	4818		
July	5501		
August	5601	8.5%	6.6%

By December 1978 the unemployment rate in Central Durham had fallen to 7.1% probably as a result, in part, of the Carreras Rothman opening.

HOME SECRETARY

WITH

THE COMPLIMENTS OF THE

PRIVATE SECRETARY

HOME OFFICE
50 QUEEN ANNE'S GATE
LONDON SW1H 9AT

c.c. Mr Sibson
Mr Webber
Mr Partridge
HMCIC
Mr Halliday
Mr Hilary
Miss Goose
Mr Harrington
Mr Hawkes
Mr Mower
Mr R Harris

HOME SECRETARY

ANNE'S GATE LONDON SW1H 9AT

27th September 1984

Dear Peter,

MINERS' DISPUTE: POLICING COSTS

In my letter of 18 June I suggested that the total contribution to the costs of policing the miners' dispute which any one police authority should have to make from the rates should be limited to the product of three quarters of a penny rate. I said that I would not propose to make an early announcement of the details of my proposals, in order not to remove from police authorities the incentive to economise; but that some indication of our thinking needed to be given. You agreed to these proposals, and I announced on 28 June that a police authority's total share of the approved additional expenditure incurred up to 30 June would be limited to the product of a penny rate. On 8 September, with Treasury agreement, I announced that I was extending the period to which this arrangement applied to 31 August.

Police authorities have deduced that these arrangements will be extended indefinitely, and that in the end they will have to bear from the rates a sum equal to the product of a penny rate and no more. To that extent, the incentive to economise at the margin has disappeared. We are now half way through the financial year and the police authorities concerned are having to decide what cuts to make in their budgets. I think I must now let them know where they really stand. Otherwise they will have to make more damaging cuts than are necessary. This has been borne in on me very clearly by deputations from police authorities which I have recently received.

I should therefore be grateful for your agreement that I should take a suitable opportunity (and I have in mind the Party Conference) to announce that no police authority's share of the approved additional expenditure will exceed the product of three quarters of a penny rate.

I am sending copies of this letter to the Prime Minister, the other members of MISC 101, George Younger and Patrick Jenkin, and to Sir Robert Armstrong.

Yours, Leon

The Hon Peter Rees, QC., MP.

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Daily Coal Report - Thursday 27 September 1984

		Number	plus on holiday
(i)	Working normally	44	1
(ii)	Turning some coal	9	-
(iii)	Some men present	20	-
(iv)	On strike/picketed out	99	-

Seafield (Scotland) - where 4 men have reported consistently for several days - has moved from category (iv) to (iii).

Generally the position is much as yesterday. However, in Scotland, the Coal Board claimed a new milestone with 300 miners reporting for work - including a record 181 at Bilston Glen.

No change in the North East. In Yorkshire 48 men reported, including one at Thurcroft for the first time despite 100 pickets.

In North Derby figures include 236 at Bolsover, 166 at Shirebrook and 157 at Warsop.

Numbers in Kent are unchanged.

There are good attendances in the working areas.

Scargill today claimed that support for the strike was growing, and that 131 pits were shutdown. The Coal Board have drawn the media's attention to the actual figures.

Coal Movements

180,000 tonnes were moved yesterday.

43 coal trains ran.

Law and Order

There were 4,000 pickets at Allerton Bywater but they failed to prevent the 6 working miners from reporting. There was some disorder and a

few arrests but no major violence.

Cheshire County Council has today announced that it is to sue Derbyshire County Council for a £1.5 million policing bill. Derbyshire has so far refused to meet expenses incurred by other forces during the dispute.

Industrial Relations

The Secretary of State for Energy has reported to MISC 101 on the position reached between the Coal Board and NACODS.

The Coal Board's initial reaction is that the resolution passed at yesterday's Delegate Conference of TGWU opencast workers does not present an immediate or major threat to coal movements.

Tonight's press reports, suggesting that new peace proposals acceptable to the Coal Board and NUM are in the hands of ACAS, are invention.

Line to Take

- As yesterday, stress key elements of Coal Board offer. Avoid direct comment on NACODS or TGWU situations.

- The number of miners reporting back to work continues to grow. For example, this week has seen new records established in Scotland and North Derbyshire. NUM members denied a ballot by Mr Scargill are beginning to vote with their feet.

Distribution: Members of MISC 101, Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 6070

SECRET AND PERSONAL

129

PRIME MINISTER

cc Mr Ingham

MCS

Meeting with the Secretary of State for Energy and Home Secretary: Suggested Speaking Note

Scargill and the militants have made headway in recent weeks with the argument that putting pressure on the NCB and the Government is the best way of finishing the dispute quickly.

This argument has been used to:-

Induce NACODS to vote for a strike;

Persuade the TUC to help the NUM;

Appeal to militant elements in the power unions.

If NACODS call a strike it will be a major boost to the NUM's morale and will discourage the drift back to work.

Most people, including those in the unions, desperately want to see Scargill defeated but may be beginning to doubt that we have the means of doing it. Many, if they perceive that he is prevailing, will be tempted to offer support, albeit reluctantly. A bandwaggon could start to roll.

This tendency would be countered by our demonstrating convincingly that, unless the NUM give up their intransigent position, the strike will go on a very long time.

Our strategy so far has been to keep quiet about measures to prolong endurance so that they are not frustrated. This strategy is vulnerable to adverse comment

about endurance which it is difficult to disprove without revealing our hand.

We may be going into a new phase in which we need to demonstrate that we will survive a very long time, even if that involves some risks. The alternative of carrying on as before may now involve greater risks of giving the militants the initiative. It is also vulnerable to unforeseeable reverses, one of which could tip the balance against us.

The single factor which would most effectively demonstrate our ability to survive a long time is showing that we can and will use the coal stocks at the strike bound pits. We would need, of course, to ensure that we could overcome the inevitable physical resistance at power stations and do it in a way which causes the least possible risk to the handling of existing supplies.

We could combine this with actions against the NUM under the civil law, with use, if possible, of the 1984 Trade Union Act.

As to timing, I recognise that we will not want to take action while the NCB are trying to get a negotiated settlement with NACODS. But, whichever way that goes, I think that we should be ready with a package as soon as those negotiations are complete - which probably means the end of next week.

Could the Energy Secretary and the Home Secretary give thought to this and produce ideas by the middle of next week? We would need to put the NCB in touch with the police to devise a plan of campaign if we are to move into a public phase of taking coal from pit-heads in the strike areas.

F.E.R.B.

26 September 1984

12

P.01395

PRIME MINISTER

MISC 101(84)42nd Meeting: Coal

You will wish to hear reports from:

i. The Secretary of State for Energy on:

- the number of pits and miners working - especially any evidence of an increase in the rate of return to work; (Today the NCB announced that 1011 men were working in North Derbyshire. Previous totals were 960 yesterday, 905 on Monday, 840-860 in the first week of September, 675 just before the pit holidays began in July and 250 at the end of May.)

- coal movements;

- the NACODS strike ballot and progress in the NCB/NACODS talks, due to begin today;

- the outcome of today's meeting of TGWU delegates from open cast sites about possible strike action over redundancy payments;

- any progress in NUM and TUC efforts to get more effective support from other unions;

- any developments in legal actions brought by working miners.
(The High Court action in London involving Yorkshire miners is expected to end tomorrow.)

+ intimidation of witnesses

ii. The Home Secretary on:

- law and order.

iii. The Secretary of State for Employment on:

- any developments in connection with ACAS involvement in the dispute.

Next meeting

2. In view of your commitments during the early part of next week a meeting of MISC 101 has been provisionally arranged for 10.00 am on Wednesday 3 October, with a further opportunity for discussion at Cabinet the following day.

PLG

P L GREGSON

26 September 1984

Daily Coal Report - Wednesday 26 September 1984

		Number	plus on holiday
(i)	Working normally	44	1
(ii)	Turning some coal	9	-
(iii)	Some men present	20	-
(iv)	On strike/picketed out	100	--

Little change from yesterday.

179 men reported at Bilston Glen - 1 up on yesterday's record.

No change in the North East.

46 men reported in Yorkshire.

In North Derby 241 men reported at Bolsover, 176 at Shirebrook (a record), and 152 at Warsop. For the first time the 24 hour attendance figure for North Derby exceeded 1000 - up by nearly 100 since the beginning of the week.

Attendances elsewhere are much the same as yesterday. They are holding up well in the working areas.

Coal Movements

172,000 tonnes were moved yesterday, 18,000 tonnes up on the figure for last Tuesday.

41 coal trains ran.

Law and Order

9 pickets were arrested outside Ollerton colliery (Nottinghamshire) last night. Several hundred pickets forced their way into Kellingley colliery (Yorkshire) and occupied winding towers and coal preparation plant. They left after several hours. 38 arrests were made.

Near Bilston Glen 2 men were arrested for breaking into a working miners home.

These incidents apart, picketing has been generally light.

Industrial Relations

At the time of writing the Coal Board's meeting with the pit supervisors union, NACODS, is still in progress. The Secretary of State will report on the outcome at tomorrow's meeting of MISC 101.

A delegates conference of TGWU opencast workers today passed a resolution aimed at blocking the movement of stockpiled coal produced from opencast sites. There is to be a national ballot. The opencast workers in question are employed by contractors, rather than the Coal Board. The union's bone of contention is that these workers should have conditions of employment (particularly redundancy terms), similar to those available to miners employed by the Coal Board. However, given the timing it is also undoubtedly an attempt at solidarity with the NUM. The Coal Board are considering carefully the implications of this move: stockpiled coal is not at present being moved, so in this sense the union's threat may not have an immediate impact unless there is parallel action to interfere with current production.

The power unions and the NUM, who met yesterday at the TUC, are to meet again on Friday. Though Scargill claimed last night that

the GMWU, TGWU and AEUW had indicated their willingness to take supportive action, the failure of yesterday's meeting to reach a unified conclusion suggests that the main power worker unions are taking a robust line. Gavin Laird's claim afterwards that there would inevitably be power cuts in 6 to 8 weeks is surprising from a so-called moderate but could reflect the fact that AEUW elections are imminent.

Line to Take

As yesterday, stress key elements of Coal Board offer. Avoid direct comment tonight on NACODS or TGWU situations.

Distribution: Members of MISC 101, Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 6070

CONFIDENTIAL

file

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

Prime Minister (2)

Little here that we have not looked at several times already

AT 25/9

Andrew Turnbull Esq
Private Secretary
10 Downing Street
LONDON SW1

25 September 1984

Dear Andrew,

Some time last week my Secretary of State offered the Prime Minister some personal thoughts on the miners' strike. I enclose his notes, which I should be grateful if you would let the Prime Minister see. They have not been copied to anyone else.

Yours,

Dinah.

MISS D A NICHOLS
Private Secretary

CONFIDENTIAL

THE MINERS' STRIKE

Some Considerations

1. The bitterness which failure to "win" the strike which those who have stayed out will feel, and their anger at those who have gone back to work, will cause almost impossible problems of personal relationships. Fear of this is no doubt a factor deterring many from going back to work. Some thoughts from this, which are designed both to help those who are now working, and to encourage others to go back.

2. First, the "drift back to work" is infinitely the best way for the strike to end. There will be great bitterness between those who worked, and those who stayed out to the bitter end, if Scargill orders the strikers back. If they drift back, the difference will be only one of who went back first, not of those who worked as opposed to those who struck.

3. A drift back to work would no doubt leave the hard core of out-and-out Scargill supporters out - may be for good. But that would be no bad thing.

4. We need incentives to encourage those who want to go back. A series of measures could be designed which would lapse after a certain period of time. These could include:- bonus payments for those who started work again within, say, 4 weeks of the offer: redundancy pay offers could be withdrawn for those who were not back within, say, the four weeks. It might be possible to devise a further incentive connected with the National Insurance Contribution. We could make the 5.2% pay offer available to those in work by means of a special payment as we have discussed. Care needs to be taken to avoid the charge of "buying" loyalty.

5. The NCB should surely announce the closure of some uneconomic pits now. It would be possible to choose perhaps 4 pits with the worst cost record, and which are totally strike-bound. Nothing would be worse than to get the men back to work, then start

closing pits, (and then, perhaps, have another strike!) Nor would it be fair on those who went back, to close their pit immediately.

6. All those who worked at a pit announced for closure would be offered jobs at another pit. If they chose to go to a pit which was partially working, they would be welcomed there, and the fear of reprisal would be greatly reduced. The NCB could find them new houses and pay removal expenses to get them out of the village where they now live quickly. This would make it much easier for them to go back. Those who insisted on staying out would in due course be made redundant.

7. By developing a policy of this sort it might be possible to draft pitmen who want to go back to other pits, helping them to move, and thus encouraging the drift back to work. The hard core would either find their pit had closed, or that they were all expected to work in pits from which the "scabs" had been spirited away. The only way to avoid the present intimidation, and the fear of future reprisals, is to move people to pits where the hard core will not be coming back to work. Incidentally this might enable a larger number of pits to close than the 20 or so the NCB want to close. Production could be concentrated on efficient modern pits.

8. There is also a need to accompany these measures, (which should be taken together) with an act of generosity. This should not be a gesture to help Scargill and his militants, but one to meet the one point Scargill is making which has caught the public sympathy. This is his point that pitmen live in communities, which are crippled when a pit closes. Not only are all the earners made unemployed, but the village hall, football pitch, bowls green etc. are no longer maintained by the NCB, or so he argues.

9. This may be a fairly bogus point: massive redundancy pay is offered; many miners are re-employed elsewhere; and there may be other opportunities. In any case it happens when any large employer closes down. Nevertheless this is the one part of Scargill's case with which the public sympathise. I know that the NCB have announced measures to try and bring in other industries where pits close, but it may be that an increased and much publicised plan to attract new employers and modernise the villages could be devised. This would make the whole package seem more humane - indeed it would be a mixture of managerial firmness coupled with generosity both to individuals and to communities. It would need to be sold as a new initiative to end the strike, to deal fairly with individuals, without prejudicing the essential need for management to manage.

10. All of these measures would of course have to come from the NCB. The hand of Government in them should not be seen. Nor does this attempt to suggest the timing of such an initiative: that would depend on all the other events going on at the time (ACAS, TUC, NACOD's etc.).

Prime Minister (2)

You will be seeing Sir John on Tuesday.
I will have this researched

AT 26/9

R27/9

CHAIRMAN AND CHIEF EXECUTIVE
SIR JOHN CLARK

BY APPOINTMENT TO HER MAJESTY THE QUEEN SUPPLIERS OF CAR RADIOS

The Plessey Company plc
Millbank Tower · London SW1P 4QP
Telephone: 01-834 3855 Telex: 897971

25th September 1984

The Rt Hon Mrs Margaret Thatcher, M.P.
The Prime Minister,
10 Downing Street,
Whitehall,
London S.W.1.

Dear Prime Minister,

I feel that the basic issues arising from the Miners Strike - namely the fundamental conflict between capitalism and collectivism are now well understood.

It has occurred to me therefore that nothing I have read in the Press so far has touched on the conditions and circumstances governing pit closures in the Soviet Union and Poland.

I would have researched these facts myself but I do not have access to any source that can provide me with such information.

I hope you do not mind my writing, but I felt that those facts might be highly relevant and possibly conclusive to the whole affair.

Sincerely

John Clark

Registered in England and Wales Number 203848 at Vicarage Lane, Ilford, Essex.

PRIME MINISTER

You probably noticed that Mr. Walker asked me to leave MISC 101 with him. He asked me to report to you one idea which he did not want to mention at the meeting.

He had just lunched with John Junor. Junor had told him that Hugh Scanlon, who claims to be worried that Scargill's activities will damage the whole trade union movement, had sent Scargill, Kinnock and Orme letters suggesting that pits with substantial reserves of coal, which after completion of the present consultative procedures are to be closed on economic grounds, be 'mothballed', rather than closed completely. Scanlon felt that this would answer Scargill's claim that coal reserves which might one day be valuable would be lost forever under the NCB's present proposals. Scanlon had not received any acknowledgement from Scargill, Kinnock or Orme.

Mr. Walker had asked Mr. MacGregor whether 'mothballing' was expensive. MacGregor's first reaction was that the cost of 'mothballing' was trivial, and that he would be glad to agree to 'mothballing' rather than permanent closure if this was a way of getting uneconomic pits closed. Mr. Walker had asked him to look into the idea in more detail, and simply wanted you to know of the suggestion.

This seems to me to fall into the category of compromises which could put a significant shackle on the NCB's freedom of management after the strike. I doubt also whether Scargill would accept it as a basis for a settlement, at least not until he is in extremis.

25 September 1984

F.E.R.B.

I think it would be a fundamental error.

MT

File

Copy No 1 of 18

8.

SECRET AND PERSONAL

Daily Coal Report - Tuesday 25 September 1984

		Number	plus on holiday
(i)	Working normally	44	1
(ii)	Turning some coal	9	-
(iii)	Some men present	20	-
(iv)	On strike/picketed out	100	--

Kellingley and Markham (Yorkshire) have moved from category (iv) to category (iii).

In Scotland attendance at Bilston Glen has risen to 178.

In the North East the situation is unchanged.

49 men have reported in Yorkshire, including 1 man at Barnborough for the first time.

In North Derby 237 men have reported at Bolsover, 168 at Shirebrook (a new record) and 148 at Warsop.

In Kent 7 men reported at Betteshanger and 25 at Tilmanstone. As expected, the single man who reported yesterday at Snowdown, and was then seen by the NUM, did not turn up this morning.

Coal Movements

156,000 tonnes were moved yesterday, of which 113,000 tonnes went to the CEGB.

29 coal trains ran.

SECRET AND PERSONAL

Coal Movements

There were 1500 pickets at Yorkshire Main this morning, but elsewhere picketing was generally light.

However, pickets lined most of the motorway bridges between Port Talbot and Llanwern steelworks and stoned lorry convoys. There were also reports of high powered air rifles being used. 10 lorries were damaged, and 2 drivers injured.

Yorkshire Miners Court Case

The High Court has started hearing the case brought by two Yorkshire miners who are seeking a number of orders against the NUM, including one requiring the union to hold a national ballot. Both the National NUM and the Yorkshire NUM have decided to boycott the proceedings. The Coal Board believe that the case could be concluded later this week, perhaps Thursday.

Industrial Relations

Mr MacGregor and his colleagues met the TUC last night. Copies of the statements issued by both sides after the meeting are attached.

The Board made clear that whilst they are prepared to continue talking to ACAS, the crucial question is whether the NUM are prepared to acknowledge the management's right to close colliery capacity for reasons other than exhaustion or safety. The TUC statement acknowledges that detailed negotiations must be settled between the Board and the union. The Board expressed their continuing concern over the violence taking place at the coalfields.

The Board are meeting the pit supervisors union, NACODS, tomorrow. Although early returns from the unions ballot are disappointing it is too early to predict whether the two-thirds

majority will be achieved.

At a meeting with the TUC today, the transport unions reaffirmed their support for the NUM and announced liaison arrangements "to enable the TUC General Council to monitor the situation and give all necessary assistance at local and national levels". From the militants point of view this seems little, if any, advance on the previous position. It is unlikely to bring much comfort to Scargill.

At the time of writing there has been no report on the outcome of a separate meeting, under TUC auspices, between Scargill and leaders of the electricity supply union.

Scargill also met Mr Kinnock today. According to media reports, Mr Kinnock said the meeting was "very constructive" and was concerned with detailed consideration of the Plan for Coal and "the present financial idiocy of the Government".

Line to Take

Stress Coal Board and Government desire to give miners a better future. Stress key elements of Coal Board offer:

- a generous pay offer;
- no compulsory redundancies;
- continuing investment in the industry.

Avoid direct comment on NACODS situation for time being.

Distribution: Members of MISC 101, Mr Gregson (Cabinet)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 6070

Press Release

COAL BOARD STATEMENT:

MINEWORKERS' DISPUTE - MEETING BETWEEN THE TUC AND NCB

The National Coal Board's negotiators today (Monday) briefed representatives of the Trades Union Congress on the background to the Board's proposals for the future of the industry and on the talks they held recently with leaders of the NUM in an attempt to resolve the dispute.

Both sides expressed their anxiety to achieve a speedy resumption of work.

The NCB indicated their willingness to consider resuming negotiations directly with the NUM. As suggested by the TUC, the NCB would consider the help of ACAS (if the NUM were willing) in order to resolve the problems of the closure of capacity for reasons other than exhaustion of reserves or safety.

The TUC and the Board agreed that a settlement could only come from negotiations between the Board and the NUM. The Board expressed their continuing concern over the violence taking place in the coalfields.

Press Office (1915)

September 24, 1984.

TUC STATEMENT:

MEETING WITH NCB REPRESENTATIVES

At the meeting with NCB representatives this evening, the TUC representatives impressed upon the NCB the importance of not underestimating the degree of active support for the NUM that will be forthcoming. They also pressed for a resumption of negotiations as soon as possible between the NCB and NUM - which stands ready to continue negotiations - if necessary with the assistance of ACAS in a conciliation role. The TUC made clear that negotiations on the detailed matters are between the NUM and NCB and the dispute must be settled by agreement. The NCB presented their side of the dispute and outlined their difference with the NUM.

The TUC is ready to assist in getting negotiations restarted.

September 24, 1984.

COVERING SECRET

Copy No 1 of 4

SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLBANK LONDON SW1P 4QJ
01 211 7214

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1

24 September 1984

Dear Andrew

I attach the latest weekly report on coal and power station statistics.

Copies also go to Margaret O'Mara and Richard Hatfield.

Yours
John

J S NEILSON
Private Secretary

COVERING SECRET

6.

Copy No 1 of 14.

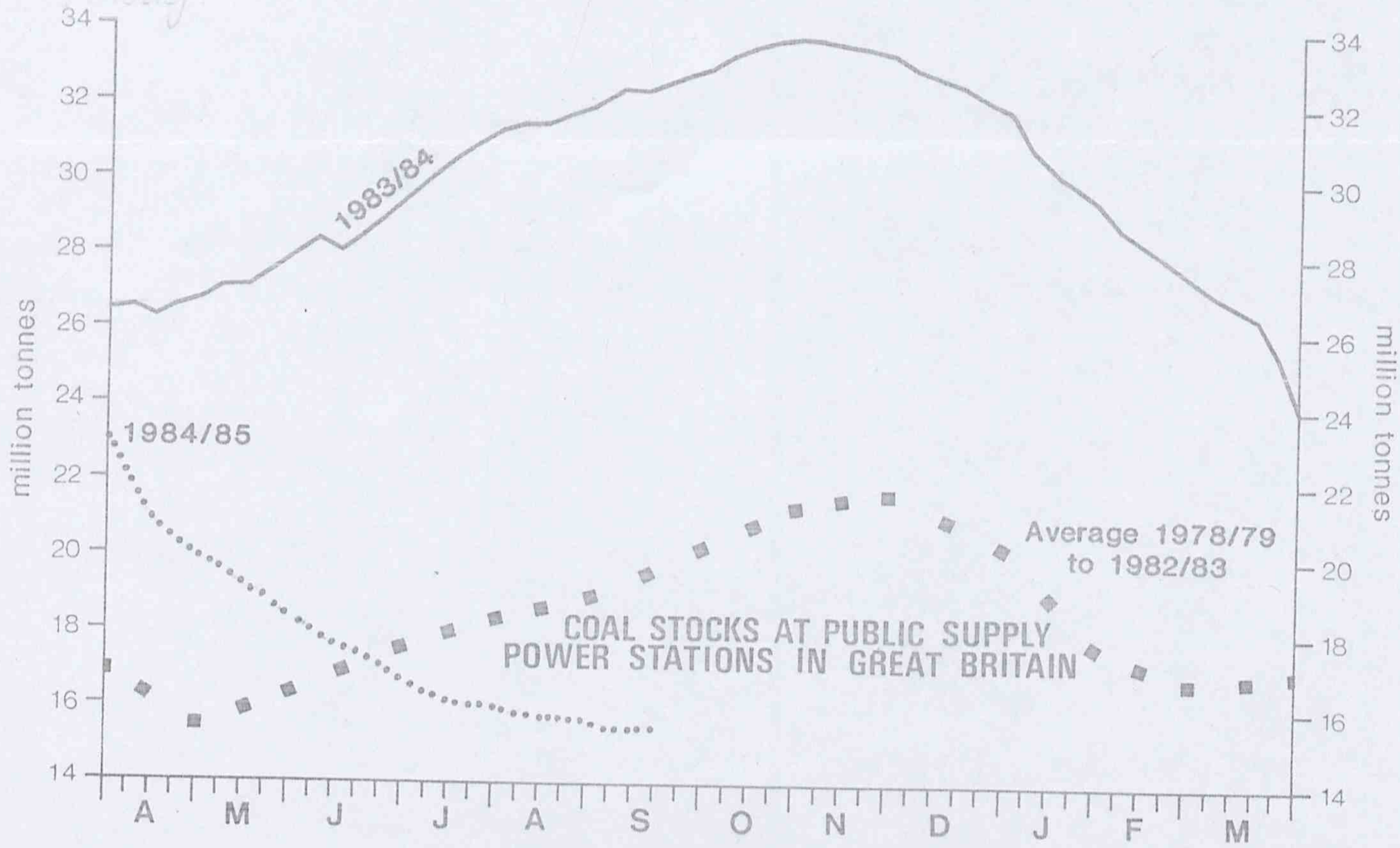
21 September 1984

WEEKLY COAL AND POWER STATION STATISTICS (1)

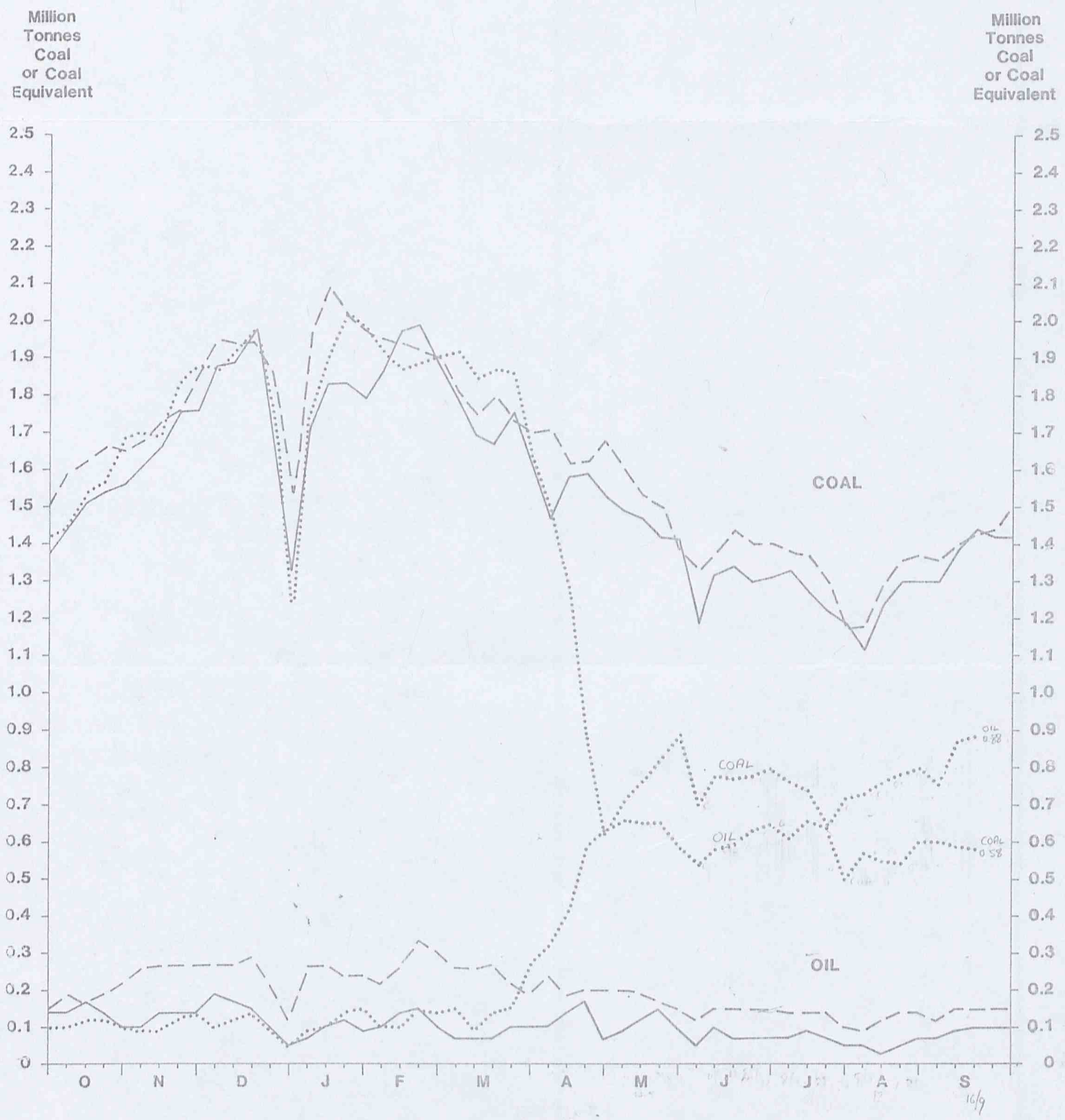
EcS Division, Dept. of Energy, Thames House South, Millbank SW1P 4QJ. Phone: 01-211-6928

		Week ending	17.9.83 :	25.8.84	1.9.84 (5)	8.9.84	15.9.84
COAL	PRODUCTION (m. tonnes)	deep mines †	2.09 :	0.47	0.29	0.50	0.54
		opencast †	0.30 :	0.28	0.25	0.30	0.31
		TOTAL	2.39 :	0.75	0.54	0.80	0.85
	PRODUCTIVITY(2) (tonnes/manshift)	'overall' o.m.s	2.51 :	..	..	..	..
		'production' o.m.s	10.47 :	..	..	..	..
	UNDISTRIBUTED STOCK (m. tonnes)	TOTAL	23.72 :	22.53	22.52	22.66	22.63
POWER STATIONS	COAL STOCKS	(m. tonnes)	32.75 :	15.53	15.33	15.33	15.40
	COAL CONSUMPTION	"	1.44 :	0.60	0.60	0.59	0.58
	COAL RECEIPTS	"	1.68 :	0.51	0.41	0.59	0.65
	OIL STOCKS(3)	"	1.33 :	1.08	1.18	1.32	1.34
	OIL CONSUMPTION(3)	"	0.06 :	0.47	0.44	0.51	0.52
	OIL RECEIPTS(3)	"	0.09 :	0.71	0.54	0.62	0.52
	ELECTRICITY SUPPLIED (4)	(GWh)	:				
	Nuclear	"	717 :	701	741	714	781
	Other Steam	"	3,441 :	3,207	3,006	3,304	3317
	TOTAL	"	4,158 :	3,908	3,747	4,018	4,098
	TOTAL - temperature corrected	"	4,064 :	4,119	3,893	3,946	..

(1) Great Britain unless otherwise stated. All latest figures are subject to revision.
(2) NCB mines only. (3) Oil-fired boilers only. (4) Steam stations only.
.. data not yet available. † includes licensed production. (5) includes summer bank holiday



COAL CONSUMPTION AND OIL CONSUMPTION (OIL FIRED) AT PUBLIC SUPPLY POWER STATIONS IN GREAT BRITAIN



Coal file

10 DOWNING STREET

From the Private Secretary

Prime Minister (1)

John has done a comprehensive job extracting the whalen's views. There would be no advantage in seeing him personally.

Agree?

AT

24/9

Edwards,

CONFIDENTIAL

next MUC 101 folder

cc PS

PRIME MINISTER AT 2419

24 September 1984

COSTS OF THE MINERS' STRIKE

Some big bills will be coming in from the nationalised industries affected by the miners' strike.

Last week I saw Bob Haslam, the Chairman of British Steel. He is very critical of the DTI's delay in responding to his corporate plan. The plan, you may remember, suggests the closure of one or possibly two of the major works in order to get near to the break-even target. The losses are building up both because of the additional costs of bringing in fuel and raw materials and more importantly because the steel corporation is still producing too much from too many plants in relation to market demand. The damage is already estimated at around £5 million a week which over a full year would almost double BSC's EFL of £275 million this year. It is very difficult to believe extra transport costs and some changes in raw material contracts can amount to anything like this. We suspect other unit cost targets are not being hit.

Today, I had a working lunch with the Policy Team that advises Bob Reid at the Railways. They estimate that the

CONFIDENTIAL

current losses on the freight business attributable to the coal strike are running at some £5 million per week. They have pencilled in a figure of additional losses of £170 million in the current year on the freight business alone on the assumption that the miners' strike ends in November.

At the same time they reported that the Intercity business had lost an additional £16 million during the summer as the expected pick-up in tourist travel had not materialised.

Why is the rail business losing so much on freight as a result of the strike? At first sight you might think that if you reduced a loss-making activity you would reduce the losses rather than increase them. However, British Rail claim:

1. That the coal part of the freight business was the one profitable part of it.

2. They have not been sending all of the men home and thereby cutting off their pay - some of the people have part jobs on other parts of the railway network.

3. They claim that the associated overheads like maintenance and signalling do not reduce proportionately the reduction in traffic.

Nonetheless, it is worrying that the losses are so big and the business demonstrates so little flexibility in running down its costs when its revenue falls off a cliff. Total freight revenue in 1983 was £520 million, and operating profit £8 million. How can you lose £170 million just from the coal business from 8 months of strike affected movements? The non coal business on this basis must be heavily loss making and the coal contract substantially overpriced.

CONCLUSIONS

A central part of the containment of public expenditure is and will remain progressive squeezing of the external financing limits of the nationalised industries. E(A) has recently voted another more severe set for next year, and rightly so. However, these are not going to be credible if we allow extra claims to build up ostensibly because of a strike without forcing the businesses concerned to take some offsetting action of their own. No good private business allows even bad luck as an excuse for a major shortfall on targets. If we just leave things until the strike is over we will, towards the close of this year be handed a very big bill which the Government will reluctantly then decide to pay.

Would it not be wise instead at MISC 101 or some other forum to raise the question of the ancillary costs of the strike?

Both British Steel and British Rail should be told that the losses from the strike will not be met pound for pound from Government sources, but they will have to squeeze their cash outflow, or improve their cash inflow in other sectors of the business.

We should also be sceptical about all of the losses being attributed to the miners' strike. Of course the support of BR is important and nothing should be done to jeopardise the movement of trains. But the losses are not just strike losses.There should be a more accelerated pattern of asset disposals of both subsidiaries and properties and more vigorous cost reduction and marketing of products outside the immediate influence of the coal strike by both BR and BSC. Alternatively they could cut their extensive capital programmes.

JOHN REDWOOD

24 September 1984

PRIME MINISTER

I saw Mr G Whalen this morning at Talbot in Birmingham. We discussed the coal situation and his memory of the coal industry in Scotland in the 1960s when he was an Area Industrial Relations Director. Peter Warry knows him, and points out that he is a negotiator at heart and reveres his former BL boss, Pat Lowry, who is now at ACAS. Below is a synopsis of his comments.

Not the best credentials.

Do you think the NCB central management is strong enough?

Is Ian MacGregor beleaguered?

NCB is a culture based on almost 40 years of NCB/NUM co-existence and co-determination. All the senior managers are used to working in conjunction with NUM officials and in striking a deal - whatever the starting bid of the NUM leadership.

Cowans used to be hard line but well immersed in the bipartite culture - a culture which will recoil from a prolonged confrontation. Smith is a normal give-and-take deals man. MacGregor is too old to do all the detail or to lead in very arduous and tiring negotiations. He needs a good Chief Executive.

Do you think Ian MacGregor should strengthen his management team? If so, who? Could he mix better insiders with one or two outsiders?

Yes he should. Two Area Directors - Bert Wheeler of Scotland (who has impressed others) and Mr Archibald - are good men who could be promoted to MacGregor's central team. He also needs a Chief Executive and a couple of good outsiders.

Did you frequently close pits on economic grounds? What did you do with the men during the big rundown in numbers in the 1960s?

Pits were frequently closed in Scotland in the 1960s because they were uneconomic, and the NUM knew this had to happen. Men were transferred to other pits, in Yorkshire as well as in Scotland itself. Investment in the expensive new pit at Rothes was a failure: after 5 years, the pit had to be closed as the seams were unworkable, and a great deal of money was lost. This was an attempt to create some new Scottish mining jobs.

How far up the NCB structure does unionisation extend?

To Mine Manager level: all Mine Managers are members of BACM.

There have been criticisms of NCB PR. What do you think of it?

Poor. There seems to be no plan. The PR Director should have an action plan for every week, even every day, lining up national and local news slots and NCB responses. They have failed to identify internally who is telegenic and use them. Ian MacGregor has allowed the totally false image of him as a butcher to grow up.

Do you think the NCB have failed to see the opportunities for news creation, whereas Scargill has seen and exploited them all too cleverly?

Yes, that's right. We see too much of Scargill and not enough of the NCB case.

How do you think a return to work can be organised? Can we build on Wheeler's experience at Bilston Glen?

The return to work has to be initiated at Area Director level. Ian MacGregor should meet his Area Directors regularly, and through them organise the sounding out of opinion, the transport, speeches and talks by managers to groups of miners, direct appeals by letter etc over the heads of the NUM. Only by talking directly to miners can managers have any chance of success.

The NUM seems to be fragmenting on an Area basis. Can't NCB manage its affairs on an Area basis, and shouldn't it do so as a respose to the fissures in the NUM?

The Areas now have the people necessary to undertake all mine and output planning, and have the geological expertise. Yes, there should be as much decentralisation to Area management as possible, and that is happening.

The one function that should be moved in that direction, but where it will be difficult, is pay negotiation.

Sales to the CEGB would have to remain a central NCB function. [Comment: Areas could have direct power station contracts; this obstacle to regionalisation is overstated.]

Can you ever negotiate with someone like Scargill? How do you view talks?

When the militant cell in Cowley was tackled in the late 1970s, it was done by direct appeals to the men over the heads of the unions, and long and tiring negotiation, arranging for the other less militant union negotiators to split off from the Workers Revolutionary Party and Trotskyite officials.

Management always have to appear to be ready to talk and have to blame breakdown on the other side. In this case,

ACAS should be brought in in its conciliaton rôle, certainly not as an arbitrator.

But isn't there a danger in more talks? It might deter miners from returning to work. It might lead to an unacceptable compromise or another propaganda war.

There is always a danger in negotiation. Negotiators naturally strive to settle, that's what they're there for. You must have a tough man outside the talks who is phoned before any new form of words is proposed or agreed, to check out that the negotiators haven't become too tired or cosy. Management should be better disciplined. It must try and persuade two or three key figures on the other side before entering the formal talks. In this case, McGahey and Heathfield have to be detached.

Why do you think this will be settled by a form of words and not by a return to work?

Because the return to work will be too slow.

But how can MacGregor ever find a form of words Scargill will accept?

He has to find words acceptable to others who will out-manoeuvre Scargill.

Do you find surprising the NCB decision to take such a tough line on NACODS and risk a strike?

The principle at stake is important, but the risk is very great. It is very surprising that MacGregor only plans to meet NACODS after the ballot has been conducted.

Conclusions

Mr Whalen confirmed what we feared about NCB/NUM culture.

His positive programmes of:

a. strengthening MacGregor's management team with 2-4 new people, both internal and external;

b. a PR programme for planning media events and fielding good people;

c. Area Directors concerting a hearts and minds campaign for the miners - for the return to work;

d. reinforcing current moves to decentralisation to Area management for the longer term;

e. dislike of a row with NACODS

are all reinforcements of the collective view built up here during the dispute.

The surprise element was the love of ACAS, midnight oil and more negotiation. I found this the least satisfactory of his comments, both because it was unclear how Heathfield and McGahey could be split off, and at what price. He seemed to want to offer them an almost blank cheque, but was unsure whether they would even want to cash it.

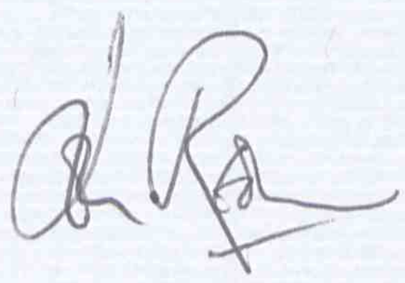
Other Comments

Mr Whalen argued that many moderates in the trade union movement are dying to see Scargill defeated: they have been fighting his type from within for many years, and are embittered by them.

In negotiation, management should be fair and firm. He also agreed that consistency should be added to these qualities.

In the motor industry, there had been an important improvement. Since 1980, he has been at Talbot. Productivity in 4 years has risen 50 per cent. Management has recaptured the right to manage. Foremen explain monthly (with videos) the progress of the company to all employees. Pay has only beaten price rises thanks to productivity-related bonuses. Management tries to win hearts and minds by a programme of meetings, talks, direct mailshots, etc.

He has two grumbles. One is fair: the Government should be more forceful in negotiating about the asymmetrical tariffs on cars with Spain. The other is the usual special pleading against taxes: he would like car tax abolished.



JOHN REDWOOD

with compliments

Mr Ingham,

Mr TURNBULL

Tom Sumner seems

25/4

PS/Colette Bowe.

Information Division
Department of Trade and Industry

1 Victoria Street, London, SW1H 0ET
Telephone 01–215

File

TRANSCRIPT OF INTERVIEW GIVEN BY MR NORMAN TEBBIT FOR PETER SMITH OF BBC RADIO NEWS

(T) Mr Tebbit
(s) Mr Smith

(S) Mr Tebbit can I ask you first of all why you decided to intervene publicly in the miners dispute at this moment?

(T) Well I was speaking earlier this evening to a dinner which was predominantly for executives and customers of the Dupont and Conoco consortium. Now they are major investors in Great Britain and I wanted to make the point that the coal dispute is something which is completely untypical of what is happening in Britain today and just in case they were not aware of it to make sure that they knew that it was really, at least in part, a dispute within the union, that very many miners are working, and very many more would be working but for the violence of what one might call the Scargillite wing of the union.

(S) Nevertheless the strike has been going on now for more than six months. Surely the Government never envisaged a situation where a strike would last this long?

(T) I recollect that when I was asked about this at the beginning of the strike way back now, as you say, six or seven months ago and was asked when I thought it would be over I wouldn't give an estimate and the interviewer from the BBC, I think, if I remember rightly, said but aren't you worried and I said well we would have to be worried if it went on beyond Christmas. I've never seen this as a strike which was going to be quickly resolved because unless the mineworkers themselves are allowed to speak out it is difficult to see how it can be resolved.

(S) Why do you think it is going to be like this then. Is it just the one man who is causing this problem in your view, Mr Scargill?

(T) Well I do not think one should put these things on one mans shoulders. But let me put it this way the obvious way to try and settle the dispute would of been to ask the miners themselves whether they wished the dispute to continue or whether more of them wanted to follow the increasing numbers who are

SH1AAR

returning to work. Now in view of the intransigence of some of those concerned and their reluctance to follow the normal course of action of the NUM of consulting its members I felt for a long time that this would be a long and difficult dispute.

(S) You talk about the need for a national ballot, well we are actually going to have one shortly, admittedly not of the miners but of the supervisors in the union, now supposing they do vote for a strike, will this not be a big blow to the Government?

(T) Well it won't improve matters. But I think first of all we should wait to see which way the ballot goes. Then we should wait to see how that is handled by the leadership of the union. I do not think that the members of the union want to go out on strike. Now they have got a difficulty, a particular difficulty, with the Coal Board and I hope that that difficulty would be resolved without a strike even if there were the authority for the union to call such a strike in the event that they couldn't negotiate a satisfactory settlement.

(S) But are you entirely happy with the way negotiations have proceeded. We had the almost farcical situation of both parties chasing up and down the country looking for somewhere to meet recently. Do you think that is right or do you, like Mr Scargill, blame the media for that kind of situation?

(T) Well it's very tempting to blame the media isn't it? It's a fairly safe occupation really isn't it? It's better than blaming the church or the TUC or the Government perhaps. No I don't, I am certainly not satisfied with the way negotiations have gone because the only satisfaction that I will get is when the dispute is over.

(S) So you would resist completely the calls which have been coming thick and fast for Mr MacGregor to leave the Coal Board?

(T) I can't understand them. Mr MacGregor was put there to do a job, bringing the coal mines back into a decent state, and that he has been doing very successfully. And I think its worth remembering that it was Mr MacGregor personally that went to the United States and secured a massive order for coal which would keep a 1000 men at work in Durham, yes Durham of all places, and for an elderly American I think that's pretty good.

SH1AAR

(S) So you want him to stay there for some time then?

(T) I don't think we should get into the personalities over this. It's the issue that matters not the personalities. If Mr MacGregor were to disappear tomorrow the issue would still be there and the issue is whether or not the Coal Board is going to be allowed to close down pits which are producing coal at £80 and more a ton in order to be able to concentrate production on those which are producing coal at prices in the £20 odd a ton. Now that's common sense and particularly its common sense when no miner need lose his job involuntarily as a result. There's a job for every miner that wants a job.

(S) But couldn't the Coal Board have done perhaps a little more to ease the threat of unemployment in those areas where pits have closed down. I'm thinking of the things that the Steel Corporation did in years gone by?

(T) I'm sure that in any situation there is something more one can do. But I don't think that the comparison between the steel industry and the coal industry is a proper one. You see most of the pits that are closing down are not huge employers such as the big steel works. Remember at Corby something like 10,000 jobs were lost in a big town, relatively big town, but a single industry town. Now under those circumstances one must bring in new industries. Of course there are problems where the coal mines close down but those problems are not nearly so acute and as I have emphasised the miners that wish to carry on in the mining industry are being offered other jobs. Now that wasn't the case, sadly, in the steel industry.

(S) Are you not a little concerned at the support that the TUC have sort of promised to the miners union?

(T) I am very concerned at the extent of the support that they have promised. I think I am a little less concerned about the support which they will be able to deliver.

(S) So you don't think they will be able to deliver the extra support?

SH1AAR

(T) Well its early to say yet. But some of the unions have been promising support for a very long time. After all the docks strike was called specifically in order to support the coal miners and as you know the docks strike has been over for some time now and its over because the members would not be led by the nose by their leaders.

(S) It is your view then that the miners strike is splitting the TUC apart?

(T) Oh, I don't know, I don't know enough about the TUC these days to know that. I think what is more important is that the action of the TUC in supporting one wing of a union which is not only defying its own rulebook, but is also defying the TUC's own standards of conduct in industrial disputes. I think that is liable to split the TUC from its own supporters in the countryside. You go and ask the man in the pub, the ordinary trades-unionist whether he thinks the TUC should support the miners union under circumstances where the miners union defies the TUC's own code on picketing.

(S) But aren't an increasing number of people becoming worried at the Government's attitude to this dispute even Bishops, as you have mentioned, have started to worry about it?

(T) Well I'm sorry that the Bishop is worried and I hope that he will get over his worries.

(S) But you don't think that the Government is being perhaps a little hard-faced on this issue?

(T) How much extra would you like to tell a steel-worker or a railway worker or a lorrydriver that he should donate in order to keep open pits which produce coal which can't be afforded and which isn't wanted?

(S) You said earlier that you would be worried if this strike was still continuing at Christmas. Are you still worried that that might happen?

(T) Of course.

(S) And what will happen if the strike is still going on in January/February?

SH1AAR

(T) Well I'm worried because of the damage it will do to the miners who are on strike. You see my sympathies are with striking miners. The striking miners that want to go to work and whose families are suffering, not because the miner wants to be on strike, but because he has been intimidated into staying away from work. So I would be worried if at Christmas time men and women who could be work, kids who could be having a decent Christmas are stopped from having a decent Christmas because their fathers are afraid to go to work.

(S) And there could be power cuts do you think?

(T) Oh I think you had better speculate on at some other time about that. Its not something on which I am going to speculate.

SH1AAR

7

SECRET

P.01392

PRIME MINISTER

MISC 101(84)41st: Coal

You will wish to ask for the following reports:

i. from the Secretary of State for Energy on:

- the number of pits and miners working;
- coal movements;
- the NCB's meeting with the TUC;
- the NACODS strike ballot;
- the NUM's meeting with the electricity supply unions;
- the legal actions brought by working miners (it was reported this afternoon that three Scottish miners had failed in the Court of Session in Edinburgh to secure an interim order which would have made the strike illegal without a ballot; there is no news at the time of writing about the Yorkshire case).

-44 9 20/100

ii. from the Secretary of State for Employment on:

- ACAS contacts with the NCB and NUM.

iii. from the Home Secretary on:

- law and order (with special reference to the renewal of large scale and violent picketing at Maltby and the complaint against the police made by Mr Kevin Barron MP).

Next meeting

2. There will be a meeting of MISC 101 at 10.30am on Thursday 27 September (in place of the normal Cabinet).

PLG

P L GREGSON

24 September 1984

SECRET

Daily Coal Report - Monday 24 September 1984

		Number	plus on holiday
(i)	Working normally	44	1
(ii)	Turning some coal	9	-
(iii)	Some men present	18	-
(iv)	On strike/picketed out	102	--

One Nottinghamshire pit (Sutton) is now on holiday.

Attendances in all areas are much as last week. In the working areas of Nottinghamshire, Lancashire and Staffordshire they are holding up well.

In Scotland attendance at Bilston Glen has been maintained at the record level of 174. In the North East both Wilkinsons have reported at Easington. 17 men reported at Wearmouth.

The number reporting in Yorkshire has risen to 52 (Allerton Bywater - 6; Kellingley - 5; Gasgoigne Wood - 2; other Selby sites - 5; Yorkshire Main - 5; Markham - 5; Carcroft workshops - 1; Kiveton Park - 10; Maltby - 7 contractors' men; Brookhouse - 4; Silverwood - 2).

In North Derby 237 men reported at Bolsover (up 6 on last Monday), 153 at Shirebrook (down 2) and 153 at Warsop (up 2). There are also 18 at Markham pit, 16 at Renshaw Park and 14 at Whitwell.

In Kent 24 men reported at Tilmanstone and 7 at Betteshanger. The single miner who reported at Snowdown left the pit after being persuaded by his NUM representative not to work.

Coal Movements

Provisional figures for last week indicate that 840,000 tonnes were moved, of which 625,000 tonnes went to the CEGB: the best week since March.

Law and Order

6,000 pickets, some armed with airguns and catapults firing marbles and ball bearings, created disturbances outside Maltby colliery in Yorkshire. Several arrests were made. After 4 hours many of the pickets moved on to the Yorkshire Main colliery where there were further disturbances.

Amongst the pickets was the Labour MP Mr Kevin Barron, who has now complained to the Chief Constable of South Yorkshire about police behaviour.

The number of policemen injured since the coal dispute started has now risen to 758.

Three working Scottish miners today failed to obtain a temporary court order declaring that the strike is illegal without a ballot. This is disappointing news, though the judge - who is to give the reasons for his decision later - did go on to say that his refusal did not prevent the application being heard again at a later date.

In the High Court tomorrow two Yorkshire miners from Manton colliery are to seek orders against the Yorkshire and National NUM. The Coal Board's assessment is that the Scottish decision does not necessarily impact upon the Yorkshire application.

Industrial Relations

Mr MacGregor and his colleagues are meeting the TUC tonight.

The pit supervisors ballot is now in progress.

An opinion poll commissioned by the South Wales Echo, and published today, suggests that 6 out of 10 South Wales miners want an immediate return to work. Some 500 miners and their wives were questioned in 42 mining communities across the region.

Bishop of Durham

The Secretary of State for Energy has today written to the Bishop of Durham. A copy of his letter is attached.

Line to Take

There has never been a plan "to defeat" the miners. The Coal Board's plan, and that of the Government, is to give miners and their families a better future than they have enjoyed in the past. This surely is the reason why those miners who have had the opportunity of balloting have voted overwhelmingly not to strike. It is time for the NUM executive to let all miners have the democratic say to which they are entitled.

Distribution: Members of MISC 101; Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 6070

24/9

4

RAMAEB

SECRET AND PERSONAL

Subject (no matter)

Copy No: 1 Sole Copy
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& BM

RECORD OF A MEETING HELD AT CHEQUERS ON SUNDAY, 23 SEPTEMBER

AT 2000 HRS TO DISCUSS THE COAL DISPUTE

Present:-

Prime Minister
Secretary of State for Energy
Mr. MacGregor
Mr. Gregson
Mr. Butler
Mr. Turnbull

The meeting considered the issues listed in the attached agenda.

Talks with the TUC

There was a discussion of the line which Mr. MacGregor should take in his talks with the TUC on Monday. TUC officials were thought to have briefed their representatives, Willis, Basnett and Buckton to take the following line:

(i) to listen to the NCB presentation of its case.

(ii) to suggest that where there was a dispute about an uneconomic pit it should be referred to an arbitrator (though they would know that this would not be acceptable).

(iii) to urge the NCB to get back to talks. They

would warn Mr. MacGregor that there was a new unity in the trade union movement and that pressure would grow if a settlement were not achieved quickly.

It was agreed that Mr. MacGregor should set out the full facts of the NCB's offer and invite the TUC to agree that it was better than that available to virtually any other industry; and that the NUM's demand that there should be no closure of uneconomic pits was totally unreasonable. (Comparisons could be made with the realistic attitude other unions had shown over factory closures elsewhere). He should ask the TUC why they took no account of the position of those miners who had balloted in favour of staying at work; he should urge the TUC to call for a ballot, denounce violence and make its financial support conditional on adherence to its picketing guidelines.

It was agreed that the question of negotiations was the most difficult to handle. On the one hand the Board would not want to appear intransigent; on the other, entering into another round of fruitless talks could slow the return to work. Mr. MacGregor should say there could be no worthwhile negotiations while the NUM maintained its absolute position.

Involvement of ACAS

Mr. MacGregor said that ACAS would like to get involved if they could find an opening. But he had sought to discourage them from getting involved if there were no prospect of success. He had used the argument that ACAS' approach was to find a compromise acceptable to the parties but the NUM's demands were not susceptible to this approach. If conceded these demands would deny the NCB the ability to exercise its responsibilities. He did not believe

responsibilities could be divided in this way. Mr.MacGregor said Mr. Lowry was about to return from leave and he would speak to him to make the Board's position clear.

NACODS

Mr. MacGregor said the NACODS dispute had arisen from differences in treatment by different area managers. Some had been rigid in insisting that NACODS members should cross picket lines where NUM members were coming into work and that if they didn't they would not be paid. Others required only that NACODS members made a reasonable effort to get in to work but took an understanding view if this involved coming through a large and violent picket line. There were also tensions vis-a-vis BACM who, being salaried, were paid anyway. A meeting had been called by national NCB management in August to try and sort out these differences of treatment. It was thought that an agreement had been reached but the NACODS President, on returning from holiday, repudiated the proposals. He was probably motivated by a wish to get NACODS to make some response to the TUC resolution.

He could not say whether the 66% majority would be achieved nationally - there would be quite large regional differences. (The Prime Minister expressed concern that the ballot might be rigged). If the required majority were achieved, NACODS might use it simply to put pressure on NCB management to resolve their grievances. Alternatively they might call for strike action. If they did, he was hopeful that NACODS men in the hard line working areas would remain at work but the position could be difficult in border-line areas such as Derbyshire and it would be more difficult to increase the number of pits with men working. He explained that, by law, men working underground had to be supervised by people holding specific qualifications eg in operating machinery, control of gas etc. It would be difficult to

persuade BACM members with these qualifications to go underground and while there might be some NUM members who had passed their exams and who were awaiting promotion to deputy grade they could provide only limited cover.

How to bring the dispute to an end

Mr. MacGregor said that of the various possibilities, he thought that a revolt in the NUM Executive was the least likely. One of the problems was that executive members were elected for life (the Prime Minister asked whether the new legislation would have any impact on this); thus while at local level there had been a major change in the complexion of officers, Notts was represented on the Executive by Chadburn and Richardson. Although they were supposed to be mandated by their areas this was a poor substitute for having Executive members who reflected the local mood. He was hopeful that the court case being heard early this week would result in a judgement requiring a national ballot.

Redundancies and Closures

Mr. MacGregor said there was no shortage of complications. The NCB's normal procedure was to offer redundancy to men at pits being closed and then subsequently to men at other pits to make room for the younger miners from the pits which were closing. The Prime Minister suggested that preference ought to be given to miners who had led the return to work and who, after the strike, wished to leave the industry to escape hostility.

Both Mr. MacGregor and the Secretary of State for Energy thought it unwise to start closing uneconomic pits unilaterally as this would put the NCB in the position of repudiating the existing procedures. Mr. MacGregor said it was too early to take decisions on the closure of damaged pits. The most pressing case was Polkemmet but even here no

final decision was likely for three or four months. Miners at Polkemmet had voted heavily to stay at work and the Board would have an especial obligation to them to ensure that those who wanted to were redeployed.

Civil Law

The Secretary of State for Energy expressed doubts about the effectiveness of the civil law under the 1980 and 1982 Acts. He suggested the reason that affected firms had made little use of the law was that they would be vulnerable to retaliation. He thought that the Forest of Dean road hauliers were now finding life difficult as they were being denied work by Labour-controlled authorities. Mr. Macgregor said the Nottinghamshire miners would not welcome civil action against the NUM.

Working Miners

The Secretary of State for Energy and Mr. MacGregor said they had met various deputations of working ~~parties~~ miners but advised the Prime Minister against meeting them herself. There was as yet no clear leadership of the working miners' movement but a number of groups were jockeying for position. The Prime Minister could stir up animosity by appearing to endorse the priyacy of any particular group.

Criminal Offences

Mr. MacGregor said the NCB would dismiss miners convicted of criminal offences against other miners. The Secretary of State for Energy said it would be dangerous to make this an announced policy as ~~the~~ criminal records could be found amongst working as well as striking miners. It was better for the NCB to use its discretion.

Getting the message through

The Prime Minister said she had been told that the NCB's message was not getting through to miners who were heavily dependent on the NUM for their information. She suggested greater use of free newspapers. Mr. MacGregor said miners had received letters both from national and area management though there was no such communication recently. He agreed to look into this.

Communities

It was agreed that while the NCB's announcement that it would set up an Enterprise Agency was a useful step, it had not had the impact it deserved. The Secretary of State for Energy suggested that the proposal could be given more substance by the announcement of appointments to the Board.

The Prime Minister asked whether the reclamation of derelict land offered much scope for redeployment of redundant miners? The Secretary of State for Energy and Mr. Macgregor were sceptical as the work involved was largely civil engineering which was not labour intensive.

Open Cast Mining

The Prime Minister said the NCB had historically given preference to deep-mined coal and had restricted the output to open cast coal although the latter was cheaper to produce. She asked Mr. MacGregor to see what could be done to increase open cast output by expanding production under existing contracts, by bringing sites with planning permission into operation earlier and by an active pursuit of new sites with planning permission. Mr. MacGregor said it was difficult to secure planning permission for sites. For example in Wales, the NUM exerted pressure on local authorities which frustrated the opening up of anthracite deposits. In Scotland he hoped to close Killoch and Barony

pits and open up the Douglas field by open cast methods. The Secretary of State warned that the effect on the NCB's operating results would be adverse if it were not possible to accelerate the closures of deep-mined pits. The Prime Minister said this policy was still worth pursuing as it would produce coal more economically and would add to endurance. Mr. MacGregor undertook to ~~consider~~ pursue this.

Long term structure of the coal industry

The Prime Minister said that under legislation the NCB was almost the exclusive operator of coal and the licensing authority. Mr. MacGregor said the NCB should be reorganised into units based on coalfields. Over time the point of access to the fields would move. These units would be incorporated into separate companies which could eventually be sold to the private sector or operated on a joint basis. Both he and the Secretary of State for Energy, however, felt it would be unwise to broach these issues publicly while the strike was continuing. Mr. MacGregor undertook to let the Prime Minister have a paper setting out his thinking and the long-term future of the industry.

The meeting ended at 2230 hours.

AT

24 September 1984

(1)

PRIME MINISTER

RECALL OF PARLIAMENT

Mr. Steel has written urging a recall of Parliament. His letter makes no reference to the position of Mr. MacGregor or to his call for more help for communities affected by closures which he included in his speech to the Liberal Party Conference. Nor is he explicit about the nature of his proposal though this is a reference to the Alliance idea that a bill should be passed allowing 10% of miners to trigger a ballot. Since he has not spelt this out I have not taken it up in the draft reply, but have concentrated on the argument that the issues have not changed since the debate just before the House rose.

The answer on trigger ballots would be that this idea was canvassed in the January 1983 Green Paper on Democracy in Trade Unions. It found virtually no support and the Government adopted an approach which made it a general requirement on all unions to hold properly conducted ballots before strikes if they were to retain immunities, and not simply here a proportion of the membership get together to request a ballot.

I have cleared the draft with Mr. Walker though he would prefer the last part of paragraph 2 to read:

> "... interest of the nation, and indeed of the miners themselves. For it benefits both taxpayers and miners if the Government is able to concentrate its substantial investment in modern pits and seams from which coal can be produced efficiently and safely, rather than on older capacity which is more difficult and more expensive to work."

It seems to me this labours the point rather.

Bernard advises releasing the reply tomorrow morning.

I think he would be prepared to agree to the Walker version

AT

24 September 1984

VSCAAW

Cool file

Prime Minister (2)

AT 24/9

DEPARTMENT OF
ENERGY
Thames House South, Millbank, London SW1P 4QJ.
Press Office Direct Line: 01-211 4545 Out of hours: 01-212 7071/2/3

PRESS NOTICE

PETER WALKER WRITES TO THE BISHOP OF DURHAM

Attached is a copy of a letter which the Secretary of State for Energy, the Rt Hon Peter Walker, has today sent to the Rt Rev the Lord Bishop of Durham.

24 September 1984

01 211 6402

The Rt Rev the Lord Bishop of Durham
Auckland Castle
Bishop Auckland
County Durham
DL14 7NR

September 1984

Dear Bishop,

We have not met but I write because we must share many concerns and many hopes. As a member of the church of which you are a bishop, I certainly share your desire that the spirit of Christianity prevails and with you deplore the existence of poverty, misery, violence and despair.

My personal approach to politics has always reflected a definition of patriotism which desires that every person born a citizen of our country rejoices in that birthright. This therefore demands social and economic policies that eradicate poverty and despair and give all families reasons to rejoice.

You are the Bishop responsible for the diocese of Durham; I am the Minister responsible for energy. We both have responsibility for the miners, their families and their communities.

I was privileged in the early 1970s, when I was the first Secretary of State for the Environment, to have the power to improve the quality of life of the miners in your diocese. I was appalled at the depressing effect on mining communities of living in an environment dominated by slagheaps. I was equally appalled at the poor housing conditions in which many of them had to live - housing conditions devoid of many modern amenities. I launched a campaign which certainly had never previously been surpassed to remove and landscape the slagheaps and to modernise the housing. Hundreds of such schemes have been completed in the mining areas of the North East. A great majority of post-war council housing was modernised, as were many of the homes owned by miners or by the Coal Board. I recall this, not as a personal boast, but because I believe it illustrates the importance of using the resources of a democratically elected government to improve the life of families in the mining communities.

Now I have responsibility again, responsibility which I share with you, to give our miners and their families a future that will bring them and their communities an improved quality of life and greater happiness.

You have preached that the miners must not be "defeated". But you have not clarified who is trying to defeat them. You imply that it is Mr MacGregor and the Government. Such an implication has no justification whatsover.

We have never tried to defeat the miners. We have tried to see that they were victorious to a degree unsurpassed in the history of the mining industry. We tried to give them the guarantee of a better life, devoid of any industrial strike or unrest. Please examine as a Christian bishop the sequence of events which occurred before Mr Scargill decided for the first time in your lifetime to call a national strike in his industry without giving his members the right of a ballot:

1. The Government, without pressure, invested £650 million more in the coal industry than had been agreed under the "Plan for Coal", which was endorsed by the Labour Government and the National Union of Mineworkers.

2. In spite of the insolvency of the National Coal Board, the Government agreed to provide a further £3,000 million to invest in new colleries, better coal faces and better machinery in the years immediately ahead. A policy in sharp contrast to the government of France, which has decided to halve its coal industry, and in Germany, where the coal industry is also planned to decline substantially.

3. Mr MacGregor, whose departure you request, became the first Chairman of the NCB to declare that every miner who wished to continue working in the industry would be able to do so. In the whole post-war period since nationalisation pits which have ceased to be able to produce coal on any tolerably economic basis have been closed. In recent years they have been closed under procedures agreed between the National Coal Board and the National Union of Mineworkers. Mr MacGregor has seen to it that these procedures have continued, but has added a vital new assurance, which is that every miner will be guaranteed a job in the industry if he wishes, or alternatively will be provided with an opportunity to take early retirement on terms more generous than any other industry in this country or in any coal industry in the world.

4. In your sermon you correctly draw attention to the adverse effect on a community if a pit is closed. I am perhaps more aware of that than even you are. In 1970 we inherited a situation where in the previous six years hundreds of pits had been closed. Indeed, pits had been closed at many times the rate of anything contemplated at the present time.

It was for this reason that I directed a great deal of environmental and economic aid to the North East between 1970 and 1974 - new roads, new homes, and new factories helped to bring new hope to the region.

In 1984 however the man whose departure you request became the first chairman of the National Coal Board to demand that the NCB themselves take on responsibility for any community affected by closure.

He has created a new company, providing aid advisory services and accommodation to bring new firms and enterprises to the mining communities. The Government have undertaken to harness all the regional training and work experience programmes to support the activities of this new company. In reality, never previously has there been such a mobilisation of finance and advice to help any mining community affected by a pit closure.

This at a time when the industry is not going to be devoid of investment, but when a massive investment programme is going to take place in the industry.

An examination of these four factors will show that there has never been a plan to defeat the miners. It is a plan I would certainly argue that deserves the support of any Christian, and is a plan to give miners and their families a better future than they have enjoyed in the past.

As a Christian I hope that in your moments of meditation and prayer you will ask why the 70,000 miners who were given a democractic vote, decided overwhelmingly not to strike. At such moments you could also ponder why it is that these men have day after day been threatened by mobs from outside their own communities. Mobs which have used violence and intimidation in order to prevent men who follow the normal traditions of the NUM from acting in accordance with the position of the majority of their colleages.

I believe the reason why those miners who had the opportunity of balloting voted so overwhelmingly not to strike, and the reason why the other two-thirds of miners have been prevented from having a ballot, is because prior to this dispute we genuinely strived to create a position where there was a good wage offer,

not a single compulsory redundancy, a massive investment programme and a positive programme for the mining communities.

In your sermon you stated "that there must be no victory for the miners on present terms because this would mean pits left open at all costs and the endorsement of civil violence for group ends". I do hope you recognise that this phrase explains the reason why miners have suffered so much for so long.

During this entire dispute Mr Scargill has not been interested in discussing the wages, the guarantee of no compulsory redundancies, the investment in the future or the offers prepared to assist mining communities. He has only made one demand and has only been willing to discuss one factor. This is the demand that any pit, no matter how uneconomic, should be kept open until the last tonne of coal is exhausted or until safety prevents the continuation of operations.

No miners leader has ever made such a demand. No government and no National Coal Board management has ever or could ever concede such a demand. Mr Scargill has never moved or negotiated upon it. Whilst social democrats, moderate socialists, and trade union leaders all recognise that such a demand is unreasonable and unjustified, Mr Scargill has insisted that the non-balloted strike action shall continue until this demand is met.

Perhaps neither you nor I can analyse accurately his motives. But if you have embarked upon a study of Mr Scargill's written and spoken words over many years you can only come to the conclusion that he has always favoured conflict as opposed to participation, because he believes it is by conflict with the existing system that his utopia will be achieved.

Having stated in your sermon that you feel the necessity for Mr Scargill and the miners to move from this demand, can I perhaps ask you as a Christian bishop what you believe the Governments or the nation should do if Mr Scargill continues, as he has for six months, to refuse to negotiate or to move from this demand?

You rightly stated in your sermon that anyone who rejects compromise as a policy, programme or convention is putting himself or herself in the place of God. I know that both the Government and the National Coal Board have been eager and willing to pay the miners well, to free them from any risk of compulsory redundancy, and to help their communities invest in their future. This is not a case of putting ourselves before God, but of endeavouring to act in a civilised and Christian way.

You know and I know that Mr Scargill has been totally unwilling to move from his one unique and impossible demand.

As a person who has devoted most of his life to politics and to the Conservative Party, I have always believed that the correct tradition of my party has been to get the correct balance between efficiency and compassion. The trouble with compassion devoid of efficiency is that one never has the means of exercising the compassion. The trouble with efficiency devoid of compassion is that one creates a society so divisive that the efficiency itself is destroyed by the divisiveness of society. I cannot judge the degree to which I have succeeded in getting the balance correct on this particular issue. I do know that in my moments of meditation and prayer I have genuinely attempted to the best of my ability to understand the hopes and aspirations of miners and their communities. I have persuaded my Cabinet colleagues to devote considerable economic resources to see that their reasonable aspirations can be satisfied.

If I had considered that Mr MacGregor was a man who had either been instructed or personally had the intention of destroying the mining industry, or that he was contemptous of miners or their communities, I would of course have dismissed him immediately. Or if it had been insisted that he had continued, I would certainly have resigned. But I know that Mr MacGregor is a man who wants this industry to succeed, who wants it to expand and not contract, and who has been eager to provide miners and their communities with aid and assurances never previously given under his predecessors. Perhaps your observations on Mr MacGregor were based upon his image as portrayed in propaganda rather than upon the genuine aspirations or faults of the man himself.

You and I agree that the miners must not be defeated. But we must do our best to assess who is the true enemy.

Peter Walker

PETER WALKER

EMBARGOED FOR USE AFTER 20.00 HRS FRIDAY, SEPTEMBER 21

p. 5, 6

PRESS AND PUBLIC AFFAIRS DEPARTMENT

Church House, Dean's Yard, London SW1P 3NZ. Telephone: 01-222 9011

TEXT OF SERMON BY THE BISHOP OF DURHAM, THE RT. REVD. DAVID JENKINS, AT HIS ENTHRONEMENT IN DURHAM CATHEDRAL ON FRIDAY, SEPTEMBER 21, 1984

May the God of hope fill you with all joy and peace by your faith in Him, until by the power of the Holy Spirit, you overflow with hope. Romans 15.13.

We could do with some help from this "God of hope" here in the North East. Unemployment is at 35 to 50%. They propose to dump radioactive waste on us as if we were the scrap-yard of Britain. The Miners' Strike highlights how divided and distressed society is, to the point of violence. Christians seem absorbed in bad-tempered arguments about belief, or marriage, or politics. The organised churches find financial problems looming larger and larger. We all wonder if old men in the Kremlin or in the White House will over-reach themselves and actually use the nuclear weapons which are unthinkable but real. If you stop and think, hope does not come easily.

But we are stopped here in this great and moving building to enthrone a bishop of Durham. This is a questionable business too. Of the person involved, it can evidently be said that he is not everyone's cup of tea and that he has even been accused of being some people's cup of poison. Of the procedures, we are told that 'enthronement' is an ancient symbol of the Bishop's task and privilege to care for and "chair" the diocese. A 'throne' is just a chair. Nonetheless being installed in what is repeatedly claimed to be 'the highest throne in Christendom' leaves the representative relationship between a Lord Bishop of Durham and the Lord Jesus Christ inevitably ambiguous.

Further, the very title "Bishop of Durham" has its problems. My welcome at Darlington yesterday, and the representative nature of the gathering here tonight makes it clear that the Bishop of Durham is still regarded as just that, i.e. the Bishop who will stand for and serve the whole of the County of Durham, indeed, the whole North East. Here I see no ambiguity. If such opportunities for service and representation are open to me, then I am wholly committed to them. The God and Father of the Lord Jesus Christ is the God who is concerned for all and at one with all. It is the hope and task of His Church to long for, and to work for, His acknowledgment as God by all. But we do not wait for that acknowledgment before we seek to serve all, any more than God waited to send His son to die for all. The ambiguity is elsewhere. What part does the Church of England diocese of Durham now actually play in the ordinary life of the area? Further, the Church of England by no means contains all of the Christians there are in the area. So, being called 'Bishop of Durham' and acquiring a territorial signature verges on the pretentious and the anachronistic. Is this great building itself a magnificent symbol of past history or a sign of power for the future?

I face you, therefore, as an ambiguous, compromised and questioning person entering upon an ambiguous office in an uncertain church in the midst of a threatened and threatening world. I dare to do this and I, even, with fear and trembling, rejoice to do this because this is where God is to be found. In the midst, that is, of the ambiguities, the compromises, the uncertainties, the questions and the threats of our daily and ordinary worlds. For the Church exists, despite all its failings and all its historically acquired clutter, because the disturbing, provocative, impracticable, loving and utterly God-centred Jesus got himself crucified. Then God vindicated this God-centred way of life, love and being by raising Jesus up. So the disillusioned disciples were turned into spirit-filled apostles and the Church has ever since been learning and re-learning that in the flesh

and blood of this man is God's way of being with us, and of giving us a share in the bringing in of His Kingdom. If we long for hope, then we must not fall back on hoping against hope and refusing to face ordinary realities, within us and around us, both in society and in the Church. Nor must we indulge in cheap hope, expecting miracle solutions either from God or from politicians. For we know that keeping hope alive in this sort of a world cost God the Cross.

The cost of hope for us therefore is to get rid of all triumphalism and false expectations and to stay with our problems in the power of God and in search of God who is waiting for us and looking for us. If we who are Christians can work this out in the Church and in our religious practices, then we shall also be ready to help to work this out also in society at large and in our community practices. Let me try and explain.

Because the God who gives Himself for us in Jesus Christ and also gives Himself to us in the Spirit is so glorious, so gracious and so promising, we Christians are always liable to expect things of Him which are contrary to His revealed character and ways of working. God has committed Himself to the risk of creation, the identification of incarnation and the perseverance of indwelling. His principal and unique declaration of Himself to us is in Jesus, whom we Christians recognise as Christ. There was a glimpse of glory in the Transfiguration, but the fulfilling of the transfiguring glory was the disfiguring of the Cross. The Resurrection did not avoid rejection, desolation and death. It was brought about through them and out of them. If God goes that way, we can expect no short cuts. We have no right to expect a Church which will guarantee us infallible comfort, a Bible which will assure us of certain truth, charismatic experiences which settle our knowledge of God for good and all, miracles which prove God's presence beyond a peradventure, questions which we are quite sure

must always be put, or insights into the Kingdom of God which assuredly promise social utopias. We forget again and again that in discovering the Resurrection some doubted (Matt. 28.17), at the first Pentecost some asked 'What can this mean?' but others said contemptuously, 'They have been drinking!' (Acts 2.13), while at the Transfiguration Peter was both frightened and confused. God does not impose Himself, He gives Himself, and our faith, interpretation and obedience are always required to discern Him and respond to Him.

Of course we do have the Church to support us, the Bible to judge and renew us, experiences of the Spirit which kindle in us transformation, assurance and joy, miracles which encourage and direct people of faith, questions which we must ask as long as we acknowledge the limitations of the intellect, and a call to relate the Kingdom of God to what is going on in our society. But God must never be identified with His gifts or the occasions of His giving. Above all He does not give us these gifts, of Catholicity, of Bible, of Charismata, of Miracle, of Intellect and of Social Concern for us variously and differently to make party labels of them and to set Catholic against Protestant, against Evangelical, against Charismatic, against Liberal, against Activist. We must be making a mistake about God if we insist that the chief ways in which we personally experience God's gifts and His giving are His only ways or the definitive ways. The greatness, the glory and the freedom of God relativises all our disputes.

Christian conflicts, therefore, are not about the Who, but about the How. Whom we serve is the one and only God known to us through Jesus Christ in the Spirit. How we serve is a necessary but secondary matter and whatever the answers in practice and in theory, they are always subordinate to Him, and inadequate for Him. So none of our ways of understanding God and serving God are, strictly speaking, God's ways. All are our ways

which He allows us responsibly and humbly to develop and then submit to His blessing, His Judgment, His renewal and, sometimes, His reversal. The cost of hope in renewing the Church, spreading Christian discipleship and growing in Christian unity is the relativising of us all by the greatness of His glory and by the greatness of the risks which He takes in His love, so that we are set free for new forms of obedience, fresh discoveries of His grace and new ways of working together despite our differences.

This offer of freedom for newness and hope under the Almightiness of God and through the down-to-earth presence of God is, however, not by any means confined to Christian Churches and religious affairs. There is a power and a possibility here about hope in our present social discontents. Here, again, triumphalism, absolutism and illusions have to be got rid of if we are to find hopeful and human ways forward. The cost of hope in our society and our politics is a responsible readiness for compromise. Once we are clear that nobody has God's view of things or does God's will in God's way, then it also becomes clear that to insist on one's own view and nothing but one's own view and the whole of one's own view, is outrageously self-righteous, deeply inhuman and damnably dangerous. It is to set our inevitable conflicts on course for destructive fights which no one can win, through which all will lose and which could end by destroying us all. Until we reach the Kingdom of God, responsible mutually worked-out compromise will again and again be of the essence both of true godliness and true humanity. Anyone who rejects compromise as a matter of policy, programme or conviction is putting himself or herself in the place of God, and Christians and Atheists can surely be agreed that, whether there is a God or not, no person or set of persons from our human race is suitable for divine appointment. Consider the bearing of this on our most pressing current social tragedy, the Miners' Strike.

It suggests that there must be no victory in the Miners' Strike. There must be no victory, but a speedy settlement which is a compromise pointing to community and the future.

There must be no victory, because the miners must not be defeated. They are desperate for their communities and this desperation forces them to action. No one concerned in this strike, and we are all concerned, must forget for one moment what it is like to be part of a community centred on a Mine or a Works when that Mine or Works closes. It is death, depression and desolation. A society which seeks economic progress for material ends must not indifferently exact such human suffering from some for the sake of the affluence of others. The miners then must not be defeated, and this must be the first priority.

But there must be no victory for them on present terms because these include negotiations on their terms alone, pits left open at all costs and the endorsement of civil violence for group ends. Yet, equally, there must be no victory for the Government. This Government, whatever it says, seems in action to be determined to defeat the miners and thus treat workers as not part of "us". They also seem to be indifferent to poverty and powerlessness. Their financial measures consistently improve the lot of the already better off while worsening that of the badly off. Their answer to civil unrest seems to be to make the means of suppression more efficient while ignoring or playing down the causes. Such a government cannot promote community or give hope in the very difficult days we are faced with. It cannot even effectively promote the genuine insights it has about the need for realism in what is economically possible. To win a victory over the miners is simply to store up trouble not to reduce it.

And there must be no victory for "us", that is to say society at large in our various groupings, who by our trends, tendencies and voting set up the sort of

materialistic and consumer society we have. There will be no new hope for the future if all we get is the end of the strike and therefore, apparently, a quiet life again and the assurances that 'they' are dealing with things. Our problems will not go away. We shall find hope only if more and more of us are prepared to face up to what is going on, what is wrong in it, and what might be brought out of it.

Therefore, a negotiated settlement which is a compromise and demands, of us all, further work on the problems both of the Miners and of society at large is the only hopeful thing. But how might this come about? Might it be by Mr. Macgregor withdrawing from his Chairmanship and Mr. Scargill climbing down from his absolute demands? The withdrawal of an imported elderly American to leave a reconciling opportunity for some local product is surely neither dishonourable nor improper. It would show that the interpretation of his appointment as the provocation of the Miners to fight in order that they might be defeated was false, and it would indicate that the Government values the cost of hope as much as or more than the fruit of victory. After all, victory leaves hurt and more trouble. Hope has a future. But this would have to be matched by evidence that Mr. Scargill too was not an absolutist but a compassionate and realistic negotiator who cares more for people and for the future than for an ideology. Without withdrawal and without climbing down it looks as if we are faced with several people determined to play God. And this gives us all hell.

However this may be, and whatever may happen in the immediate future, the direction of the life of any branch or section of the Christian Church is clear. The direction is God. This is the God who has already paid the cost of hope in this confusing, risky but potentially glorious and often enjoyable world. He it is who is as He is in Jesus, identified with our flesh and blood, ready to meet us through His Spirit wherever there is human need or despair,

human creativity or joy. What we have to do is to face up to what is going on, get involved in what is going on and discern Him in what is going on. His gift will be Himself, His promise will be the growth of all that is human and His power will be hope. And in the midst of it all our anchor and assurance will be to worship Him, to wait for Him and to rest in Him. So 'may the God of hope fill you with all joy and peace by your faith in Him until, by the power of the Holy Spirit, you overflow with hope.'

AMEN.

BT cc. Andrew Turnbull
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PIT CLOSURES
—
SOME ECONOMICS

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PIT CLOSURES — SOME ECONOMICS

SUMMARY

The miners' strike is dragging on with an apparently unbridgeable gap between the two sides. The NCB is basing its case for pit closures largely on the ground of *finance* — loss-making pits need to be closed in order to move the industry closer to break-even. The NUM, on the other hand, bases its case on *geology* — maximising coal production at almost any price. No closures, they say, can be contemplated until pits are exhausted, or are unsafe to mine. Since the criteria of finance and exhaustion are entirely separate, it seems impossible to find a compromise between them.

One possible way round this problem is perhaps to get both sides to talk about a third criterion — economics and real resources. This would involve agreeing that pits should be closed when their ***real value to the whole economy***, in net output and social terms, is no longer positive. In general, this criterion would point to closure for most pits at a date somewhere between the loss of financial viability and the point of exhaustion.

But apart from the potential attractions of this approach as a compromise formula, we argue that the real resource criterion is, on analytic grounds, highly relevant to the question which started the dispute: *"When is a pit uneconomic?"* It is ***insufficient*** to answer this question simply by reference to the Coal Board's finance and accounting conventions (which do not take note of the social costs of pit closure, or of the true cost of labour in an under-employed economy). It is ***impossible*** to answer the question by reference to the NUM's criterion of exhaustion, which has no grounding whatsoever in economics or welfare theory. By contrast, we argue that the real resource criterion is capable of putting the "economic" back into the issue of "uneconomic" pits.

The idea is simple. Even in loss-making pits, miners are generally contributing positively to national output. If these miners were put out of work, and were unable to find alternative employment, they would produce nothing. National output would decline, and social costs would be incurred. On resource grounds, there may therefore be a case for leaving open, or phasing out more slowly, loss-making pits.

This case is not open-ended. Financial costs (subsidies) are incurred in keeping loss-making pits open. Furthermore, as time passes the real value of the coal produced may begin to fall short of the real costs of producing it. After this point, the pits should be closed on virtually any criterion[1]; before this point, it is for the government to decide whether to make available the finance to enable resource gains to take place.

All recent governments have subsidised loss-making pits, implicitly recognising that resource gains are worth paying for. The present government has, so far, been no exception. But now there are suspicions that a push is on towards a target of eventual financial break-even for the industry, a target which would mean substantial closures on top of the 4 m tonnes of capacity which was the immediate trigger for the current dispute. ***This, perhaps, is what is really at issue.***

In this paper, we look at the possibility of closing the 12% of capacity (40,000 jobs and perhaps 50—60 pits) which might be needed to halve the Board's normal losses. We conclude that:

(i) On narrow NCB/Dept. of Energy financial grounds, there is a strong case for early closure. The financial 'rate of return' on an 'investment' in redundancy payments is around 17% p.a. on our central assumptions. However, the financial rate of return to the Treasury as a whole is much less, at around 3—5% p.a.

(ii) Anyway, financial criteria are, we argue, much less clear-cut than may appear at first sight, since implicit political judgements are necessarily involved, and accounting conventions raise problems.

(iii) On our suggested criterion of real resources (and taking into account social costs), our methodology suggests that the 50—60 pits should perhaps be closed ***on average*** after 5 years. Immediate closure of the entire group for financial reasons would involve significant resource losses in the early years. However ***there are almost certainly some pits on the margin of the industry which ought to be closed immediately, even taking full account of social and real resource arguments.***

(iv) This might imply a resource optimum involving some 5—6 closures a year, not dissimilar from the average achieved in the 'Plan For Coal' years 1974—83. However, this would be much less than required for financial break-even by the NCB, and much more than required on an exhaustion principle.

All of these conclusions are subject to the imperfect data we have been working on and on assumptions which can be legitimately disputed. Only the industry itself has access to the information needed to decide when any individual pit should be closed to ensure a real resource optimum. But the methodology in this paper could certainly be used in practice to help the NCB/NUM to answer the question: how long, in the interests of the community as a whole, should loss-making pits be left open?

Gavyn Davies and David Metcalf

21 September 1984

[1] **Although not on the NUM "exhaustion" principle.**

THE FINANCIAL CASE

1. The question of the "economics" of pit closures is frequently addressed solely in terms of finance — how much the NCB or the public sector would save by switching from high cost to low cost pits compared with the financial costs of redundancy payments and additional unemployment benefits. The resolution of this issue should be comparatively simple. The first year costs of pit closures almost always outweigh the first year financial benefits, since redundancy payments are incurred immediately while reduced NCB losses accrue over a much longer period of time. On these narrow financial grounds, the decision is therefore exactly analogous to any other commercial decision on new investment: does the eventual rate of return make the capital outlay worthwhile (i.e. does the 'investment' in redundancy payments earn a return which exceeds the public sector's test rate of discount)? Opinions differ even on this narrow question (see for example the NUM/Department of Energy interchange in the House of Lords Select Committee Report HL80, 1983/84) but on our analysis the rate of return to the NCB and Department of Energy on closure far exceeds the TDR. Hence, *on narrow financial grounds*, it can be argued that there is a case for early closure of many pits. However, on wider financial grounds, when unemployment benefit and lost tax revenue are brought into the picture, the case is far weaker.

2. To make the case for or against closures on narrow financial grounds, three pieces of evidence are needed: the cost of redundancies to the NCB or to central government; the annual financial costs of keeping loss-making pits open; and the duration of life of these loss-making pits. On the *cost of redundancy*, the Department of Energy has stated (HL 80 p303) that "the total cost of redundancy payments of all kinds to those now entering the Redundant Mineworkers Payments Scheme is likely to be about £30,000 to £35,000 at present day prices over a 10-year period".[1] This figure comprises lump sum and weekly payments under the RMPS and statutory redundancy payments under the Employment Protection (Consolidation) Act. The RMPS is administered by the NCB on behalf of the Department of Energy but the NCB does not incur the spending under the RMPS. When calculating a financial rate of return we *initially* focus on the return to the NCB and Department of Energy. The only cost the NCB incurs is its share (59%) of the statutory redundancy payments. But the NCB would not reap all the financial benefits from closure (i.e. lower losses) because central government would reduce its subsidy to the NCB as the losses decline.

3. Turning to the *financial cost of keeping pits open*, the DE says that the highest-cost 12% of NCB capacity incurs losses of £275m a year (1983/84 prices) and employs 40,000 people on colliery books. This implies a financial cost per miner of

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[1] **One complication is that we have assumed that all the redundancy costs are incurred in the first year. In fact some of them are spread over several years. This implies that our calculations *under-estimate* the rate of return to the NCB and Department of Energy.**

£6,875 a year, but again there are slight complications. First, the annual loss would certainly mount over time, since pits will produce less output and require more (non-labour) inputs as they approach exhaustion. This factor again implies that the rate of return estimates below are under-estimates. On the other hand, some of the costs could possibly be imputed to non-miners, and this is a factor which could lead to some over-estimate on the rates of return.

4. Finally, there is the question of ***how long the loss-making pits are assumed to be left open***; the longer they are open, the larger the (present value of) losses and the stronger the financial case for closure. We assume 5-year and 10-year life-spans for these pits. (In the June 1983 Monopoly and Mergers Commission Report on the NCB (Cmnd 8920) it is estimated that of the 70 collieries which made losses of over £10/tonne in 1981/82, 33 had reserves which would last for more than 10 years at the existing rate of working.)

5. What, then, would be the rate of return to the public sector from "investing" in the closure of the highest-cost 12% of capacity, which costs £6,875 per miner per year to keep open? On the assumption that the cost to the public sector of a single redundancy is £32,500 all incurred in the first year (see above), then the real rate of return would be 2% p.a. on the (unrealistic) assumption that the average pit-life is 5 years, or 17% p.a. on the much more realistic assumption that the average life is 10 years. This latter figure comfortably exceeds any conceivable test discount rate for the public sector.

6. If instead we estimate the financial rate of return to the public sector as a whole the picture is very different. In this case we must add to the costs side of the equation the unemployment benefits and lost tax revenue. The House of Lords Select Committee on Unemployment (HL142 10 May 1982) put these costs at £5000 per unemployed person in 1981/82 equivalent to around £5500 in 1983/84 prices. We assume (see below) that the probability that the redundant miners job will get replaced elsewhere in the economy is 0 on redundancy, rising to 1 in year 10. So these Exchequer costs of unemployment are initially £5500 per redundant miner falling to zero in ten years time. When these costs are added in the financial rate of return to closure falls to 3% to 5% depending on assusmptions about the profile of benefits (see appendix). This is probably ***below*** the test discount rate for public investment, so on these wider financial grounds there is only a slim case for closure ***on average*** among the worst 12% of pit capacity. This is not to deny that the very worst pits will have higher losses than the average and that, therefore, a financial case could probably be made for closing such pits. ***But, equally, the wider financial case for closing the intra-marginal pits among the worst 12% is probably very weak.***

7. We therefore conclude that in many, or probably most, of the highest cost pits there is a good case on ***narrow NCB/Department of Energy*** financial grounds for early closure. However, the signal to the Treasury should be different to the signal to the NCB or Department of Energy, because when

unemployment benefits and lost tax revenue are included in the picture the real financial rate of return to closure of many of the worst 50—60 pits is *below the TDR. Therefore even on financial grounds society should pursue a slower closure programme than that which is optimal for the NCB. However, we shall argue below that these financial considerations are not the only criteria which can be taken into account when discussing the issue of pit closures.*

THE FINANCE CONSTRAINT

8. In an economy where the government is operating under tight financial constraints on its budgetary operations, the above considerations are particularly significant. If total public expenditure is cash-limited, then public sector subsidies to keep pits open need to be judged against the opportunity cost of switching these subsidies to alternative areas of public sector activity, such as subsidising other industries, or spending equivalent sums on job creation schemes. The case for closing high-cost pits relies (at minimum) on the proposition that the public funds so released could be used more effectively in alternative areas such as these; and in our view this proposition can probably be defended in some cases. But it should be noted that the case for closure relies also on a more complicated implicit assumption: that there are no areas elsewhere in the public sector where the government's ***current*** activities are even less financially "viable" than keeping open the highest-cost pits. In some cases, this issue can be tackled straight-forwardly: for example, it should be possible to compare subsidies to coal mines with subsidies to steel mills on financial grounds. However, there are many far more complicated questions which do not lend themselves to financial comparison. It is impossible on financial grounds to compare spending £100m on the health service (or on pensions, or on a new defence system) with spending the same amount in subsidies to the coal industry, especially if a value is attached to the existence of mining communities and to the social infrastructure which has been built up to service them. Questions such as these are inherently political in nature, and can only be settled by political criteria. The apparent purity of a financial rate of return calculation is simply insufficient.

9. The government, whether it would admit as much or not, already recognises that narrow financial criteria are not always and everywhere paramount (or simple), since loss-making pits are already subsidised, and have been continuously since 1979. There have even been occasions where ministers have taken credit for spending more on subsidies and investment in the pits than their immediate Labour predecessors. Furthermore, the question of whether or not individual pits are loss-makers is to some extent arbitrary, depending on other decisions taken by the Cabinet. The most obvious of these is whether or not to build new nuclear power stations, a decision which must be based on environmental and political considerations as well as on strict financial grounds. Even more important, comparisons between the financial positions of different nationalised corporations can be heavily distorted by the widely different treatment of capital charges between indus-

tries. Most of the NCB's financial losses in recent years have been made up of interest charges to the central government, and it seems likely that the NCB has benefited from far fewer interest waivers than other industries, notably steel. If the treatment of coal had recently been as generous as that of steel, it is possible that many pits would be immediately removed from the loss-making category (though possibly not those which are on the NCB's current list for immediate closure).[1]

10. None of these arguments suggests that narrow financial considerations are *irrelevant* in deciding whether or not to close pits, which is what the NUM's "exhaustion" principle would seem to imply. It is certainly hard to find convincing arguments in favour of this principle, which appears unrelated to financial, economic or social welfare considerations.[2] However, it can equally be argued that strict financial criteria for closure are far from clear-cut, since (i) they inevitably raise implicit political questions which are often not directly attacked by the government or the Board in arguing for their closure programme; (ii) figures which relate simply to the NCB/Dept. of Energy ignore knock-on effects elsewhere in the public accounts; and (iii) the question of financial viability is anyway something of a moving feast, depending on financing conventions which differ between nationalised industries, and on government decisions in other areas which have large political contents.

ECONOMICS AND RESOURCES

11. However, the debate on closures should not stop there. It is quite possible for pit closures to be *financially* desirable for the NCB while being *economically* undesirable for the community as a whole. The more difficult, but arguably more important, issue of what we shall term "economic" desirability depends on resources and output. Even in the highest cost pits, miners are usually contributing positively to national output. If these miners jobs were lost, and the people displaced were unable to find employment elsewhere, productive jobs would be lost. Output would therefore fall to levels which would be still further below most definitions of full capacity. On resource grounds, there may consequently be a case for leaving open, or phasing out very slowly, the loss-making pits.

12. How strong is this case? It depends mainly on a comparison between the real value (shadow price) of the coal produced in high-cost pits, compared with the real value of output which could be produced by miners in alternative jobs. In addition, it

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[1] On the question of interest charges, the House of Lords Select Committee concluded:
"... There appears to be no uniformity of treatment of nationalised industries in this respect. This is illogical. There is no reason why the government should not treat the financial structure of the coal industry as it has treated the steel industry ... To write off part of the outstanding debt would improve the financial position at once, whereas closures of uneconomic pits take several years to have their full financial impact. In conjunction with closures it would help to give the industry a new start". (HL 80 para 107.)

[2] The NUM's exhaustion principle appears akin to arguing that the iron industry should have continued using charcoal instead of coal for smelting until all the trees in Britain had been chopped down.

depends on the social costs which would be incurred in closing down mining communities. All of these elements involve measurement problems.

(a) **The Real Value of Coal Produced**

It is difficult to value the coal produced simply at the price paid by the CEGB to the NCB for coal (£46/tonne). This is because (i) resource costs apart from labour are incurred in mining and transporting the coal (notably the use of fuel — most of the mining capital stock probably has a real value in alternative uses close to zero) and (ii) not all of present UK coal output is purchased by the electricity industry or other final users, since supply already exceeds demand and a proportion of output is stocked. The real value of the coal is therefore somewhere between nil (on the assumption that it could never be sold at any price) and £46/tonne.

It has been suggested to us that the value attached to the output of marginal pits should in fact be nil or negative, since the coal goes to stock while resource costs are incurred in production and storage. While we recognise this argument, we find it unconvincing for several reasons: (i) even if the coal were going permanently to stock it would have *some* insurance value against the possibility of future supply disruption; (ii) one reason why coal stocks were rising up to the autumn of 1983 was the fact that UK GDP had fallen far below trend, and this may not be a permanent state of affairs; (iii) there is surely some price at which the coal could be exported to a European market which is forecast to become increasingly reliant on imported coal over the next 20 years; (iv) again, there is surely some price, now or in the future, at which coal would be unequivocally superior on financial grounds to either oil or nuclear fuel as an input to power stations (and other industries for that matter). To value the coal at nil would be to deny all these possibilities.[1] On the other hand, to value it at £46/tonne would be to ignore the plain fact that the full output of existing capacity cannot be sold on a free market. Hence, some compromise solution is necessary.

The obvious way round this problem is to value the coal at a world price (less those production costs which are incurred in resource terms). However, the world market in coal is very narrow, and the NCB certainly cannot be viewed as a price-taker in this market. Two alternatives present themselves. The coal could be valued at £30/tonne, the figure which seems to be used in the NCB accounts to value coal going to stocks. Alternatively, it could be valued at the price currently realised by the industry on coal exports which in the first 7 months of this year seems to have varied between £28 and £30 per tonne. *In the examples below, we have used a price of £29/tonne* (less the resource costs

[1] Note also that coal stocks increased by 5m tonnes in 1983. In order even to halve the NCB's losses, 14—15m tonnes of capacity would need to be closed, and much more if losses were to be eliminated altogether. Only a small proportion of this output currently goes to stock.

incurred in production — see example below). It will no doubt be argued by some economists that this price is higher than can be justified for the last few million tonnes of output of the coal industry at present. This case is arguable for the ***most marginal*** pits at present, but in our example below we consider the case of the highest-cost 14½m tonnes of output as our "marginal slice" of the industry for analysis. ***Since by no means all of this output goes to stock or exports, there is a case for valuing it at considerably above £30/tonne***. We therefore feel that our figure is a reasonable compromise.

(b) The Alternative Uses for Labour

The ***simplest*** approach here can be defended — it is to argue that, in an underemployed economy, redundant miners would produce ***zero*** extra net resources in alternative employment. This proposition hinges on the belief that at present the level of employment is determined by aggregate demand, and that within a fixed level of demand any new jobs found by redundant mineworkers[1] would simply displace workers from jobs elsewhere. On the other hand, it could be argued that redundant mineworkers would ***eventually*** create extra net jobs in the economy, either through entrepreneurial skills and/or through depressing the general level of the real wage.[2] In this latter case, the alternative labour should be valued at the marginal net product of the workers in these jobs (proxied by the wage level).

It is perfectly plausible to argue that the marginal net product of miners in alternative jobs is in fact zero in the short run, since it is hard to believe that any ***net*** job gains would rapidly follow pit closures. In that case, there is a good short-term argument on resource grounds for leaving most pits open — the real value of the coal produced can surely not in general be classed as ***zero***. However, in the longer run, say 5 or 10 years, some of the redundant miners are presumably going to find alternative jobs without displacing other workers by one of the routes in (b) above, especially if the economy ever returns to full employment. At this stage, there would again be a ***resource*** loss from keeping open the high-cost pits.

(c) Social Costs

When a pit closes, two kinds of social costs are incurred. First, the satisfaction derived from living in a thriving, homogeneous, community is lost. Second, as miners and their families move elsewhere, they will require new social capital — housing, schools, health care and so forth — and this must be scored as a social cost. In our example we do

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[1] Or by people who *would have* found employment in the pits if colliery manpower were left at present levels.

[2] It should be noted that, in the process of the economy "equilibrating", the real wage for workers who are completely unconnected with mining will be depressed below the levels which otherwise would have been attained.

not impute any value to the first cost. In the case of social costs for new houses etc. we proceed as follows: (i) we take the replacement value of the capital stock of housing, health and education; (ii) we multiply that figure by a real rate of return to get an annual value; (iii) we see what proportion of that annual value is attributable to 40,000 miners and their families; (iv) we adjust the resulting figure downwards for (a) any excess capacity in education and health care, (b) depreciation, (c) the fact that the social costs might in any case have to be incurred at some future stage (i.e. if the mine is exhausted without the provision of alternative employment in pit localities) so all that the closure does is hasten its provision. The social cost figure should, on the other hand, be adjusted upwards to allow for the provision of private capital. All these social gains from keeping the pits open should be added to the real value of the coal produced, or subtracted from the value of labour in alternative use. In the example below, we adopt the former alternative.

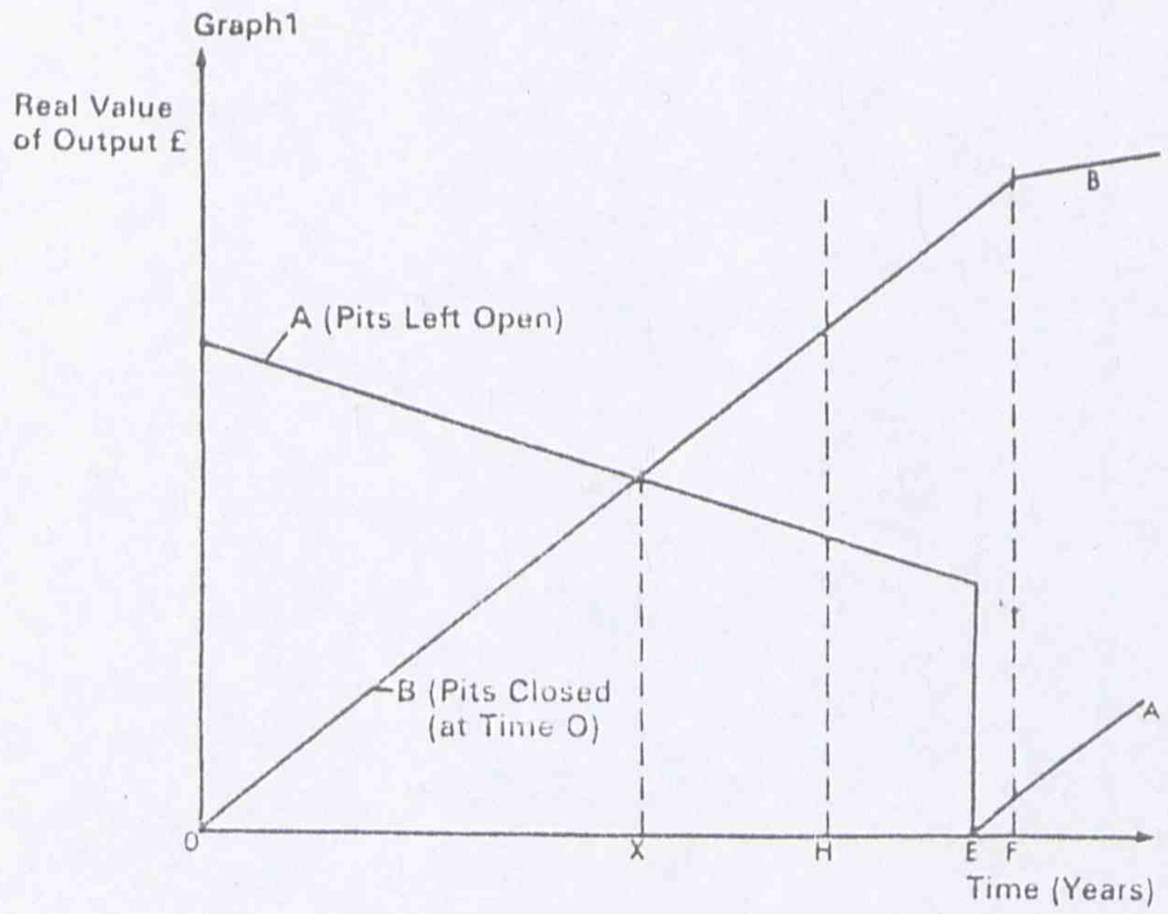
13. The decision on whether to close pits on resource grounds therefore depends on comparing the flow of real output and social gains over a relevant time horizon on two assumptions:-

    A. That the pits are left open; and

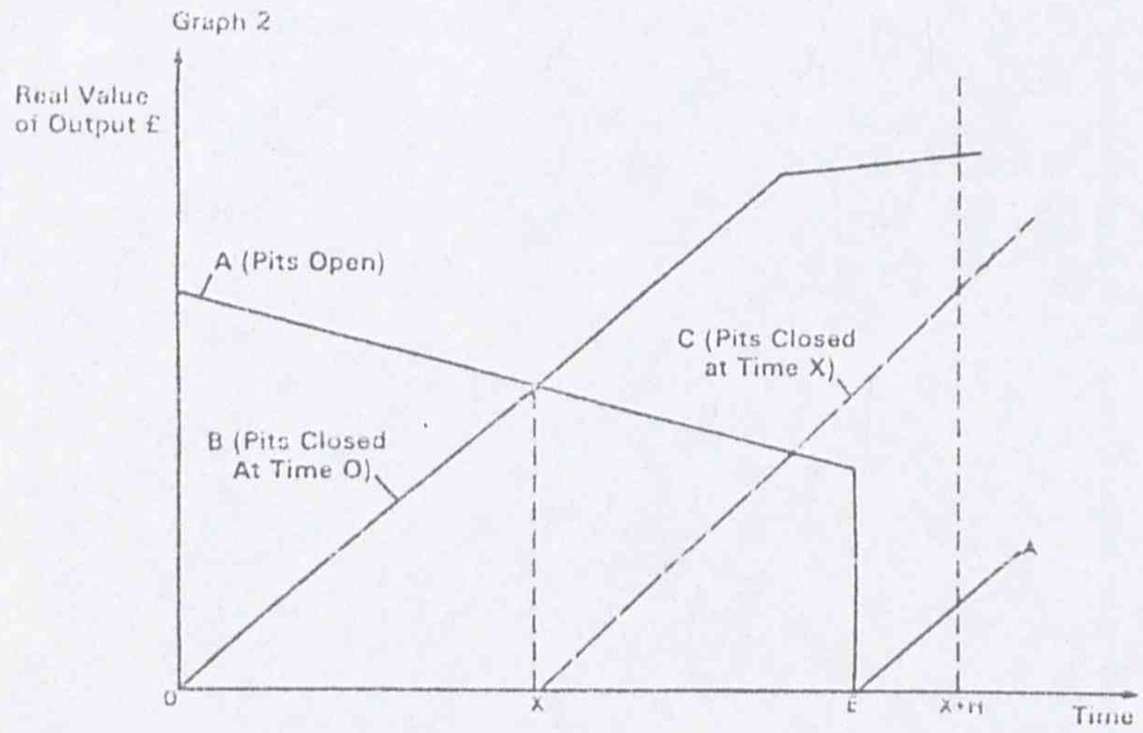
    B. That the pits are closed, allowing mining labour gradually to "shuffle" into alternative uses.

14. Since future output is worth less to the community than present output, the flows of production under both of these options need to be discounted back to a ***net present value*** using a suitable discount rate (which represents the social rate of time preference). If the net present value of production under option A exceeds that under option B over the relevant time horizon, resource considerations suggest that the pits should be left open. If not, they should be closed.

15. The analytics can best be understood by means of a diagram (see Graph 1). Assume that a pit (or group of pits) ceases to make a commercial profit at time O. A strict commercial enterprize would close it down at that date. However, for the reasons explained above, this need not be a decision which is optimal on real resource grounds. If the pit is left open, the real value of net ouput might follow a path as outlined in line A. It declines slowly for a period, reflecting the tendency for the non-labour costs of production to rise as the pit approaches absolute exhaustion. The net value of output drops to zero when the pit is exhausted at time E. (After that the line begins to rise again as the workers concerned find other jobs.) On the other hand, if the pit is closed at time O the output produced by the miners in alternative occupations is traced by line B. It rises gradually at first to reflect the fact that unemployed miners gradually find their way into alternative employment. At time F, all the workers have found alternative employment, after which the line rises only at the rate of underlying productivity growth in the industries concerned. In an economy where there is a binding long-term constraint on employment because of permanent demand deficiency, line B may not rise at all, implying that the pit should probably be left open to exhaustion.



16. The decision on whether or not to close at time O is still not simple. Net output would be higher with the pits left open (option A) until time X, after which it would be higher under option B. Does this mean that the pits should be left open until time X, and then closed? Unfortunately not. *Output would only rise as shown in line B if the pits are closed at time O.* If, instead, the pits are closed at time X, output in alternative uses rises as shown in line C of Graph 2 below, rather than as shown in line B.



17. In order to decide whether to close *at time O*, we need to compare the value of output produced up to a given time horizon (H in Graph 1), suitably discounted, under option A and B. This means comparing the area under curve A with the area under curve B, both discounted by the social rate of time preference. If the area under A exceeds that under B, the pits should be left open at time O; if not, they should be immediately closed.

18. If the decision is to leave the pit open at time O, we are still faced with the question of exactly when it should be closed. The answer comes from repeating the analysis just explained for all time periods in the future. For example, we can consider the hypothetical question of what would happen if the pit were closed at some hypothetical date in the future — say time X. The area under curve C up to the same time horizon ahead of X (X + H) needs to be compared with the area under curve A from X to X + H. In other words, we simply move the origin from O to X and repeat exactly the same procedure outlined above. We do this for all possible closing dates in the future, and ***we plan to close at the first date when the area under curve A is less than the area under a curve such as C, starting from some point X in the future***. Obviously, the further we look into the future, and the nearer to exhaustion we move, the more likely this criterion is to be fulfilled.[1]

ANALYTICAL CONCLUSION

19. In the context of the present dispute, this type of resource argument fails to support either the miners' argument that all pits should be left open to exhaustion, or the NCB/government's tendency to argue that financial considerations should be all that matters. Instead, it suggests that economic/resource considerations should also be taken into account, and these generally would point to closure somewhere between the date of losing strict financial viability, and the date of exhaustion. Therefore:

    (i) It is insufficient (and anyway not clear-cut) to examine pit closures from the standpoint only of financial considerations, as is often done by NCB and government.

    (ii) Nor is it possible to argue even on economic or resource grounds, for leaving open all pits to exhaustion, as the NUM appears to do.

    (iii) To maximise UK real output, pits should be closed only when the resource gains from alternative employment outweigh the resource losses from lost coal output. This may involve quite long time spans (depends on the precise numbers) but not infinite ones.

    (iv) There will be financial losses to be incurred by the government in order to reap the economic gains involved in leaving high cost pits open until criterion (iii) is met.

    (v) The time span in which these financial losses need to be incurred can be shortened by the active promotion of alternative employment by the NCB in areas threatened by pit closures. But the alternative employment should probably, on resource grounds, come before the pit closures.

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[1] We have made no attempt to make any lump-sum adjustment for any real resource gains or losses outside our time horizon.

EXAMPLE

20. The analysis in this paper can only be properly applied to actual cases by the NCB itself, since only the Board has access to all the required information on a pit-by-pit basis. *The example below should not, therefore, be taken as definitive, but only as an attempt to illustrate the analytical arguments with some real life estimates. The estimates themselves are necessarily fairly rough.*

21. In the example, we consider the question: should the NCB eliminate half its financial losses by immediately closing the 12% of its output which currently has the highest operating costs? Or should it leave these pits open for a further period on national resource grounds? The pits in question produce 14½m tonnes of output per year and employ 40,000 miners.[1] They incurred losses of £275m in 1982/83, or about £300m in 1984/85 prices (in which all the following figures are calculated). We make the further assumption that all the relevant pits are left open, or closed, together.

22. The calculation proceeds as follows:

(i) Real Value of Coal Produced

The annual value of coal produced, valued at the £29/tonne shadow price, is £420m. However, in order to work out the real resource value, we need to net out the costs of raw materials, fuels, transport etc. used in production. (We make *no* allowance for labour or for most capital costs.) Assuming that the pits in question have roughly the same cost relationships as the rest of the industry (i.e. that the *ratio* between labour and material costs are roughly constant throughout the industry — see the cost breakdowns in the MMC Report on the industry, Cmnd 8920), we calculate that around £261m of non-labour resource costs are incurred in producing the coal.[2] Therefore, the real resource value of the coal in year 1 is £420m less £261m equals £159m (or £11/tonne, and £3,975 per worker). To allow for rising costs as pits approach exhaustion, we make the further (fairly arbitrary) assumption that the real net output of these pits drops by 25% every 10 years. This gives us a flow of real output for *case A* — leaving the pits open.

(ii) Real Value of Labour in Alternative Uses

If all the pits are closed immediately, 40,000 miners would

---

[1] We have not attempted to make any allowance for any reduction in administrative employment if the pits are closed. Nor have we allowed for jobs and output which might disappear outside the coal industry.

[2] This is a very rough estimate with a high degree of uncertainty attached to it. Since some of the raw material and other bought-in costs have a high labour content in the supplying industries, it can be argued that the opportunity cost to the economy is much lower than the price paid by the NCB for these supplies. We have not allowed for this in our calculations. Potentially, this could be a major bias leading us to conclude in favour of *earlier* closures than should be the case.

be out of work. (This does not mean that 40,000 individual miners would be made redundant, just that 40,000 less people overall would be employed in mining.) For the reasons outlined above, these jobs would eventually be replaced elsewhere. We assume that it takes 10 years for the economy to "equilibrate", with all the displaced jobs being replaced. We value the potential alternative output produced by these workers by assuming that the 1984/85 estimated average earnings for male workers are maintained as total employment increases. This gives a value of £9,547 per new job created, or £382m per annum for 40,000 jobs created over 10 years.

(iii) **Social Costs**

When mining families move to other areas they require social capital and they abandon capital assets which would otherwise have a continuing value. The value of the stock of social capital in the UK for housing, health and education is £712bn (Blue Book, Table 11.8, adjusted to 1984/85 prices). If we assume a real rate of return on these assets of 3% this implies the annual value of this social capital is £21.4bn. Assume the 40,000 miners in the worst 12% of pit capacity have a total family size of 120,000. Therefore the "miners' share" of the social capital is:

£21.4 bn x (120,000/56m) = £46m

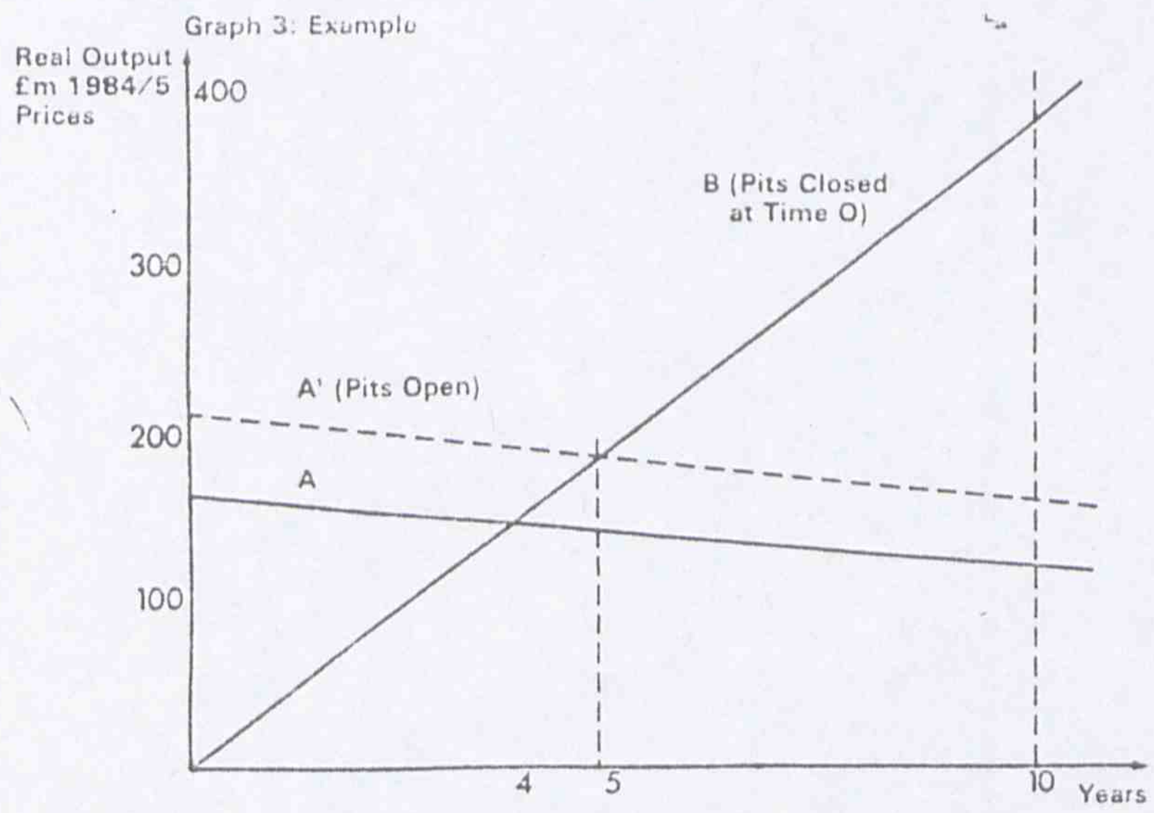
It is worth noting in passing that this is equivalent to an annual value of only about £1200 per family.

Two sets of adjustments should be made to this £46m figure. First, it should be adjusted upwards to allow also for the provision of private capital in the receiving areas (or, put differently, to allow for the losses made by shopkeepers and input suppliers in the mining areas). It seems probable that the private capital required would be at least as large as the £46m for social capital. Second, on the other hand, it should be adjusted downwards to take account of: (i) any excess capacity which exists in education and, possibly, health in other geographical areas; (ii) depreciation of the housing stock; (iii) the fact that this new social capital will probably have to be provided at some time in the future, so keeping the mines open only postpones the provision of this capital, it does not eliminate its provision at some unspecified date in the future. In our calculations we have assumed that the two sets of adjustments cancel each other out so we have taken the £46m calculated above as a rough estimate of the annual social value of the capital stock in the pit areas under consideration. We have added this amount to the real value of the coal produced in order to reflect the ***social gains*** from keeping mining communities in being. (This incidentally assumes that all the social losses would be incurred immediately on closure. In fact, they may build up more slowly than this, in which case the calculations below would be biased in favour of keeping the pits open for longer than a true optimum would suggest. However, we again feel that this factor is offset by the

potentially large omission of any valuation of the private

sector capital stock in our figures.)

23. The relevant diagram at year O is shown below. Line A represents the real value of coal produced; line A' adds to this the social gains; and line B shows the value of labour in alternative uses:



The curves cross-over between years 4 and 5. The economy is therefore better off with the pits open for 4—5 years, and worse off thereafter. Given this information, should the pits be closed?

24. This depends on (a) the time horizon used and (b) the social rate of time preference used. In the first instance we use a time horizon of 10 years and a discount rate of 5% per annum. Under these assumptions, the net present value of output (including social gains) under the two options over 10 years is:

		NPV of Output £m
CASE A	(Pits Open)	1455
CASE B	(Pits Closed)	1336

Since A is greater than B, ***the pits should not be closed immediately***.

25. Nor, however, should they be left open to exhaustion. Given the present state of knowledge, we can compute the area under curves A and B with 10-year horizons, as they will appear 1 year hence, 2 years hence, 3 years hence etc. The relevant figures are:

Year	NVP of Output £m A. Pits Open	B. Pits Closed
1	1455	1336
2	1424	1336
3	1394	1336
4	1365	1336
5	1336	1336
6	1309	1336

Since B exceeds A for the first time in year 5 *our present state of knowledge suggests that on average the pits should be closed in that year.* However, unexpected changes in coal prices, costs, technology, general employment conditions etc., could lead to this conclusion being changed as and when these calculations are actually repeated at years 1, 2, 3 etc.

26. As can be seen from the above table, the NPV of output under the two options (pits open and closed) is fairly similar, which means that the actual decision on when to close is highly sensitive to small changes in underlying assumptions, and to changes in the time horizon and the social rate of time preference used. The decision is particularly affected by changes in estimates of the following:

    (i) The shadow price of the coal produced.

    (ii) The resource costs incurred in producing it.

    (iii) The social value imputed to the capital stock in mining areas.

    (iv) The build-up of alternative employment.

27. As one example of the sensitivity involved, we re-computed the figures on the assumption that the annual rate of return on the social capital stock is 4% rather than 3%. On this assumption, the crucial date for closure is postponed from 5 years to 10 years into the future. However, if we instead make the (fairly extreme) assumption that the social gains are nil, the NPV of keeping pits open in year 1 is actually less than that of closing them. This would suggest *on average* that the pits should be closed now, though if we were actually able to apply the analysis on a pit-by-pit basis there would probably be many *individual* pits which should still be left open for a period.

28. Other examples could easily be computed showing the sensitivity of the closure decision to changes in assumptions. Some may feel that this sensitivity limits the applicability of the method discussed. However, we believe that the sensitivity is probably a consequence of using an average of many pits for our example: its proper application to individual pits would almost certainly produce much more clear-cut answers.[1]

[1] Another reason for sensitivity is that we have probably chosen a group of pits which are genuinely on the margin of the industry, even on real resource grounds. Any attempt to move inside this marginal group to consider the much larger number of pits which would need to be closed for financial break-even would undoubtedly meet with much more clear-cut answers. Large resource losses would be made if such a programme were implemented.

CONCLUSION

29. In this paper, we have considered two distinct alternatives: (a) leaving pits open on resource and social grounds, even if financial losses are incurred in the meantime; and (b) closing the pits at some future date and then allowing normal economic forces to re-deploy the displaced manpower over a further period of years. We have *not* considered a *third* alternative, which would be to close the pits, but actively to promote alternative employment by government action in the existing mining communities themselves. This would have different financial and resource consequences from both alternatives (a) and (b), and in some cases might be superior on all criteria to either (a) or (b). It would certainly avoid incurring the social costs which are inherent in the straightforward closure option. We have not considered this third possibility partly because of the extra complexities involved, but mainly because the direct promotion of employment in mining communities appears to have been ruled off the government's agenda for the present. ***If the government were willing to consider this option, it might represent an attractive third alternative to the choices presented in this paper.***

30. Until then, the above analysis stands. Although we would reiterate that the precise figures in our numerical example are subject to uncertainty, and although the analysis has not been applied to individual pits, the conclusions are nevertheless instructive. If the NCB wished to halve its financial losses by closing the highest-cost 12% of its capacity immediately, we calculate that real resource losses would be incurred by so doing. ***On average***, our figures suggest that the 50—60 pits[1] involved should be closed only after 5 years. This would suggest that ***some*** pits should be closed immediately, ***even allowing in full for social and real resource arguments***. Other pits in this group should probably be left open for 10 years or more, despite the financial losses. If the pits were closed evenly over 10 years, there might be some 5—6 closures a year, roughly the same as in the 1974—83 "Plan For Coal" period.[2] The NUM's 'exhaustion' criterion, would almost certainly result in a much slower rate of closure. On the other hand, if the NCB wished to move directly to financial break-even, the closure rate would be much faster.[3,4]

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[1] An approximate figure based on the pattern of pit losses in 1981/82.

[2] However, if this analysis were done on a pit-by-pit basis, the results would be most unlikely to provide an even rate of closure neatly spaced over 10 years.

[3] In order to move rapidly to break-even, many more pits than the number considered in our example would need to be closed. The resource arguments for keeping these pits open are much stronger than in the marginal cases we have analysed above.

[4] In considering various break-even/closure/production combinations, it is obviously relevant to consider the NCB's entire programme for investment in expanding capacity. A slow-down in this programme would increase the likelihood that coal produced by the high-cost pits could be sold on a free market, but the Board's operating costs would be increased for any given level of output. In theory, the real resource arguments on closure should take into account an infinite number of possible investment profiles for the Board. In our analysis, we have taken the investment programme as a given constant.

31. Pits should in our view be closed when real resource and social considerations warrant. These considerations usually point to closure somewhere between the date of losing financial viability, and the date of exhaustion. Although the "real resource" methodology in this paper is admittedly complicated, it could be used in practice to help the NCB/NUM answer the question: how long, in the interests of the community as a whole, should loss-making pits be left open?

APPENDIX

Financials costs and benefits to the Treasury from closing the worst 12% of capacity
(£ per miner, 1983/4 prices)

Year	Costs				Benefits i.e. subsidy savings from closure	Benefits assuming 25% rise over 10 year period
	RMPS lump sum	RMPS continuing payments	Unemployment benefit/lost tax revenue	Total		
	(1)	(2)	(3)	(4)	(5)	(6)
1	30,000	500	5,500	36,000	6,875	6,875
2	0	500	4,950	5,450	6,875	7,066
3	0	500	4,400	4,900	6,875	7,257
4	0	500	3,850	4,350	6,875	7,448
5	0	500	3,300	3,800	6,875	7,639
6	0	0	2,750	2,750	6,875	7,830
7	0	0	2,200	2,200	6,875	8,021
8	0	0	1,650	1,650	6,875	8,212
9	0	0	1,100	1,100	6,875	8,403
10	0	0	550	550	6,875	8,594

Sources: Department of Energy in HL 80 1983/84, House of Lords Select Committee on Unemployment HL 142 1982/83, MMC National Coal Board, Cmnd 8920, June 1983.

Method

Ask the question what discount rate causes the 10 year present value of the costs (row 4) to equal the 10 year present value of the benefits (row 5). For illustration:-

Discount Rate	2%	4%
Benefits (£)	61755	55762
Costs (£)	59721	57030

At a discount rate of 2% the present value of the benefits of closure is greater than that of costs. At 4% the reverse is true. We can conclude therefore that the internal rate of return to investing in closure, on the above figures, is 3%. Note: if we assume that the benefits of closure rise by 25% over the 10 year period (row 6) the rate of return is 5%.

Coal. DIUP 2419.

PRIME MINISTER

We have heard from the BBC that David Steel will be writing to put the points to you which he made at the Party Conference, which were;

That Parliament should be recalled

That there should be a Bill passed which would allow 10 per cent of NUM members to trigger a ballot.

We have not yet received this letter, and please do not be surprised if reports of it appear on the radio during the course of the day.

We will be in touch when we receive the letter.

ANDREW TURNBULL

22 September 1984

cf. miners mines meeting?

Tel: 96367288

Cinque Ports House
287 Dover Road
Walmer
Deal
Kent

Prime Minister

AT 27/9

The Prime Minister
The Right Honourable Margaret Thatcher M.P.

22nd Sept. 1984

Dear Prime Minister

It is with a deep sense of appreciation that I write to you to thank you for so kindly giving us so much of your valuable time and attention. The fact that you are able to listen to our story and thereby show your intense understanding of, and sympathy with, the problems arising from this blatantly political dispute, gives us all the strength and resolve to continue our determination to see this contest through to a successful conclusion.

I assure you of our devoted support and admiration for all you are doing and attempting to do for the well-being of this country.

Yours sincerely

Irene McGill.

SECRET AND PERSONAL

cc Mr Butler
Mr Gregson

2A

PRIME MINISTER

Copy 1 of 4 copies

COAL DISPUTE

At the meeting you are holding on Sunday evening it would be helpful to divide the issues into the immediate ones which need to be addressed for the coming week; those on a longer term scale concerning the way the dispute can be brought to an end; and finally, longer term issues on the structure of the industry. I attach a note listing points which it would be helpful to discuss.

Obviously the handling of the coming week must have priority. It may be better then to consider the various issues relating to the resolution of the dispute and to take up the longer term structure of the coal industry only if there is time when the other items on the Agenda have been considered. (Enclosed in the folder is the Policy Unit note on the future of the industry which you have already seen). It may help to keep the discussion in a logical order if Mr Walker and Mr MacGregor also had the Agenda note. Spare copies are enclosed.

One characteristic of earlier meetings with Mr MacGregor is that he rarely manages to express his views at any length. If you want to find out what ideas the Board has (if any) you will need to give him time to answer the points you put to him and to prevent Mr Walker from answering the questions for him.

AT

Andrew Turnbull

21 September 1984

SECRET AND PERSONAL

No 1 of 6 copies

SECRET AND PERSONAL

All copies destroyed except one for PQ.

COAL DISPUTE

A IMMEDIATE ISSUES

(i) Talks with the TUC on Monday

- How do NCB intend to present their case?
- Do TUC members connsider NUM demand on uneconomic pits is unreasonable?
- What have the TUC to say about methods by which the strike is being conducted?
- How to handle pressure to resume negotiations - see (ii) below?
- What to say to press afterwards?
- Picket Guidelines.

(ii) ACAS

- What contact has NCB had with ACAS?
- What role, if any, is seen for ACAS?
- How best to discourage hopes of an ACAS inspired settlement without appearing unreasonable to the public?

(iii) NACODS

- What contact has NCB had with union?
- What more can be done to head off adverse result?
- Assessment of vote and union executive's next move.
- Assessment of response from members. Would men in working areas stay in? Would safety cover be maintained?
- Assessment of ability to get by without them.

(iv) Interim Pay Rise

- Where have discussions got to?
- Implications for constitutional position of working miners if rise is accepted?
- At what level should it be pitched? How structured and described - eg as 'payment on account'?
- Impact on overtime ban.
- Any other carrots to reward workers and encourage return?

B FUTURE HANDLING OF STRIKE

(v) By which route will it end

- By crumbling of support? Is this taking place fast enough?
- Revolt of executive committee?
- Ballot?
- Negotiations?
- Legal action?

(vi) Redundancies

- How do NCB now assess pros and cons of making redundancy payments?
- What proposals it is considering?
- Should undertaking be given to working miners that their applications will have priority (as an incentive to return or to help escape from hostility after the strike)?

(vii) Closures

- Should closure of uneconomic pits be pursued unilaterally?
- Should damaged uneconomic pits be abandoned?

(viii) Withdrawal of offer

- Does it make any sense to withdraw the existing offer? How does this concept apply to forms of words?

(ix) Civil Law

- Under 1980 and 1982 Acts?
- Under 1984 Act?
- By NCB, BSC, BR?
- By injured companies?
- By working miners? - see below

(x) Working Miners Committee

- What are they doing to organise return to work?
- What legal action are they taking?
- How to respond to Prime Minister's wish to meet representatives of working miners? Which men? When and where?

(xi) Safeguarding Working Miners

- Should NCB offer to transfer to less hostile pits after the strike those who lead return?
- Should miners guilty of criminal offences against other miners be sacked?

(xii) Getting the message through

- What media?
- Are NCB Management doing enough in all areas?
- Should miners have a better indication of prospects for their own pit?

(xiii) Miners Communities

- Can NCB Enterprise Agency be given more prominence?
- Should its role and funding be expanded?
- Could reclamation of derelict land provide employment for ex-miners?

(xiv) Open cast sites

- Can output at existing sites be increased?
- Can movements from existing sites be increased?
- Are there sites with planning permission which can be brought into production? If so, in what time scale?

SECRET AND PERSONAL

C LONGER TERM STRUCTURE OF COAL INDUSTRY

- What work should be done while strike is still on to plan for a new structure?
- Regionalisation.
- Separate subsidies for new developments.
- Greater role for open cast.
- Separation of NCB's functions as an operator and a licensing authority.

VSCAAU

Coal file

Andrew Turnbull

You ought to be aware of the following points which arose when the Prime Minister saw Alfred Sherman on 20th September.

1. The ESRC: Alfred Sherman showed her the attached letter from Douglas Hague backing up Alfred Sherman's suggestion for a work-shop. The Prime Minister was extremely concerned about the list of subjects and said she might raise this with Sir Keith Joseph.

2. The Prime Minister asked if the police civilians in a police station were to break away from NALGO and form their own staff association that staff association would be recognised for negotiating rights.

3. The Prime Minister wanted a copy of the Act of Parliament which nationalised the coal mines. Done

4. The Prime Minister wondered whether some of the smaller police forces were suffering from staff shortages which inhibited them from framing charges following violence on the picket line, etc. Alerted Home Office AT 26/9

STEPHEN SHERBOURNE
21.9.84

FROM THE CHAIRMAN
PROFESSOR SIR DOUGLAS HAGUE CBE

ESRC

ECONOMIC AND SOCIAL RESEARCH COUNCIL
1 TEMPLE AVENUE LONDON EC4Y 0BD
TELEPHONE 01-353 5252

OUR REF

YOUR REF

DATE 9 August 1984

Sir Alfred Sherman
National Bus Company
172 Buckingham Palace Road
London SW1W 9TN

Dear Alfred

This is to confirm that we agreed at our meeting last week to organise a workshop on decision making for a high-level group of participants either with experience or an academic interest in the field.

You agreed that you would approach Professor Droar in Jerusalem with the idea that he might be willing to attend and to provide an overview paper. Following on from that, we talked of a series of case studies leading to provisional conclusions. Possible topics and authors were:

The CPRS: Arm of Government or Think-Tank	Lord Rothschild
Road v Rail	Alfred Sherman
The Management of Science	Douglas Hague
The Falklands War	?
The UK's decision not to use vouchers in education	?
British Leyland	John Hoskyns
The decision not to reform the British Civil Service	Peter Hennessy

Apart from Droar, you and me, we talked of possible participants as follows: John Gardiner, Laird Group; John Nott, Lazard's; John Harvey-Jones, ICI; Thomson, British Caledonian; Frank Field; Julian Le Grand, ESRC; John Hughes, Ruskin College; David Wolfson; Norman Strauss.

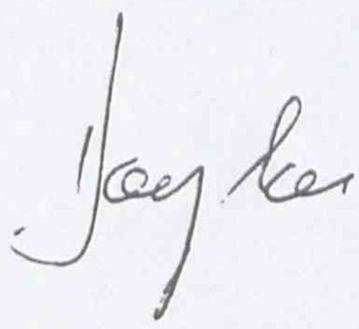
I said that I would discuss these ideas with Edmund Dell to see whether this might be one of our joint seminars with CIPFA. Should he agree I will then put the idea to the members of our public expenditure research group.

We were thinking of holding the workshop in June/July 1985, probably in London. We thought of having about 50 participants, some of whom would present or introduce papers and others who would take part in panel discussions. These might account for 20-25 of the 50, the remainder being observers on this occasion.

You said that you would be able to let me know roughly how much of your own time, and that of a research assistant, might be needed to produce this paper. If you could do so, we could look at the possibility of funding that work. At a later stage, you might wish to make a submission to the SERC/ESRC Joint Transport Committee on the more general issues of road, rail, electrification and so on.

I think this covers the points we raised but if not please put me right.

Yours sincerely



Prime Minister ②

2

Daily Coal Report - Friday 21 September 1984

		Number	plus on holiday
(i)	Working normally	42	3
(ii)	Turning some coal	8	1
(iii)	Some men present	18	-
(iv)	On strike/picketed out	100	2

Brookhouse (South Yorkshire) where 4 men are in, has moved from category (iv) to category (iii).

In Scotland attendance at Bilston Glen has risen to 174 - up 14 from last Friday.

In the North East the situation is much as yesterday.

39 men have reported in Yorkshire, including 7 contractor's men at Maltby, despite massive picketing (see below).

In North Derby 228 men have reported at Bolsover, 155 at Warsop and 150 at Shirebrook. Numbers at the other 5 North Derby pits are as yesterday.

There are good attendances in other working areas. The Coal Board have reported that in their western area yesterday there were record attendances at Wolstanton and Silverdale.

Coal Movements

175,000 tonnes were moved yesterday, including 132,000 to the CEGB.

46 coal trains ran.

Law and Order
(or 6,000 according to other reports)

Some 10,000 pickets massed at Maltby (Yorkshire). At the time of writing air guns had been fired and marbles and other missiles thrown. There had been several arrests. The Home Office report that police resources have been severely strained. 3 officers reported hurt.

Industrial Relations

The TUC's Finance and General Performances Committee is mounting a concerted campaign to raise money to "alleviate hardships in the coalfield". It has also agreed to make a separate appeal to unions to explore ways of providing "operational funds" for the NUM.

Although some major unions may be prepared to make loans it would be surprising indeed if ordinary trade unionists were prepared to make sizeable voluntary donations to a union which in many cases poses a threat to their own livelihood.

There is evidence to suggest that the power workers unions resent yesterdays attempt by the TGWU to black coal deliveries to power stations. It is still too early to measure the response to the TGWU's advice to its members.

Line to Take

As yesterday .... This needless strike is putting at risk the jobs and welfare of ordinary miners, and all who depend on the industry. It is time for a national ballot.

Any workers asked to take sympathy action - or to donate money - in support of Mr Scargill and his fellow militants should remember that the third of the miners who have been able to vote have voted overwhelmingly to continue working. All those who believe in democratic values should respect and support the democratic decisions of these working miners.

Distribution: Members of MISC 101, Mr Gregson (Cabinet Office)

Enquiries: Michael Reidy, PS/SOS for Energy, Tel: 211 6070

SECRET

File

PRIME MINISTER AT 21/9

21 September 1984

COAL DISPUTE

You asked on Thursday about the next steps to increase endurance and improve the chances of encouraging more miners back to work.

The best courses of action are:

Open-cast

1. Support Peter Walker in his battle with the lawyers over road transport instead of rail transport from open-cast sites.

2. Step up production under existing contracts.

3. Let new open-cast contracts on sites where planning permission has already been granted.

4. Press for early planning applications for other sites.

5. Explore with NCB changing the distribution arrangements of open-cast coal, bypassing NCB.

SECRET

SECRET

Enforcing the law

1. Continue to press for more stipendiaries.

2. Encourage more cases to be brought against riot, incitement, criminal damage etc.

3. Encourage NCB to extend its threat of dismissal to all those not only convicted of criminal damage against Coal Board property, but also those convicted of serious offences against persons on picket lines or on Coal Board premises.

4. Investigating further speeding up of trials.

Discussing with Ian MacGregor:

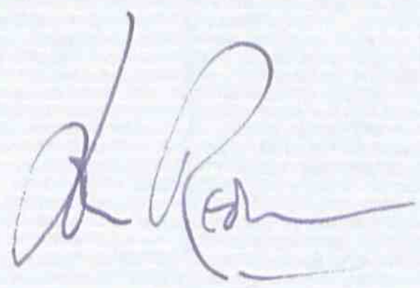
a. Ways of strengthening the management of the regions most likely to go back to work.

b. Discussing with him the tactics for organising a more voluminous return to work in the better areas, and for using senior Coal Board management where possible to allay miners' fears about intimidation.

c. Strengthening the Coal Board's press campaign, both to reassure potential working miners about intimidation, and to keep on reaffirming the Coal Board's case.

SECRET

d. Discussion about the handling of face and pit closures (eg Polkemmet) and the message of those closures to miners.



JOHN REDWOOD

File

10 DOWNING STREET

From the Private Secretary

Prime Minister

You asked to see the original Act nationalizing the coal industry. Most of the Act is taken up with mechanics of nationalization and compensation but of interest are

S. 1(a) which gives NCB exclusive right to mine coal

S 1(b) imposes duty to secure "efficient development of the coal mining industry"

S. 1(c) requires the Board to supply coal in manner "calculated to further the public interest in all respects"

S 4 (c) requires the Board to break even taking one year with another. (The effect of this, however, is nullified by payment of grant calculated to make up the deficit).

AT 21/9

PART 12 ends:-

CC(84) 31st minute 3

PART 13 begins:-

AT to RM 21/9/84